



April 19, 2018

Senator Martin Sandoval, Chairman  
Senate Transportation Committee  
111 Capitol Building  
Springfield, IL 62706

**Re: IL Senate Bill 2470 concerning vehicle certificates of title**

Dear Senator Sandoval:

I write on behalf of the National Title Solutions Forum (NTSF) of the American Financial Services Association (AFSA)<sup>1</sup> to register our serious concerns with Senate Bill 2470, which would make changes to the titling and lien release processes for vehicles in the state, and we urge you not to support this bill as introduced. Though the proposed legislation intends to simplify the process for consumers with fully satisfied liens to obtain corrected vehicle titles without the lienholder, NTSF believes the bill would further complicate the vehicle titling process in the state significantly.

*Lien expiration date*

As proposed, the bill would require that all liens expire automatically on December 31 of the year the lien is due to be satisfied at the time the certificate of title is issued. This flawed approach would treat all certificates of title differently depending on the date of satisfaction, with some liens potentially expiring up to 364 days after satisfaction and others automatically expiring in as few as one day following the lien satisfaction. We understand and appreciate the state's goal of preventing consumers from getting stuck with certificates of titles with fully satisfied liens that are never released due to companies going out of business, but we believe a more measured and consistent approach that treats all liens equally would be more appropriate and still accomplish the state's goal. Accordingly, we recommend that the expiration date in the bill be amended to ten years from the date the certificate of title is issued or five years following the date of lien satisfaction. Defining a timeframe for the validity of the lien (i.e. ten years beginning on the title issuance date) is the approach taken by all other jurisdictions that have implemented automatic lien expiration procedures.

*Correction application process*

Although the bill would provide an opportunity for lienholders to apply for a corrected certificate of title in the event the loan is extended or refinanced, we believe this section does not provide enough information on the application process to address lienholder concerns as to how these applications will be processed. We request additional clarity in the application process for any corrected certificates of title.

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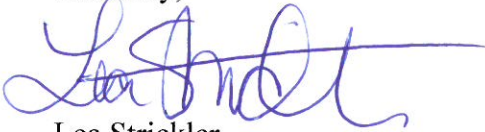
<sup>1</sup> The American Financial Services Association is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA member financial institutions offer vehicle financing, cards, personal installment loans and mortgage loans. The Association encourages and maintains ethical business practices and supports financial education for consumers of all ages.

*Delayed effective date*

The proposed changes would require significant updates to existing lienholder operating systems to be able to effectively monitor for the lien expiration date. If you do move forward with the proposed legislation, we request that the bill include a delayed effective date, at least one year after enactment, which will allow affected financial institutions adequate time to implement the required changes, including system enhancements and dealer communication.

Thank you in advance for your consideration. If you have any questions or would like to discuss this further, please do not hesitate to contact Matt Kownacki at AFSA at (202) 469-3181 or [mkownacki@afsamail.org](mailto:mkownacki@afsamail.org).

Sincerely,



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CC: Senator Cristina Castro