



April 22, 2026

The Honorable Patrick Connick
Chair
Senate Transportation, Highways & Public Works Committee
Louisiana State Senate
Baton Rouge, LA 70804

Re: Concerns Regarding Louisiana’s Mandatory Electronic Lien and Title Program Implementation

Dear Chair Connick and Members of the Committee:

On behalf of the National Title Solutions Forum (NTSF) of the American Financial Services Association (AFSA)¹, we appreciate the opportunity to provide comments on Louisiana House Bill 1086, which establishes a comprehensive framework for electronic lien, titling, and registration (ELT) and secure digital titles. NTSF and AFSA members strongly support the modernization of vehicle titling systems and the transition toward efficient electronic processes. Many of our members operate in multiple states and have extensive experience implementing ELT programs. We offer the following comments to help ensure that Louisiana’s framework is implemented in a manner that is operationally workable, scalable, and consistent with national and Louisiana practices.

System Implementation and Certification Standard

HB 1086 appropriately conditions implementation of mandatory electronic lien, titling, and registration requirements on certification by the Office of Motor Vehicles (OMV) that a fully operational statewide system is in place. To support consistent adoption across all stakeholders, we respectfully request additional clarity regarding the criteria that will be used to determine when the system is “fully operational.” It would be helpful to confirm that certification will account for system functionality, integration capabilities for lenders and service providers, and sufficient time for testing and operational readiness. Clear, transparent standards for certification will help ensure a smooth transition and reduce the risk of operational disruption.

¹ Founded in 1916, the American Financial Services Association (AFSA), based in Washington, D.C., is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, direct and indirect vehicle financing, mortgages, and payment cards. AFSA members include national banks and non-bank state licensed financial institutions. AFSA does not represent payday lenders, title lenders, or credit unions.

Mandatory Electronic Documentation Requirements

The bill requires that a broad range of motor vehicle transaction documents—including titling documents, powers of attorney, and odometer disclosures—be created, executed, and maintained electronically. While we support the use of electronic documentation, a fully mandatory framework may create challenges in certain circumstances, including transactions involving out-of-state jurisdictions or situations where paper documentation is still required for legal or operational purposes. We respectfully encourage consideration of flexibility within the framework, whether through rulemaking or implementation guidance, to accommodate such scenarios while maintaining the overall objective of modernization.

Access to Paper Titles for Business and Compliance Needs

HB 1086 provides that paper certificates of title are not issued until the final lien is satisfied, except when specifically requested by a dealer or financial institution for business requirements. We respectfully request confirmation that this exception permits financial institutions and lessors to request and obtain a paper title at any point during the loan or lease lifecycle, not solely after lien satisfaction, when necessary to facilitate legitimate business needs such as lease-end processing, insurance total loss, vehicle sale, legal enforcement against collateral, or out-of-state transfers. Clear confirmation of this flexibility is critical to ensure that lenders and lessors can continue to meet operational and compliance obligations without disruption.

Two-Day Lien Release Requirement

The bill requires lienholders to process electronic lien releases within two business days and maintain real-time accuracy of lien status information. While timely lien release is an important objective, this requirement may present operational challenges depending on system capabilities, transaction volumes, and coordination with service providers. We encourage alignment of this requirement with system functionality and operational processes to ensure that it can be consistently met across all market participants. A release within five business days would be more reasonable. Many finance companies in Louisiana that take vehicles as collateral are less equipped with the resources to meet the two-day requirement.



Public Tag Agent Requirement and System Structure

HB 1086 requires certain financial institutions and lenders to designate and interface with a public license tag agent and lowers the applicability threshold to entities originating more than twenty-five motor vehicle transactions annually. This structure may introduce additional operational steps and costs for lenders, particularly those that operate at scale across multiple jurisdictions. We respectfully encourage consideration of how this requirement will function in practice and whether additional flexibility may be appropriate to support efficient system integration.

Rulemaking and Ongoing Implementation Considerations

The bill grants the OMV authority to establish rules governing electronic signatures, authentication standards, and system operations. Given the breadth of this authority, we respectfully encourage ongoing engagement with stakeholders, including lenders, service providers, and dealers, as rules are developed and implemented. Such collaboration will help ensure that the system reflects operational realities and aligns with established practices in other states.

Conclusion

NTSF and AFSA members are committed to supporting Louisiana's transition to a modern, electronic titling system. HB 1086 represents a significant step toward that goal, and with thoughtful implementation and clarification in the areas outlined above, Louisiana has the opportunity to establish a framework that is efficient, scalable, and consistent with national standards. NTSF and AFSA members are committed to working with Louisiana and appreciate your attention to these pressing concerns. While our membership is eager to move toward fully electronic processing and supports modernization efforts, it is essential that states allow for flexibility during the transition to ensure continued compliance and operational consistency. We look forward to your response and stand ready to support a successful transition to digital lien and title management.



Thank you for considering our comments and questions. If you have any questions or would like to discuss this further, please do not hesitate to contact me at erayhan@afsamail.org or (805) 501-8873 at your convenience.

Sincerely,

A handwritten signature in black ink that reads 'Elora Rayhan'. The signature is written in a cursive style with a large, looping 'E' and 'R'.

Elora Rayhan
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