

810-5-75-24 Title Procedure - First & Second Lien(s) to be Recorded (Security Interest Created by Owner). Title Procedure - Assignment and Transfer of Lien by Lienholder. Reference: Sections 32-8-60 through 32-8-67, Code of Alabama 1975, as amended.

(1) Whenever a lien is to be recorded on a title, one of two (2) forms must be used depending on who is filing the lien.

(a) If the lienholder is a designated agent with the Department of Revenue, then form MVT 5-1E, Application for Certificate of Title, must be completed by the lienholder.

(b) If the lienholder is not a designated agent, then form MVT 20-1, Application for Certificate of Title to Record or Transfer a Lien, must be completed. The MVT 20-1 form, however, can only be used when the current certificate of title is an Alabama title and there is no change in ownership of the vehicle in conjunction with the recording of the new lien.

(c) Both documents, form MVT 5-1E and MVT 20-1, must be completed legibly. Once all pertinent information has been provided, the forms must be signed and dated by the designated agent and owner(s) for form MVT 5-1E, or the lienholder and owner(s) for form MVT 20-1.

(2) The lienholder or designated agent shall immediately cause the application, supporting documents, and fee, as provided for in Section 32-8-6, Code of Alabama 1975, to be delivered to the Department in a manner as prescribed by the Department.

(3) Title Procedure – Second Lien to be Recorded.

(a) Whenever a second lien is to be recorded on a title, the procedures set forth in order to record the first lien will apply. No more than two liens may be recorded on the certificate of title.

(b) Once the documents (Form MVT 5-1E or Form MVT 20-1) have been signed and dated, they will be delivered to the first lienholder listed on the applications in accordance with Section 32-8-61, Code of Alabama 1975.

(c) The first lienholder will immediately cause the application, supporting documents, and fee as provided for in Section 32-8-6, Code of Alabama 1975, to be delivered to the Department in a manner as prescribed by the Department.

(4) Title Procedure – Assignment and Transfer of First or Second Lien by Lienholder

(a) In the event the lienholder needs to transfer a lien to another lienholder, form MVT 20-1 must be completed regardless of whether the lienholder is a designated agent or not. An example of the use for this form is as follows:

1. Ex. The lienholder assigning the lien interest must list the new lien information on the form MVT 20-1. This procedure records the lien interest of the new lienholder and is required to record the lienholder on the Alabama certificate of title. The original lien date cannot be changed.

(b) This document can only be used for lien transfers on Alabama certificates of title. Additionally, there must not be a change of ownership in conjunction with the transfer of a lien by the assigning lienholder.

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Authority: Sections 40-2A-7(a)(5), 32-8-3(b)(2), and 32-8-61, Code of Alabama 1975

History: Amended: Filed March 25, 2010, effective April 29, 2010.

APPENDIX A – CHAPTER 810-5-75

Attachment 810-5-75-.24

Authority: Sections 40-2A-7(a)(5)32-8-3(b)(2) and 32-8-61, Code of Alabama 1975
History: Application MVT 20-1 Application for Certificate of Title to Record or
Transfer a Lien (Rev 7/09). Filed March 25, 2010, effective April 29, 2010.