

CREDIT UNIONS

Wyoming Credit Unions ADVANCING ELECTRONIC TITLING White Paper April 2023

Background

Over 336,000 consumers, representing 58% of the population, are members of Wyoming's credit unions.

Wyoming's 26 credit unions and the 70 branches located in the state provided over \$1.6 billion in auto loans in 2021.¹

Credit unions as ***“not for profit, financial cooperatives”*** are member-owned and member-directed. Credit unions reinvest earnings into member benefits often in the form of better rates and reduced fees in comparison to their for-profit counterparts.

Efficiencies experienced in a credit union return tangible benefits and real-world dollars to Wyoming member families and ultimately the state's economy.

Credit unions also conduct business in other states where electronic titling has been adopted with the following benefits.

- Secure online storage
- Easier lien management
- Faster and more-secure releases
- Reduced paper and mailing costs
- Reduction in risk of title fraud
- Simplified processes
- Increased efficiency
- Better customer service

¹ NCUA 4Q 5300 call report data.

Challenges credit unions have with current titling/lien process:

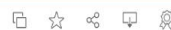
- Antiquated inefficient system involving extensive paperwork, time delays, and costs.
- Delays in issuance of vehicle titles, inconsistency across counties on when and how the copy of titles are issued to the lienholders.
- Electronic processing for some aspects, i.e. security agreements and not for others
- Credit union personnel time to process titles at county offices and additional expense in courier services to facilitate delivery and pickup.
- Current instances of fraud and potential for expanding fraud opportunities
- Wyoming is a non-title holding state. Some credit unions hold titles, some send to the member. Electronic titling would provide consistency for this process, which would also eliminate storage requirements for paper titles for those credit unions holding titles. Most credit unions have electronic records for all other documents.
- Requires mailing of documents from branches to main office to process titling.

Electronic Titling in Wyoming

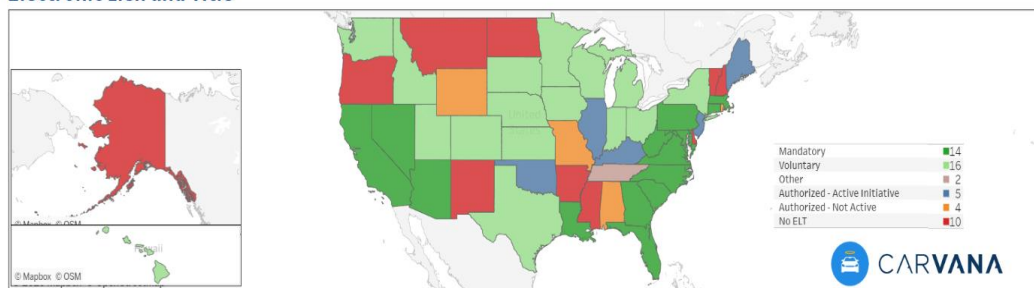
1. Current statute allows for electronic certificate of vehicle title.²
2. Current statute requires Wyoming county clerks to perfect the lien and provide the financial institution with a copy of the title within 3 business days.³
3. Wyoming has the statutory authority to move to electronic titling and is one of four states who are authorized, but are not actively implementing, Electronic Titling.

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Electronic Lien and Title Status by [Tony Hall](#)



Electronic Lien and Title



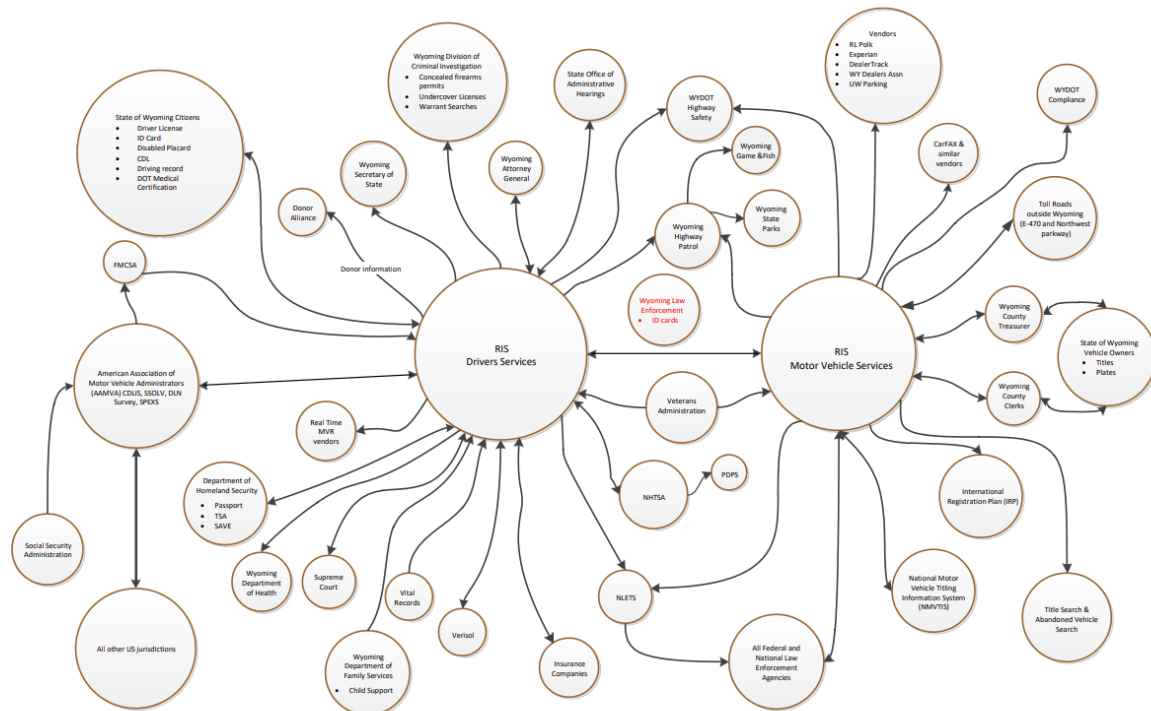
***More information [here](#).**

² **WY Statute 31-2-103 (d)**; “issue a paper certificate of title or electronic certificate of title”

³ **WY Statute 31-2-103 (d)**; “If a lien is filed with respect to the vehicle, the county clerk shall, within three (3) business days, deliver a copy of the filed lien and a copy of the issued title to the financial institution and if available, such delivery may be made electronically.”

Technology Status/Needs

In 2021, the Legislature passed HB0254, Transportation Computer System legislation, requiring the Department of Transportation (WYDOT) to develop and purchase a Transportation Information System (TIS) in consultation with the Department of Enterprise Technology Services (ETS).



Initial Implementation

Configuration and migration to the TIS system is composed of the driver services module, the business licensing module, and the vehicle services module being implemented and brought online by WYDOT. Initial implementation will begin with the driver services module, the foundation for customer management. While the system maintains a consolidated database, the majority of transactions occur at the county level, using their 23 independent systems. The TIS must consolidate transactions from all counties, to include appropriate financial and operational interfaces for each county as well as data migration from each of the 23 county databases. Specific dates are dependent on the RFP responses to build out the TIS system. Approximations for the completion of each module in the attached

timeline are determined from similar driver license and vehicle registration modernizations in other states.⁴

The projected completion deadline for the TIS system upgrade (implemented in three phases) is 2027.

There basically 2 options for Counties to use the new TIS system⁵:

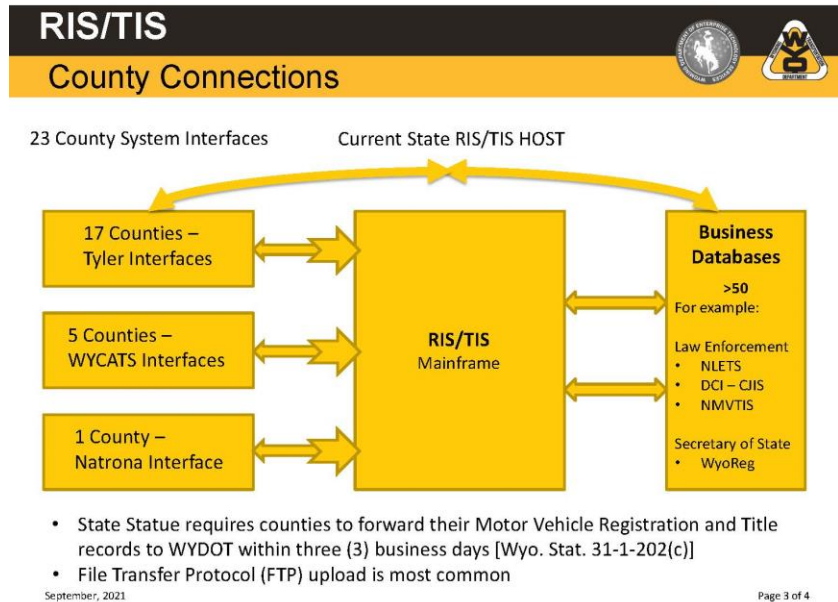
OPTION 1:

Use the new TIS system to process applications and issue titles, including E-Titles, and pay to have their programmers build an interface from the TIS system to their existing title programs for the financial aspects, as TIS will not have a mechanism for that. If the Counties choose this option, E-Title will have to wait until TIS is implemented, but

dealers and lenders would have a client account in TIS to login and submit applications and supplemental documents for titles. TIS could accommodate an e-odometer disclosure process as well, if this option is chosen.

OPTION 2:

Counties use their existing systems to process applications and issue titles and pay to have their programmers build an interface from their systems to the new TIS system to transfer title data to TIS. If the Counties choose this option, E-Title status would depend on their programmers (Tyler, WYCATS, Natrona County) building a process for E-Titles in their respective systems. Those three providers would have to allow dealers and lenders access to each system for them to be able to submit application and supplemental documentation for E-Titles with this option. They would also have to build a process in their systems for the dealer to disclose and the



⁴ <https://wyoleg.gov/InterimCommittee/2021/08-202108179-02TransportationInformationSystemTimelineReport.pdf>

⁵ As per email correspondence with WYDOT personnel

purchaser to acknowledge the e-odometer statement to be compliant with NHTSA.

Otherwise, odometer disclosure will have to continue to secure paper with wet signatures per Federal Rule. Once the title is issued, the data would be transferred to TIS, but the frequency of that (real time, daily, etc.) would depend on the interface built by the counties' programmers.

Option 2 would not have to wait for Phase III implementation of TIS as E-Title programming and could be built into the counties' existing systems now. The detailed information within their systems wouldn't completely transfer to the state system until completion of Phase III, but the information they house in their systems doesn't completely transfer to RIS now.

Building the right E-Titling program

The American Association of Motor Vehicle Administrators issued the [Electronic Titling Framework](#) in November 2021 with substantive guidance on building a comprehensive Electronic Titling program that addresses titling, liens, odometer reporting and a June 2022 Jurisdiction Considerations for [Electronic titling Whitepaper](#).

NEXT STEPS

1. Identify any additional statutory or regulatory changes that may be necessary to move Electronic Titling forward. (*Detailed in the Electronic titling Whitepaper; page 5*)
2. Coordinate and communicate with County Clerks' Association in terms of benefits of electronic titling, determine interface capabilities and use of TIS, and any affiliated cost for migrating to an electronic titling system.
3. Work in coordination with WYDOT and County Clerks to determine costs to facilitate electronic titling.
4. Work with Director of WYDOT to determine if support exists for an appropriation request through WYDOT budget to fund the programming necessary to facilitate electronic titling.
5. Reach out to Governor's office soliciting support of the appropriation, if needed.
6. Further develop an informal Wyoming stakeholder group to gain legislative support for the finalization of the e-titling system and process.
7. Once the specific needs are identified, initiate, and continue discussions with legislators to seek support.

**Based on existing statute:
Documents and applications**

- The original Manufacturer's Certificate of Origin properly signed by the dealership.
- A completed [Title Application and VIN Inspection Form](#)
- A Security Agreement/Loan Contract or UCC financing statement (if the vehicle is financed)
- An [odometer disclosure statement \(PDF\)](#) or the odometer disclosure portion of the MSO properly completed.
- The purchase invoice from the dealer and proof of insurance are required by the Treasurer's Office in order to transfer or issue license plates
- The Wyoming Sales/Use Tax form provided by the dealer
- Payments

Security Interests

- A financing statement or security agreement
- A properly tendered, completed application for certificate of title along with the valid title of record issued pursuant to W.S. 31-2-103
- Termination statement, releasing lien
- Transitional ownership document