

REPOSSESSIONS

Summary of Change

Policy was amended by moving a portion of Section J to become a new Section B. The note in Section C was amended by referencing Section E and by removing non-applicable verbiage. Section E was amended by adding the word “licensed”. Section H was amended by removing the word “business”. Section K was amended by adding the remainder of old Section J, regarding repossessions when a lien is not on file with the Division. Added a statute reference and corrected the Administrative Rule reference in the authority line.

Purpose

To provide guidelines for the transfer of a Certificate of Title to a vehicle or mobile home that has been repossessed because of a default in payments.

Policy

- A. The Division is authorized to transfer a title when a lienholder has repossessed a vehicle.
 - Repossession occurs when a lienholder takes possession of a vehicle after the owner of the vehicle defaults on the security agreement terms
- B. Repossession is limited to a vehicle in which a lien has been “properly filed with the Division.” However, under certain circumstances, when an innocent third party is not involved, the Division shall permit a lien to be filed at the same time the application and documents for repossession are submitted, see Section K.
- C. Arizona Administrative Code R17-5-407 identifies the documentation and steps that are required to repossess a vehicle and limits the repossession of vehicles to those on which a lien has been “properly filed with the Division.”
 - The vehicle must be physically located in Arizona

Note: A vehicle that is not currently titled in Arizona must first be titled in the state where the lien was originally filed or where the vehicle is currently titled, see Section E for exception.

- D. When the lienholder transfers ownership as a result of repossession, the purchaser is required to obtain a title in his or her own name prior to selling the vehicle/mobile home.
 - The lienholder must submit a completed Repossession Affidavit, form #48-0902
 - Sequential bills of sale are not accepted
- E. An Arizona licensed dealer that is transferring a repossessed vehicle or mobile home into the dealership’s name may use either the Arizona Repossession Affidavit or an out-of-state repossession form. The out-of-state repossession form must include the following information:
 - Vehicle Identification Number
 - Year

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- Make
- Registered owner(s) printed name(s)
- Repossession date
- Title state
- Lienholder company name
- Lienholder agent's printed name
- Lienholder signature
- Notarization

F. Authorized financial institutions and motor vehicle dealers (new and used) may electronically transfer an Arizona titled vehicle they have repossessed into their name through the EZ Repossession title service available through their ServiceArizona suite of services (financial institution services or dealer services) when they are the first lienholder of the vehicle.

Note: A repossession title may not be requested through this service when the vehicle is a mobile home, the lienholder is unverified on the vehicle record or the lien was filed electronically (ELT).

G. The title of record is not required.

H. Pursuant to A.R.S. § 28-2060, the customer must apply for a title within 30 days after acquiring the vehicle/mobile home or the customer shall pay an additional title penalty fee.

- When the lienholder is applying for a title only in the name of the lienholder, the title penalty is waived

Foreclosure of Mobile Homes by Means of a Trustee's Sale Under a Deed of Trust

I. The "Trustee's Deed" process may be used instead of the repossession procedure when the collateral of the lien includes a mobile home sold as part of a realty package and filed under a Deed of Trust/Security Agreement.

J. To foreclose, the appointed trustee may sell the mobile home. The Trustee's Deed is required and must include the:

- Name of the debtor (original purchaser)
- Description of the mobile home to include the vehicle identification number, make and model year
- Name of the purchaser
- Notarized signature of the trustee
- Tax clearance, when applicable

Repossession When a Lien is Not on File with the Division

K. The following are circumstances under which the Division will permit a lien to be filed at the same time the application and documents for a repossession title are submitted.

- A lienholder who has a security interest in a vehicle and intended to file a lien with the Division but failed to do so, can repossess the vehicle

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- When there is no title of record, a physical inspection is required. Please see Title and Registration Policy [13.1.2 Vehicle Verification Inspection](#)
- These requests must be referred to a supervisor for approval

Note: When an innocent third party has possession of a vehicle on which the lien was never filed, the lienholder must pursue a judicial remedy.

16 September 2014
Date

Division Director


STACEY K. STANTON
Division Director

Authority: [Administrative Revision September 2014](#), A.R.S. §§ 28-2052, 28-2053, 28-2058, 28-2060, [28-2132](#) and Arizona Administrative Code [R17-5-407](#)

Procedure(s):

Data Entry Steps: [Repossession](#)