

761—400.12(321) Bond required before title issued.

400.12(1) Procedures. An applicant for a certificate of title who cannot provide the supporting documents required in rule 761—400.4(321) is required to comply with the procedure under Iowa Code section 321.24(11), in addition to this rule.

a. The applicant shall submit a bond application and supporting material to the motor vehicle division on a form prescribed by the department.

b. The department will search the department's vehicle title and registration system to determine if there is an owner of record or security interest for the vehicle and if the vehicle has been reported stolen or embezzled.

(1) If an owner of record is found, the department will mail a release letter by first-class mail to the owner of record at the owner's last-known address notifying the owner of the right to claim ownership of the vehicle or to waive all rights or claims.

(2) If the owner of record makes a claim, the motor vehicle division will review the claim.

(3) If the department receives no response from the owner of record within ten days after the date of mailing, the owner of record waives all rights or claims; or if the letter is returned as undeliverable, the department will continue processing the bond application.

(4) If one or more security interests are found and can be identified, the department will send a certified letter and application for cancellation of security interest to a lienholder at the last-known address of that lienholder. If a lienholder releases the lien, the department will continue to process the application. If a lienholder responds with a request to claim the vehicle, the department will review the claim. If the certified letter is returned as undeliverable, the department will continue to process the application.

(5) If one or more security interests is found but a lienholder cannot be identified because the record is held by another jurisdiction, the department will return the application to the applicant and inform the applicant which jurisdiction holds the record(s) to the vehicle.

c. If the department determines that there is sufficient evidence to indicate that the applicant is the rightful owner, and that there is no known unsatisfied security interest, the department is authorized to determine the current value of the vehicle and notify the applicant to deposit cash or file a surety bond with the department in an amount equal to one and one-half times the current value of the vehicle.

d. A motor vehicle investigator of the department may verify information in the application, examine the vehicle, and authorize the county treasurer to issue a title for and register the vehicle. An investigator may require the applicant to drive the vehicle to and from the examination location upon completing Form 420054, Affidavit to Operate a Vehicle for Inspection. Should the vehicle not meet the equipment requirements of Iowa Code chapter 321, the investigator may authorize the county treasurer to issue a title and registration but instruct the county treasurer to immediately suspend the registration until such time as the vehicle meets these equipment requirements. If applicable, the investigator will also affix an assigned vehicle identification number to the vehicle.

400.12(2) Denial. If the department determines that the applicant has not complied with this rule, that there is sufficient evidence to indicate that the applicant may not be the rightful owner, or that there is an unsatisfied security interest, then the department will not authorize issuance of a certificate of title or registration receipt and will notify the applicant in writing of the reason(s).

400.12(3) Junked vehicle. A certificate of title will not be reinstated for a vehicle that has been issued a junking certificate unless the junking certificate was issued in error, as explained in rule 761—400.23(321), or the vehicle qualifies as an antique vehicle under Iowa Code section 321.115(1).

This rule is intended to implement Iowa Code sections 321.24 and 321.52.

[ARC 9266C, IAB 5/14/25, effective 6/18/25]