

**761—400.13(321) Bond required before title issued.** An applicant for a certificate of title who cannot provide the supporting documents required in rule 761—400.4(321) shall be required to file a bond as a condition to obtaining a title and registration plates.

**400.13(1) Procedures.** This subrule describes the procedures to be followed to obtain a “bonded” certificate of title. The procedures described are in addition to the regular procedures for titling and registering a vehicle.

*a.* The applicant shall submit a bond application to the motor vehicle division on a form prescribed by the department. The application shall be accompanied by evidence of ownership of the vehicle.

*b.* The department shall search the state files 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 shall mail a release letter by first-class mail to the owner of record at the owner’s last-known address. The release letter shall notify 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, a motor vehicle investigator shall 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 shall continue processing the bond application.

(4) If one or more security interests are found and can be identified, the department shall send a certified letter and application for cancellation of security interest to a lienholder to the last-known address of that lienholder. If a lienholder releases the lien, the department shall 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 shall 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 shall 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 the applicant has complied with this rule, 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 shall 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.* After the cash deposit or surety bond has been deposited, a motor vehicle investigator of the department may examine the vehicle to verify the information submitted on the application is correct. The owner of the vehicle may drive or tow the vehicle to and from the examination location after completing an affidavit to drive on a form provided by the department. The form shall state that the vehicle is reasonably safe for operation, and the form must be signed by the owner. After verifying the information, the investigator shall authorize the county treasurer to issue a title for and register the vehicle. Should the vehicle not meet the equipment requirements of Iowa Code chapter 321, the investigator shall 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 shall also affix an assigned vehicle identification number to the vehicle.

*e.* The applicant shall then make application for a certificate of title and registration.

**400.13(2) Disapproval.** 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 shall not authorize issuance of a certificate of title or registration receipt and shall notify the applicant in writing of the reason(s).

**400.13(3) Junked vehicle.** A certificate of title shall 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 subsection 321.115(1).

This rule is intended to implement Iowa Code sections 321.24 and 321.52.  
[**ARC 9048B**, IAB 9/8/10, effective 10/13/10; **ARC 0136C**, IAB 5/30/12, effective 7/4/12; **ARC 3999C**, IAB 9/12/18, effective 10/17/18; **ARC 4960C**, IAB 3/11/20, effective 4/15/20; **ARC 6287C**, IAB 4/6/22, effective 5/11/22]