ALABAMA DEPARTMENT OF REVENUE
ADMINISTRATIVE CODE

CHAPTER 810-5-75
TITLE PROCEDURE

810-5-75-.21 Lien Or Security Interest Releases And Continuous Perfection Of Lien Or Security Interests.

(1) Release of Lien or Security Interest. A lienholder recorded on a certificate of title may release the lien or security interest utilizing one of the following procedures:

(a) Completing the area prescribed on the certificate of title to release the lien.

(b) Completing form MVT 5-63 when the certificate of title is unavailable due to being lost, stolen, illegible or mutilated. The MVT 5-63 can then be used to support an application for replacement certificate of title.

(c) Providing a lien release on the lienholder's letterhead. This lien release must accompany the certificate of title or application for replacement certificate of title and must contain the following information:

1. The lien release must identify the vehicle or manufactured home by complete vehicle identification number (VIN) or manufactured home identification number.

2. The lien release must provide the name of the owner(s) with whom the lienholder held a security agreement.

3. The lien release must state clearly that the lien has been released and show the date of release, and

4. The lien release must be signed by an authorized representative of the recorded lienholder.

(d) In the event that a lienholder recorded on a certificate of title is no longer in business and a replacement certificate of title is required, the following alternative method for evidencing the release of a lien or security interest may be used for a motor vehicle, other than a travel trailer, manufactured home, or vehicle that weighs more than 12,000 pounds gross weight:

1. Affidavit from the owner referencing the VIN and attesting to the fact that the lien or security interest is sat isfied and that the lienholder is no longer in business.

2. Unopened envelope, accompanied by certified mail return receipt request, sent to lienholder's last known address, containing a letter requesting a release of lien or security interest.

3. Evidence of satisfaction of the lien or security interest.

(2) Events when the Release of Lien or Security Interest is not Required.

(a) §32-8-64.1, Code of Ala. 1975, provides that any lien or security interest must be considered satisfied and a release is not required after 12 years from the date of the security agreement as recorded on the certificate of title for a motor vehicle other than a travel trailer, manufactured home, or vehicle that weighs more than 12,000 pounds gross vehicle weight.

(b) §32-8-64.2, Code of Ala. 1975, provides that any lien or security interest must be considered satisfied and a lien release is not required after 4 years from the date of the security agreement as recorded on the certificate of title for a vehicle that is 12 or more model years old, other than a travel trailer, manufactured home, or vehicle that weighs more than 12,000 pounds gross vehicle weight.

(3) Surety Bond Required. If the lien or security interest release cannot be provided for a travel trailer, manufactured home, or vehicle that weighs more than 12,000 pounds gross vehicle weight, a surety bond must be posted in accordance with §32-8-36, Code of Ala.1975, to obtain a certificate of title.

(4) Application for Second Title for Security Interest or Lien.

(a) §32-8-64.2, Code of Ala. 1975, provides for the automatic release of certain security interests and liens unless a second application to record the existence of a continuous security interest or lien is filed prior to the automatic release provision of the security interest or lien.

(a) In order to provide for the continuous perfection of a security interest or lien that would otherwise be satisfied pursuant to Section 32-8-64.2, Code of Ala. 1975, an application for a second title on which the security interest or lien is listed must be submitted to a designated agent prior to the date the security interest or lien is automatically released. The application must be accompanied by the Alabama certificate of title and a notice of continuous lien perfection (form MVT 5-64) to extend the security interest or lien beyond the time period as provided in §32-8-64.2. The lien date on the notice of continuous lien perfection and the application must be the date the notice of

continuous lien perfection was executed. Otherwise, the security interest or lien must be perfected as provided for by §32-8-61, Code of Ala. 1975.

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Statutory Authority: Code of Ala. 1975, §32-8-3(b)(2), 32-8-36, 32-8-61, 32-8-64, 32-8-64.1, 32-8-64.2, 32-20-3(b)(2), 32-20-44, 40-2A-7(a)(5).
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