



Louisiana Department of Public Safety
Office of Motor Vehicles
Policy 34.00 Sales of Repossessions

Section: 4. Motor Vehicle Registration Requirements

Effective Date: 05/01/1986

Revised Date: 04/08/2005

Authority:

[R.S. 32:706 E\(3\)](#)

Administrative Regulation

To view Louisiana Statutes: <http://www.legis.state.la.us/>

General:

- The provisions of this Section (requirement that a marketable title be obtained upon ownership) shall not apply to licensed new or used motor vehicle dealers or supervised financial organizations or licensed lenders when they acquire or dispose of such vehicles in connection with enforcement of any security interest held therein.

Procedures:

- Any lienholder who has recorded his lien on a Louisiana title and who acquires the vehicle by repossession shall NOT be required to file an application for title, even though they do not hold a dealer's permit. Banks and other lending institutions may sell repossessions without obtaining a dealer's permit. The lienholder would merely deliver the mortgagor's Louisiana title, bearing notation of his mortgage, an affidavit of repossession, and a notarized bill of sale to the purchaser.
- Even though a lienholder is not required to file an application in his name on any vehicle he repossessed, there are some extenuating situations in which he *may request a title*:
 - The vehicle was sold to an out-of-state dealer or resident and that particular state requires that the Louisiana title be reissued in the seller's name.
 - The lienholder has lost or never received the mortgagor's Louisiana title and is unable to obtain the mortgagor's signature for application for a duplicate title.
- If the lienholder does request a title in his name for the reasons cited herein, he must submit a notarized statement which contains:
 - Full description of the vehicle
 - Statement of fact that the vehicle is not being retained for personal or company use, nor for rental purposes
 - Statement of fact as to the reason that the lienholder requires a title in his name
- The notarized affidavit is necessary in order to document the fact that the lienholder has repossessed the vehicle for resale purposes only. Otherwise, the lienholder would be required under the law to apply for a title and pay use tax.
- Issuance of a Louisiana title to a lienholder on repossessions is valid only when dealing with a Louisiana titled vehicle. Vehicles titled in other states must obtain a title in the mortgagor's state of origin.

- A vehicle which has been repossessed can be sold with the documents listed below:
 - Certificate of title in mortgagor's name, showing a lien in favor of the institution selling the vehicle OR
 Manufacturer's certificate of origin and a copy of the floor plan mortgage.
 - **Note:** *If the title is unavailable, we will require a notarized affidavit from the lienholder as to the disposition of the title.*
 - Copy of the voluntary surrender form signed by the debtor (mortgagor).
 - If there is no document showing a peaceful surrender, a notarized affidavit from the lienholder may be accepted if it indicates that the motor vehicle was peacefully surrendered or abandoned.
 - **Note:** *Out of state repossessions will continue to be accepted when the appropriate repossession documents and out of state title are submitted. If in doubt about the documents surrendered, you may call the jurisdiction or check your Polk State Guide.*
- If lienholder is applying for a title in lienholder's name, then a notarized affidavit must be submitted which contains:
 - Full description of the vehicle
 - Statement of fact that the vehicle is not being retained for personal or company use, nor for rental purposes
 - Statement of fact as to the reason that the lienholder requires a title in his name. If lienholder decides to use the vehicle, then they must apply for a title and pay all applicable fees and taxes.
 - Notarized bill of sale from lienholder to purchaser.
 - **Note:** Tax will be due by the lienholder(s) when new vehicles are sold by them with a certificate of origin since they are not franchised dealers.