

Illinois' Title System



JESSE WHITE • Secretary of State



Detering vehicle theft and fraud with secure titles

Dear Friends:

Illinois produces one of the most secure vehicle titles in the nation. The Illinois Certificate of Title has several security features, including a watermark and a security thread, which provide quick detection of counterfeit certificates.

Our state's computerized title system also deters vehicle theft. Before titles are issued, computer checks are used to cross reference the files of the FBI and Illinois State Police. My office works closely with these and other law enforcement agencies to detect attempts at securing fraudulent vehicle titles.

As Secretary of State, I am proud of Illinois' efforts in reducing vehicle theft and fraud through its secure titles system. I assure you my continued commitment to providing high quality service to Illinois motorists.

Sincerely,

A handwritten signature in black ink that reads "Jesse White". The signature is written in a cursive, flowing style.

Jesse White
Secretary of State

SECRETARY WHITE'S COMPUTER TITLE SYSTEM PROVES EFFECTIVE IN FIGHTING TITLE FRAUD

- ❖ Features a computer master file for retrieval of vehicle and owner information, etc. More than 20 million vehicle records are consolidated in the new file.
- ❖ Includes more than 5,000 makes of vehicles.
- ❖ Has 40 different error conditions that stop the issuance of a certificate of title (*e.g., incorrect Vehicle Identification Number (VIN), make in error, or "hit" on stolen vehicle file*).
- ❖ Has detected thousands of "hits" on the stolen vehicle file since Jan. 1, 1982.
- ❖ Detects numerous fraudulent title transactions that previously would have gone undetected. (*Example: An owner of a vehicle obtains a duplicate title, after reporting the original title was lost, then takes the original and duplicate titles to two different financial institutions and borrows twice.*)
- ❖ Detects vehicles that previously were junked in Illinois and have been "washed" (*registered and/or titled*) by other states and returned to Illinois. Once a vehicle has been issued an Illinois Junking Certificate, it can never be eligible for title and registration in Illinois again. This prevents a car thief from taking a VIN from a vehicle junked in Illinois and using it on a stolen vehicle in Illinois.
- ❖ Detects Illinois titles labeled "REBUILT" (*salvage vehicle*) and washed by other states. The system automatically restores the "REBUILT" when the certificate from another state is surrendered and a new Illinois title is issued. The "REBUILT" on the title lets the consumer know that the vehicle at one time was salvaged.
- ❖ Stops questionable title transactions before their issuance by placing a tag on the computer master file, which prevents issuance of the certificate. (*Example: temporary restraining order that enjoins Secretary of State's office until civil or criminal proceedings are completed.*)
- ❖ Tags on the master file those Illinois titles returned by other states. By updating the computer master file with this information, the Illinois Secretary of State's office can prevent the issuance of duplicate Illinois titles on vehicles that are titled in other states.
- ❖ Utilizes the latest security technology available in the production of its title documents.

HOW CERTIFICATES ARE MADE SECURE

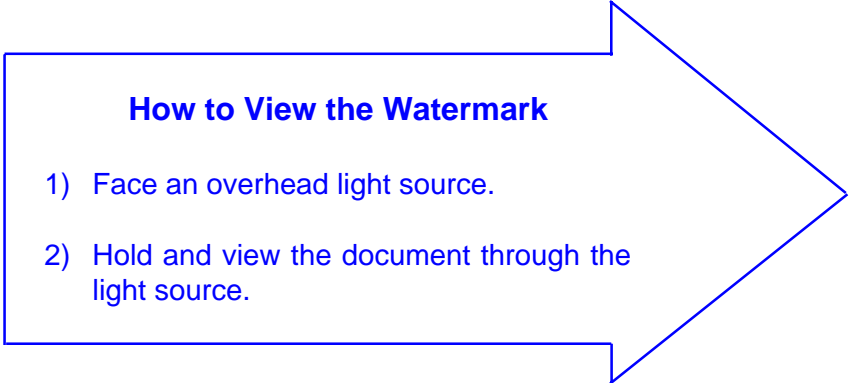
Security Printing

When viewing a secure Illinois Certificate of Title, Salvage Certificate or Junking Certificate, 10 security features have been incorporated into the title paper. The first of many tests of authenticity is a three-dimensional watermark of an American eagle. A microprinted, blue-white plastic security thread is incorporated into the paper and is in the same location on all title certificates. Colored and fluorescent fibers have also been incorporated into the paper. Blue colored synthetic fibers about 3mm in length are visible to the unaided eye on both sides of the sheet; however, yellow-green fluorescent fibers of the same length are only visible when examined under ultraviolet light. The title paper is printed with fluorescent, erasure-sensitive prismatic tints used to render evident attempts to alter either by mechanical or chemical means, while the border itself has been printed from artwork made to produce high resolution fine line printing, which hinders copying or reproduction. In addition, the State of Illinois seal and a design of Lincoln's head have been embossed on each title certificate, and three large VOIDS appear on both sides of the sheet when photocopied on a color copier.

The Watermark

The three-dimensional nature of a watermark molded into the paper at time of manufacture creates images that aid verification of genuine Illinois Certificates of Title and deter counterfeiting. The Certificate of Title on the opposite page has two arrows to indicate the location of the watermark: American eagle on the left side of the certificate only.

How to View the Watermark

- 1) Face an overhead light source.
 - 2) Hold and view the document through the light source.
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“REBUILT” Salvage Vehicle Identifier

The notation “REBUILT”, which is printed in the legend area on the front of the title, is used to indicate those vehicles which were converted from vehicles that have been salvaged at one time. The printing of the letters “REBUILT” on Illinois Certificates of Title is pursuant to PA83-306, effective Jan. 1, 1984. PA84-1304, effective Jan. 1, 1987, requires that all rebuilt vehicles eight model years of age or newer be physically inspected and that a fee of \$75 be assessed for such inspection.

CERTIFICATE OF TITLE

Watermark



The back text is printed in black ink over fluorescent, erasure-sensitive prismatic tints, with a special safety block for the odometer reading. These tints will show attempts at chemical and mechanical alterations. The "void" pop feature easily identifies color photo copies of either the front or back of Illinois title documents.

Rebuilt



Watermark



Sequential Numbering



Security Thread

- ❖ By law, an odometer certification statement is required for each completed assignment and reassignment of title, designated on the back of every new Illinois Certificate of Title. (See back of *Certificate of Title and Salvage Certificate*.)

SALVAGE CERTIFICATE

Illinois Compiled Statutes,
Ch. 625 — Motor Vehicles

Sec. 5/3-117.1. When junking certificates or salvage certificates must be obtained. (b) An application for a salvage certificate shall be submitted to the Secretary of State in any of the following situations:

(1) When an insurance company makes a payment of damages on a total loss claim for a vehicle, the insurance company shall be deemed to be the owner of such vehicle and the vehicle shall be considered to be salvage except that ownership of a vehicle 9 model years of age or older may, by agreement between the registered owner and the insurance company be retained by the registered owner of such vehicle. The insurance company shall promptly deliver or mail within 20 days the certificate of title along with proper application and fee to the Secretary of State, and a salvage certificate shall be issued in the name of the insurance company. An insurer making payment of damages on a total loss claim for the theft of a vehicle may exchange the salvage certificate for a certificate of title if the vehicle is recovered without damage. In such a situation, the insurer shall fill out and sign a form prescribed by the Secretary of State which contains an affirmation under penalty of perjury that the vehicle was recovered without damage and the Secretary of State may, by rule or regulation, require photographs to be submitted.

(2) When a vehicle the ownership of which has been transferred to any person through a certificate of purchase from acquisition of the vehicle at an auction, other dispositions as set forth in Sections 4-208 and 4-209 of this Code, a lien arising under Section 18a-501 of this Code, or a public sale under the Abandoned Mobile Home Act² shall be deemed salvage or junk at the option of the purchaser. The person acquiring such vehicle in such manner shall promptly deliver or mail, within 20 days after the acquisition of the vehicle, the certificate of purchase, the proper application and fee, and, if the vehicle is an abandoned mobile home under the Abandoned Mobile Home Act, a certification from a local law enforcement agency that the vehicle was purchased or acquired at a public sale under the Abandoned Mobile Home Act to the Secretary of State and a salvage certificate or junking certificate shall be issued in the name of that person. The salvage certificate or junking certificate issued by the Secretary of State under this Section shall be free of any lien that existed against the vehicle prior to the time the vehicle was acquired by the applicant under this Code.

(3) A vehicle which has been repossessed by a lienholder shall be considered to be salvage only when the repossessed vehicle, on the date of repossession by the lienholder, has sustained damage by collision, fire, theft, rust, corrosion, or other means so that the cost of repairing such damage, including labor, would be greater than 33 1/3% of its fair market value without such damage. If the lienholder determines that such vehicle is damaged in excess of 33 1/3% of such fair market value, the lienholder shall, before sale, transfer or assignment of the vehicle, make application for a salvage certificate, and shall submit with such application the proper fee and evidence of possession. If the facts required to be shown in subsection (f) of Section 3-114 are satisfied, the Secretary of State shall issue a salvage certificate in the name of the lienholder making the application. In any case wherein the vehicle repossessed is not damaged in excess of 33 1/3% of its fair market value, the lienholder, after the original 21 day notice to the debtor has been fulfilled, shall within 15 days make an application to the Secretary of State for a certificate of title, submitting with such application evidence of possession. The application shall contain an affirmation under penalty of perjury that the vehicle on the date of such application for certificate of title is not damaged in excess of 33 1/3% of its fair market value. If the facts required to be shown in subsection (f) of Section 3-114 are satisfied, the Secretary of State shall issue a certificate of title as set forth in Section 3-116 of this Code. The Secretary of State may by rule or regulation require photographs to be submitted.

(4) A vehicle which is a part of a fleet of more than 5 commercial vehicles registered in this State or any other state or registered proportionately among several states shall be considered to be salvage when such vehicle has sustained damage by collision, fire, theft, rust, corrosion or similar means so that the cost of repairing such damage, including labor, would be greater than 33 1/3% of the fair market value of the vehicle without such damage. If the owner of a fleet vehicle desires to sell, transfer, or assign his interest in such vehicle to a person within this State other than an insurance company licensed to do business within this State, and the owner determines that such vehicle, at the time of the proposed sale, transfer or assignment is damaged in excess of 33 1/3% of its fair market value, the owner shall, before such sale, transfer or assignment, make application for a salvage certificate. The application shall contain with it evidence of possession of the vehicle. If the fleet vehicle at the time of its sale, transfer, or assignment is not damaged in excess of 33 1/3% of its fair market value, the owner shall so state in a written affirmation on a form prescribed by the Secretary of State by rule or regulation. The Secretary of State may by rule or regulation require photographs to be submitted. Upon sale, transfer or assignment of the fleet vehicle the owner shall mail the affirmation to the Secretary of State.

(5) A vehicle that has been submerged in water to the point that rising water has reached over the door sill and has entered the passenger or trunk compartment is a "flood vehicle". A flood vehicle shall be considered to be salvage only if the vehicle has sustained damage so that the cost of repairing the damage, including labor, would be greater than 33 1/3% of the fair market value of the vehicle without that damage. The salvage certificate issued under this Section shall indicate the word "flood", and the word "flood" shall be conspicuously entered on subsequent titles for the vehicle. A person who possesses or acquires a flood vehicle that is not damaged in excess of 33 1/3% of its fair market value shall make application for title in accordance with Section 3-116 of this Code, designating the vehicle as "flood" in a manner prescribed by the Secretary of State. The certificate of title issued shall indicate the word "flood", and the word "flood" shall be conspicuously entered on subsequent titles for the vehicle.

(c) Any person who without authority acquires, sells, exchanges, gives away, transfers or destroys, or offers to acquire, sell, exchange, give away, transfer or destroy the certificate of title to any vehicle which is a junk or salvage vehicle shall be guilty of a Class 3 felony.

(d) Any person who knowingly fails to surrender to the Secretary of State a certificate of title, salvage certificate, certificate of purchase or a similarly acceptable out-of-state document of ownership as required under the provisions of this Section is guilty of a Class A misdemeanor for a first offense and a Class 4 felony for a subsequent offense; except that a person licensed under this Code who violates paragraph (5) of subsection (b) of this Section is guilty of a business offense and shall be fined not less than \$1,000 nor more than \$5,000 for a first offense and is guilty of a Class 4 felony for a second or subsequent violation.

(e) Any vehicle which is salvage or junk may not be driven or operated on roads and highways within this State. A violation of this subsection is a Class A misdemeanor. A salvage vehicle displaying valid special plates issued under Section 3-601(b) of this Code, which is being driven to or from an inspection conducted under Section 3-308 of this Code, is exempt from the provisions of this subsection. A salvage vehicle for which a short term permit has been issued under Section 3-307 of this Code is exempt from the provisions of this subsection for the duration of the permit.



❖ Normally, this document indicates the vehicle had extensive body damage. Once an Illinois Salvage Certificate has been issued, only a licensed rebuilder can repair the vehicle.

JUNKING CERTIFICATE

Illinois Compiled Statutes, Ch. 625 — Motor Vehicles

Sec. 5/3-117.1. When junking certificates or salvage certificates must be obtained. (a) Except as provided in Chapter 4 of this Code, a person who possesses a junk vehicle shall within 15 days cause the certificate of title, salvage certificate, certificate of purchase, or a similarly acceptable out of state document of ownership to be surrendered to the Secretary of State along with an application for a junking certificate, except as provided in Section 3-117.2, whereupon the Secretary of State shall issue to such a person a junking certificate, which shall authorize the holder thereof to possess, transport, or, by an endorsement, transfer ownership in such junked vehicle, and a certificate of title shall not again be issued for such vehicle.

A licensee who possesses a junk vehicle and a Certificate of Title, Salvage Certificate, Certificate of Purchase, or a similarly acceptable out-of-state document of ownership for such junk vehicle, may transport the junk vehicle to another licensee prior to applying for or obtaining a junking certificate, by executing a uniform invoice. The licensee transferor shall furnish a copy of the uniform invoice to the licensee transferee at the time of transfer. In any case, the licensee transferor shall apply for a junking certificate in conformance with Section 3-117.1 of this Chapter. The following information shall be contained on a uniform invoice:

- (1) The business name, address and dealer license number of the person disposing of the vehicle, junk vehicle or vehicle cowl;
- (2) The name and address of the person acquiring the vehicle, junk vehicle or vehicle cowl, and if that person is a dealer, the Illinois or out-of-state dealer license number of that dealer;
- (3) The date of the disposition of the vehicle, junk vehicle or vehicle cowl;
- (4) The year, make, model, color and description of each vehicle, junk vehicle or vehicle cowl disposed of by such person;
- (5) The manufacturer's vehicle identification number, Secretary of State identification number or Illinois Department of State Police number, for each vehicle, junk vehicle or vehicle cowl part disposed of by such person;
- (6) The printed name and legible signature of the person or agent disposing of the vehicle, junk vehicle or vehicle cowl; and
- (7) The printed name and legible signature of the person accepting delivery of the vehicle, junk vehicle or vehicle cowl.

The Secretary of State may certify a junking manifest in a form prescribed by the Secretary of State that reflects those vehicles for which junking certificates have been applied or issued. A junking manifest may be issued to any person and it shall constitute evidence of ownership for the vehicle listed upon it. A junking manifest may be transferred only to a person licensed under Section 5-301 of this Code as a scrap processor. A junking manifest will allow the transportation of those vehicles to a scrap processor prior to receiving the junk certificate from the Secretary of State.

Watermark



Watermark



- ❖ This document is considered the death certificate of a vehicle. Once an Illinois Junking Certificate has been issued to a vehicle, that vehicle can never again be registered or titled in Illinois.

DETECTING VEHICLE THEFT

A vehicle is stolen every 24 seconds in the United States, according to National Automobile Theft Bureau statistics. One vehicle in every 44 either is stolen or has its contents (*packages and luggage*) and/or accessories (*tape decks and CB radios*) stolen, costing the American public more than \$6 billion.

PROTECT YOURSELF FROM VEHICLE THIEVES!

The public can help in fighting vehicle theft by following these rules:

- ❖ Always buy from a reputable dealer or person you know.
(*Know where to find the seller.*)
- ❖ Make sure the seller has the valid title for the vehicle.
- ❖ Check the Vehicle Identification Number (VIN) shown on the title against the VIN on the vehicle. Make sure the title matches the vehicle you are buying.
- ❖ Do not pay in cash — use a personal or certified check so you will have a record of the transaction. Always obtain a bill of sale signed by the previous owner in your presence, indicating the vehicle, the amount you paid, the date, and the names of the buyer and seller.
- ❖ Submit an application to the Secretary of State for a new title and registration immediately.
- ❖ Keep your title in a safe place, **not** in your vehicle.