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Arizona stated specific security standards would be too inflexible. If that dealer sold a vehicle to another licensed New York dealer, the selling dealer would enter the current odometer reading, vehicle and seller and purchaser information. Copart also questioned the benefit to be realized in relation to costs imposed by the change on state title
systems. In dealer sales, the employee PIN and a dealer number would be used. Amend § 580.11 by revising paragraphs (a), (b)(2) through (4), and (c) to read as follows: End Amendment Part Petition for approval of alternate disclosure requirements. This final rule also removes the word "dealer" in this paragraph and replaces it with the word
"transferee" for consistency. This is most likely to arise when a consumer transfers a vehicle to a dealer either as a trade-in or in an outright sale. O. AAMVA supported NHTSA's intent to provide a mechanism to track unauthorized access and alteration but warned against language that would limit titling agency authority or impede titling agency
business. NHTSA also asked for comments on whether any requirements beyond those proposed in the NPRM would be needed or desired given the need for an odometer disclosure. In connection with the transfer of ownership of a motor vehicle in
which more than one person is a transferor, only one transferor need sign the disclosure. NADA urged NHTSA to consider adopting two sets of electronic transactions, lessors, lenders, and their agents, and one for private individuals. Because of this, NHTSA proposed that a
valid electronic signature must be made by an individual. While Virginia advocated rules to enforce consistency in security standards as well as the inability of traditional rulemaking to keep pace with rapidly changing technologies. In Virginia's view,
the regulation should not set a dpi standard but noted 300 dpi is reasonable. See section 31205, 126 Stat. According to AAMVA, a 600-dpi resolution unnecessarily increases the file size to the point that storage and transmission of title histories sent via email become overly expensive and burdensome. PCI suggested if NHTSA believes that a change is
necessary, the threshold for the exemption should not be higher than 15 years. Florida contended the cost and complexity of implementing a Level 3 system may prohibit many states from being able to provide electronic titles and odometer disclosures. Arizona observed the requirements in the proposed §§ 580.5(c) and 580.6(a)(7) appeared to conflict
and suggested that § 580.6(a)(7) take precedence and § 580.5(c) be reworded to eliminate the conflict. Requirements for Electronic Transactions Section 580.6, previously reserved for future use, was employed by the NPRM as the vehicle for proposed new regulations establishing requirements for electronic odometer disclosures. 5. (b) Any physical
documents which are used to reassign a title shall contain a space for the information required to be disclosed under paragraphs (c) through (f) of this section at the time of transfer of ownership. NADA also questioned why agents acting on behalf of licensed entities should have to sign as individuals if they use the unique identifiers issued to their
licensed employer. This represents the whole 10 model years (MY) of vehicles that would be affected by the extended exemption requirement of this final rule in the 10th (2019) and later years. The dealer would take both secure reassignment forms to a tag agency. AAMVA noted that use of physical documents should be strongly discouraged in an
electronic disclosure jurisdiction, but exchanging electronic and paper title records will be necessary. NADA offered similar comment, stating many of its dealer members used "pen pads" to capture signatures electronically. Scope of the Final Rule NHTSA's March 25, 2016, NPRM stated the agency's view that the directive in MAP-21 to promulgate
rules allowing electronic odometer disclosure was intended only to facilitate this change without imposing additional requirements on stakeholders (81 FR 16114). Section 580.9 requires auction companies to retain the name of the buyer, the vehicle
identification number, and the odometer reading on the date the auction company took possession of the motor vehicle for five years from the date of sale. Leased Vehicles 8. Texas found the proposal to be particularly concerning. This final rule also amends former § 580.13(a) through (e), now redesignated as § 580.13(b) through (f) to make these
sections consistent with changes implemented elsewhere. For electronic documents, the NPRM proposed eliminating the requirement found § 580.5(f) for a person completing an odometer disclosure to provide their printed name when transferring a vehicle. 77 FR 36935 (June 20, 2012). If the regulatory action meets both criteria, NHTSA must
evaluate the environmental health or safety effects of the proposed rule on children, and explain why the proposed regulation is preferable to other potentially effective and reasonably feasible alternatives considered by us. NHTSA also proposed an existing requirement that transferees provide a copy of a completed paper disclosure form to
transferors be expanded to electronic transactions by requiring that the completed electronic disclosure be made available to the jurisdiction that issued it with the actual physical or electronic title when the transferee submits a new title application. Table 1—
2020202120222023202420252026202720282029 - Units Sold (in Million) 1.42.84.25.56.67.78.69.39.910.5 Number of Transac-tions (in Million) 4.99.614.218.522.26.029.031.533.735.4 Labor Costs (in Million) 4.99.614.218.522.26.029.031.533.735.4 Labor Hours (in 1000) 20.240.159.177.193.6108.1120.8131.3140.3147.5 Labor Costs (in Million) 4.99.614.218.522.26.029.031.533.735.4 Labor Hours (in 1000) 20.240.159.177.193.6108.1120.8131.3140.3147.5 Labor Costs (in Million) 4.99.614.218.522.26.029.031.533.735.4 Labor Hours (in 1000) 20.240.159.177.193.6108.1120.8131.3140.3147.5 Labor Costs (in Million) 4.99.614.218.522.26.029.031.533.735.4 Labor Hours (in 1000) 20.240.159.177.193.6108.1120.8131.3140.3147.5 Labor Costs (in Million) 4.99.614.218.522.26.029.031.533.735.4 Labor Hours (in 1000) 20.240.159.177.193.6108.1120.8131.3140.3147.5 Labor Costs (in Million) 4.99.614.218.522.26.029.031.533.735.4 Labor Hours (in 1000) 20.240.159.177.193.6108.1120.8131.3140.3147.5 Labor Costs (in Million) 4.99.614.218.522.26.029.031.533.735.4 Labor Hours (in 1000) 20.240.159.177.193.6108.1120.8131.3140.3147.5 Labor Costs (in Million) 4.99.614.218.522.26.029.031.533.735.4 Labor Hours (in 1000) 20.240.159.177.193.6108.1120.8131.3140.3147.5 Labor Costs (in Million) 4.99.614.218.522.26.029.031.533.735.4 Labor Hours (in 1000) 20.240.159.177.193.6108.1120.8131.3140.3147.5 Labor Costs (in Million) 4.99.614.218.5 Labor Costs (
as stated earlier is measured by the consumer cost from odometer fraud that can be eliminated due to the final rule. Interested parties may also access the standards through NHTSA. C. 2. 12, 2012), granted the New York petition as amended. While a biometric such as a fingerprint or retina scan might serve as a signature under the definition,
NHTSA notes that employment of a biometric does not relieve a state or jurisdiction from having to meet the authentication Start Printed Page 52687 requirements in subsection (b)(i) of the definition. Dealertrack asked the agency to recognize paper and electronic titles and odometer disclosures will both be used for many years and the availability of
the power of attorney is essential for commerce. The jurisdictions doing so would be better positioned to assess security risks and craft appropriate responses. Other Comments III. As shown, if the rule can deter 5 percent of rollbacks from affected vehicles, i.e., the 5% of loss, the rule would reduce $1.5 million annual consumer loss in 2020 and $7.5 million annual consumer loss in 202
million from 2029 forwards. Pursuant to this Order, NHTSA notes as follows. Based on the belief that a power of attorney should not be needed when electronic titles and disclosures were available, the agency limited their use to the paper format. Identity of Parties to a Motor Vehicle Transfer and Security of Signatures The definition of "Sign or
Signature" proposed in the NPRM specified a valid electronic signature must identify a specific individual. By contrast, vehicles are passed among dealers. This, AAMVA noted, would leave no title available to carry the odometer disclosure. Virginia's
comments voiced the same concerns and observations raised by California and Florida while also noting the NPRM does not address how states deny accepting documents from other states. Leased Vehicles Section 580.7 of part 580, Disclosure of odometer information for leased motor vehicles, establishes requirements for odometer disclosure for
vehicles which, because of their leased status, are physically controlled by a lessee while the lessor holds the title. Sections 408(d) and (e), which were added by TIMA (and later amended), were recodified at 49 U.S.C. 32705(b) and (c). For commenters who specifically addressed the agency's proposed requirement that individual identities be
established by NIST level 3 authentication, opposition was universal. ESRA observed the threat of financial loss presented by fraudulent odometer disclosures is commensurate with Level 2 authentication and this level is adequate for odometer disclosures. Transitioning from paper to electronic odometer disclosure requires parties have this
information available. Amend § 580.9 by revising the introductory text and paragraph (b) to read as follows: End Amendment Part Odometer record retention for auction companies. The transferee must acknowledge the reading by signing the statement. When a vehicle is old enough to be exempt from the disclosure requirements, the seller may
choose to simply place the word "exempt" in the space where the odometer mileage would be entered. However, Texas would support allowing (but not requiring) jurisdictions to employ an electronic process. Start Further Info For policy and technical issues: Mr. David Sparks, Director, Office of Odometer Fraud, National Highway Traffic Safety
Administration, 1200 New Jersey Avenue SE, Washington, DC 20590. (e) In addition to the information provided under paragraphs (c) and (d) of this section: (1) The transferor shall certify that to the best of their knowledge the Start Printed Page 52701odometer reading reflects the actual mileage, or; (2) If the transferor knows that the odometer
reading reflects the amount of mileage in excess of the designed mechanical odometer limit, they shall include a statement that the mileage exceeds mechanical limits; or (3) If the transferor knows that the odometer reading does not reflect a valid mileage display or differs from the mileage and that the difference is greater than that caused by
odometer calibration error, they shall include a statement that the odometer reading does not reflect the actual mileage, and should not be relied upon. NAAA and IAA noted the proposal required protection against unauthorized changes but did not address how entry errors are to be corrected. Other comments noted an electronic title could be
unavailable when subject to an electronic lien or in the event technical issues in an electronic system made titles temporarily unavailable. Federal and state governments have an interest in preventing such fraud. The final rule also modifies requirements for scanning documents to allow document conversion in black and white at a resolution of 200
dot per inch (dpi). NHTSA agrees that states, whether they have an electronic or paper-based title and odometer disclosure statements in instances when a vehicle has not yet been titled. NHTSA explained in the NPRM that it expected implementation of electronic titling and
odometer disclosure systems would occur slowly, and, for the foreseeable future, both paper and electronic title and disclosure systems would coexist. It is the agency's belief the aggregate cost of odometer fraud to purchasers of vehicles in the 10 to 20-year age range is substantial. Vehicles over 10 years old accounted for approximately 3 to 4
percent of retail sales by franchised new car dealers [7] and 12 percent of sales by independent dealers. [8] Many older vehicles are sold through private used car sales or slightly less than 11 million sales. [10] Franchised dealers were responsible
for approximately 37 percent of the used car sales while independent dealers accounted for approximately 34 percent of used cars inventory for dealers, sold approximately 10 million cars in 2018.[12] Given that approximately 4 and 12 percent of used car sales respectively
involving franchised and independent dealers involve vehicles over 10 years old, the change in the exemption will impose some additional costs on these dealers which can be quantified with a degree of certainty. Texas stated each jurisdiction should be able to facilitate the electronic process for signatures as it determines appropriate. Exemptions
Section 580.17(3) exempts any vehicle which is more than 10 years old from the odometer disclosure requirements. The study also stated that 60 percent of rollbacks occurred in vehicles 11 to 19 years old and the average rollback is about 50,000 miles. In 2017, the percentage increase to 26 percent.[6] Additional considerations supporting changing
the exemption include the relative ease with which modern odometers may be rolled back and the significant increases in market value that may be gained through such fraud. California stated the proposals are not needed because it maintains the titling record of a vehicle, to which only authorized access is permitted. This proposed expansion of the
use of a power of attorney, in conjunction with the agency's view that the power of attorney provisions, led the agency to propose adding the word "physical" in multiple places in §§ 580.13(f), 580.14(a), (e), and (f), and in 580.15(a) to restrict
application of various provisions to paper title jurisdictions. NIADA and IAA responded, noting NHTSA should be mindful vehicle transfers are processed by many entities with different resources and are not limited to dealers. Section § 580.5(d) of this final rule specifies the warnings and notices present on paper odometer disclosures also be
presented to parties executing an electronic disclosure. The proposal further provided that electronic title and odometer disclosure systems shall record the identity of the recipient of the physical title as well as the owner(s) named on the physical title. An electronic title incorporates an
electronic reassignment form or process containing the disclosures required by this part facilitating transferes between transferes between transferes who do not take title to the vehicle. Texas strongly supported requiring odometer disclosures to be made "on" the electronic title while noting it did not support allowing a separate "electronic" or physical
reassignment apart from the electronic title. Adding in alphabetical order definitions for "Printed name" and "Sign or signature"; and End Amendment Part Start Amendment Part St
NIST Level 2 requirements or an alternative scheme providing an equivalent level of security. Dealer groups OADA, NAAA, NIADA, and NADA stated obtaining and maintaining a NIST Level 3 system would require significant investment by states and dealers. The NPRM also asked for comments on whether any other requirements are necessary to
 ensure investigators can back trace an electronic "signature" to identify the individual and/or computer used in the electronic equivalent of a paper trail or whether the proposed requirements could be used to identify individuals making unauthorized alterations to disclosure statements. 11. Dealer groups NADA, OADA, and NIADA agreed with
NHTSA's approach, as did Dealertrack, stating that technology moved too rapidly for effective regulation by rules. An individual, Thaddeus Lopatka, filed comments as well. At the same time, differences between an electronic and a paper-based transaction led the agency to propose differing requirements for the two regimes. This final rule also
authorizes use of an electronic power of attorney and, provides for electronic reassignments when a transferee is given a paper title by the transferor but does not take title to the vehicle. This rule is not economically significant and is not likely to have a detectable effect on the supply, distribution, or use of energy. Where a transaction involves a
vehicle with an electronic title, the electronic title, the electronic title system should accommodate any number of reassignments. In December 2009, Florida proposed a hybrid electronic title system in December 2009 wherein the actual data entry into the state system would be made by authorized tag agents using data terminals. In contrast to the NPRM, which
did not provide for an electronic power of attorney but allowed electronic reassignments, this final rule considers the total labor cost for filling the mileage in odometer disclosures when ownership is transferred for 11 to 19 years old used
vehicles, the cost for computer storage for these disclosure records, and the processing time for filing these records. As NADA did, IAA Start Printed Page 52678 observed auction houses were state-licensed and subject to state regulation. Amendments in this final rule allow odometer disclosures in an electronic medium while maintaining and
protecting the existing system(s) ensuring accurate odometer disclosures and aid law enforcement in prosecuting odometer fraud. In NADA's view, NHTSA should clarify that where electronic records are kept in a centralized state system, the dealer record retention requirements are satisfied to the extent those records are reasonably accessible from
their primary place of business. As suggested by the Texas petition seeking approval of alternative odometer regulations, NHTSA also believed electronic title systems might have a means of making a paper document available to vehicle owners who would attest to the existence of an electronic title maintained by their jurisdiction. (f) A jurisdiction
issuing an electronic title shall retain the capacity to issue physical titles meeting all the requirements of this part. Commenters submitting responses to this portion of the NPRM rejected any suggestion that states or other jurisdictions be required to make any accommodation for leased vehicle disclosures. (Subsections 408(d), (e) of the Costs
Savings Act were recodified to 49 U.S.C. 32705(b) and (c).) Virginia, Wisconsin, Florida, New York, Texas, and Arizona filed petitions with NHTSA seeking approval of electronic alternative odometer programs under 49 U.S.C. 32705(d)). D. (a) If otherwise permitted by the law of the jurisdiction, the transferor may grant a power of attorney to their
transferee for the purpose of mileage disclosure under one of the following conditions: (1) The transferor's physical title is held or controlled by a lienholder; or Start Printed Page 52703 (4) The transferor's electronic title cannot be accessed
Document or Record Security and System Security 5. HCUA offered similar views, urging NHTSA to clarify that database records can be substituted for scanned images of paper titles. The
odometer disclosure laws and regulations protect purchasers of motor vehicles from odometer fraud. As such, the agency believes that the final rule would not have additional costs on computer and physical storage for states and car dealerships. A physical reassignment document shall not be used with an electronic title. Adding in alphabetical order
definitions for "Access", Electronic power of attorney", "Electronic title", and "Jurisdiction"; End Amendment Part Start Amendment Parts. Petitions filed by two other states, Florida and New York, differed from other petitions as systems proposed relied, to differing degrees, on the use of paper forms for executing the odometer disclosures. The final
rule's definition of an electronic signature—"an electronic signature—"an electronic sound, symbol, or process"—is intended to encompass the full range of methods and technologies that may be employed to electronic signature—"an electronic signature—"an electronic signature—"an electronic sound, symbol, or process"—is intended to encompass the full range of methods and technologies that may be employed to electronic signature—"an electronic s
of age cut-off for required reporting. Redesignated as § 580.6(b), this section is now restricted in application to electronic titles or power of attorney shall be retained in a format which cannot be altered
unless such alterations are authorized and which indicates any unauthorized attempts to alter it (§ 580.6(a)(1)). NHTSA finds this final rule, which establishes requirements for electronic odometer disclosure systems, does not implicate or encompass the issues outlined in the foregoing policy statement. Id. The statute subjected violators to civil and
criminal penalties and provided for federal injunctive relief, state enforcement, and a private right of action. The final rule makes another revision for consistency by replacing the term "purchaser" with "transferee" in § 580.16(b). To extend this section to electronic disclosures, the NPRM proposed that in jurisdictions with electronic title and
odometer disclosure, the system shall provide a means for making the disclosure electronic title when the title is created. Some of these changes are minor. The NPRM also requested comments on whether leased vehicle electronic disclosures should be a required part of the electronic system established by
a jurisdiction or are best developed by individual leasing companies. NHTSA has also made amendments responding to comments addressing the former § 580.13(f), now redesignated at § 580.13(g), and added a new paragraph § 580.13(h). Although this proposal expanded the paper requirement from making a copy available to one party to both
parties, NHTSA believed the burden of making an electronic copy of the disclosure requirements which differ from the disclosure requirements which differ from the disclosure requirements of § 580.5, § 580.6, § 580.7, or § 580.13(f) of this part. In NSVRP's view,
the older the vehicle, the more likely it is there will be risks to the public from non-disclosure of odometer discrepancies. Nonetheless, the NPRM requested comments on whether the proposals therein should be extended to prevent, or limit, variation among the various state systems. Comments supporting NHTSA's decision to not adopt specific
system security requirements were submitted by insurers, dealer associations, lender groups, states, and others. NADA felt that an SNPRM would help to provide more comments and information about interstate transfers. Commenters voiced opposing views on this proposal. NHTSA believes these modifications should relieve auctions from
identifying multitudes of consignees that bring cars to them for sale, particularly since auctions typically do not take title or execute odometer disclosures. ESRA recommended NHTSA take an "agnostic" approach to electronic records storage by allowing states to store electronic data and documents in their secure data systems and to employ
reasonable efforts to prevent such records from being altered. Similarly, auction sales also rarely involve vehicles for which the title is not available. The final rule adopts the language proposed in § 580.6(a)(3) in the redesignated § 580.6(c) with modifications responsive to commenter concerns. According to Florida, paper transactions do not involve
verifying signatures and titles or other reassignment documents are often given to the transferee without being filled out so the incomplete forms are filled out by the transferee. This commenter also proposed changing "at the time the lessors transfer the vehicle" in § 580.2 to "at the time the lessees return possession of the vehicle to the lessors" to
more accurately fix the time when a lessee must make disclosure. Revise § 580.8 to read as follows: End Amendment Part Odometer disclosure statement retention. In other words, 10 years and older vehicles also have increasingly comprised a greater proportion of household vehicles. AAMVA expressed concern on how the change in the exemption
would be implemented. Since the title is nearly indispensable when establishing ownership, making Start Printed Page 52688 disclosures on the title ensures that an electronic signature may include an electronic sign or
process made before an employee or statutory employee of the jurisdiction, encompasses situations where an electronic title and odometer disclosure system may involve entering information and executing signatures at a state office or a state-authorized facility. The total cost of the change to the exemption in this final rule is estimated to be from the
minimum of $0.7 million in 2020 to the maximum of $5.4 million in 2029 and later. NAMIC suggested delay so NHTSA could convene an assembly of state officials with the goal of forging a national electronic titling and odometer disclosure system. Start List of Subjects List of Subjects in 49 CFR Part 580 End List of Subjects For the reasons
documents (bill of sale, reassignment document, and power of attorney) to the tag agency, where the tag agency or have a paper title provided for the buyer. Executive Orders 12866 and 13563 and DOT Regulatory Policies and Procedures Executive Order 12866
Executive Order 13563, and the Department of Transportation's regulatory policies require this agency to make determinations as to whether a regulatory policies require this agency to make determinations as to whether a regulatory policies require this agency to make determination and the requirements of the Executive Orders. Miscellaneous Amendments The NPRM proposed various amendments updating the
agency's address, removing obsolete text, and conforming the petition for alternative disclosure schemes requirements to the other proposed amendments. Leased Vehicles Leased vehicles present challenges in making odometer disclosures because they are held by a lessee while the lessor holds the title and, without the title accompanying the
Privacy Act Anyone can search the electronic form of all comment, if submitted on behalf of an organization, business, labor union, etc.). Using several data sources (Polk registration data, NIADA report, and Edmonds), the agency
estimated that the total number of affected vehicles is about 1.4 million in 2020 when only one MY of vehicles would be affected. NHTSA has also considered whether this rulemaking would have any retroactive effect. Instead, our expectation is that states will recognize the need to properly authenticate participants in odometer disclosure
minimize or eliminate disclosures made on paper, provide adequate means for verifying identities, link or merge disclosures with the record title, and preclude duplicate electronic and paper titles. Comments also questioned the use of the term "electronic document" and "physical document" in the proposal given the definition proposed in § 580.3
Other comments guestioned the proposal's amending the requirements for dealers and distributors while not applying similar requirements to leased vehicle documents and powers of attorney. A secondary scope issue exists to the extent the NPRM contemplated that NHTSA take two approaches to regulating
electronic odometer disclosures. Again, this vehicle owner would not have a title on which to make an odometer disclosure unless they obtained a printed title from their state beforehand. Six comments were filed by state motor vehicle departments: The Motor Vehicle Division of the Arizona Department of Transportation (Arizona), the California department of the Arizona Department of Transportation (Arizona), the California department of the Arizona Departme
Department of Motor Vehicles (California), the Florida Department of Highway Safety and Motor Vehicles (Florida), the Oregon Driver and Motor Vehicles (Texas), and the Virginia Department of Transportation (Virginia). These have been relocated as the focus of § 580.6, which has been
narrowed to electronic odometer disclosures embedded in electronic titles and powers of attorney. Texas strongly supported proposed change to 25 years or eliminating the exemption. DATES: Effective date: This rule is effective December 31, 2019. According to AAMVA, an active electronic title record and an active paper title cannot coexist. The
seller or transferor would then mail the paper title to the state for destruction. This burden is not, in the view of these commenters, necessary when compared to the benefits achievable with a Level 2 system. The survey shows that the average age of household vehicles increase to 10.1 years for cars and 10.4 for light trucks/vans (LTVS) from 7.6 and
8.0 years, respectively, in 1990. NAAA, a group representing auctioneers, stated the proposal was not workable for bulk processors like their members. The agency acknowledges a power of attorney will not, in transactions where vehicle with an electronic title is transferred in a jurisdiction without electronic titles, allow the transferree to register and
title the vehicle without obtaining a paper title from the transferor's state. Executive Summary A. 745, 1048-1056, 1379, 1387 (1994). Car dealerships also generally preserve all transaction records for at least five years, for tax and audit purposes. ESRA offered similar comments about the nature of electronic titles and recommended replacing the
term "form" with the term "statement" when referring to electronic disclosure documents, and using the term "record" instead of "form" when referring to electronic ittles. (g) Any physical documents employed by transferors and transferees to make electronic odometer disclosures shall be set forth by means of a secure printing process or other
secure process. California stated electronic and paper titles will only resemble each other to the extent they contain the same information. NHTSA now promulgates provisions allowing both electronic and paper powers of attorney if a title is unavailable to a transferor because the title is lost, physically held by a lienholder, electronically controlled by
a lienholder or when an electronic title is inaccessible. Texas stated the proposals put forward in the NPRM indicated an apparent misunderstanding of current title processes and urged the agency to work with stakeholders to draft clearer, more meaningful language. See Public Law 99-579, 100 Stat. Once a physical title is created by a state with an
electronic title and odometer disclosure statement system, the electronic record must indicate a physical title has been issued and the electronic title and disclosure statement have been superseded by the physical title as the official title. (d) In addition to the information provided under paragraph (c) of this section, the physical or electronic power of
attorney form shall refer to the federal odometer law and state that providing false information or the failure of the person granted the power of attorney for interstate transfers from electronic to paper jurisdictions, NHTSA
specifically requested comments on whether this power of attorney would be necessary in an electronic odometer system for intra-state transfers. Executive Order 12988 (Civil Justice Reform) When promulgating a regulation, as
appropriate: (1) Specifies in clear language the preemptive effect; (2) specifies in clear language the preemptive effect; (2) specifies in clear language the preemptive effect; (3) provides a clear language the preemptive effect; (2) specifies in clear language the preemptive effect; (3) provides a clear language the preemptive effect; (4) specifies in clear language the preemptive effect; (5) provides a clear language the preemptive effect; (6) provides a clear language the preemptive effect; (7) provides a clear language the preemptive effect; (8) provides a clear language the preemptive effect; (9) provides a clear language the preemptive effect; (10) provides a clear language the preemptive effect; (11) provides a clear language the preemptive effect; (12) provides a clear language the preemptive effect; (13) provides a clear language the preemptive effect; (14) provides a clear language the preemptive effect; (15) provides a clear language the preemptive effect; (15) provides a clear language the preemptive effect; (16) provides a clear language the preemptive effect; (17) provides a clear language the preemptive effect; (18) provides a clear language the pr
burden reduction; (4) specifies in clear language the retroactive effect; (5) specifies whether administrative proceedings are to be required before parties may file suit in court; (6) explicitly or implicitly defines key terms; and (7) addresses other important issues affecting clarity and general draftsmanship of regulations. Florida also agreed the secure
power of attorney should not be needed in an electronic title environment but that paper titles will continue to be in use for some time, and the secure power of attorney should remain available to states with e-title systems. NADA stated an SNPRM might be needed because of the complex array of potential motor vehicle transfers and potential
variations between state systems that NHTSA needs to explore. The petition stated unique personal identification numbers (PIN) and unique customer's date of birth (DOB) to create a verified account and signature. Revising the definition of "Physical power of attorney"; End
Amendment Part Start Amendment Partd. The association noted transferse for odometer disclosure purposes do not involve transferee is a dealership, wholesaler, insurance company, auction, or a lessee. The 50,000 miles was treated as the average rollback miles and was used in the regression model to
in developing electronic title and odometer disclosure systems and encouraged NHTSA to explore the use of the U.S. Department of Justice's National Motor Vehicle Title Information System (NMVTIS) as a national system to facilitate the transfer of electronic titles. This language allows authorized modifications in response to comments requesting
this authority. These titles, reassignment documents, and powers of attorney must contain a statement referring to federal odometer law and a warning that failure to complete the form or providing false information may result in fines or imprisonment. Again, the NPRM sought specific comments on the foregoing proposals. The title and odometer
disclosure would remain as an electronic record, and the transferee could receive a secure paper title on request. F. Email: David.Sparks@dot.gov. 86 Stat. The final rule allows both physical and electronic titling and odomete
disclosure. The agency also proposed several amendments to § 580.7, which governs odometer disclosures for leased vehicles. NHTSA also proposed amending § 580.5(f), which specified transferees receiving a paper odometer disclosure from a transferor must sign the disclosure statement, print their name, and return the signed copy to the
transferor. Because these vehicles are frequently transferred by the lessee to a transferor, this section establishes special procedures to ensure mileage information is provided by the lessee to the lessor. However, NHTSA notes that states whose systems may need to be modified to meet the new requirements will need to time to make any changes
needed to comply with this rule, NHTSA has established an effective date that allows sufficient time to for states to ensure compliance. The NPRM requested comments on the appropriate NIST level as well as other forms of verification and security, including whether dealers should be required to provide secure computing services to transferors and
transferees. Texas urged delay in issuance so the agency could craft clearer language. Florida echoed the comments of Arizona and California, citing greatly increased storage, transmission, and scanning costs. Lender groups, NTSF and HCUA, supported the proposal. Comments addressing this portion of the agency's proposal supported the
proposed changes. Most commenters advocated having both electronic and paper versions of the power of attorney in jurisdictions with electronic title and odometer systems. Section 580.6(a)(6) proposed electronic title and odometer systems. Section 580.6(a)(6) proposed electronic title and odometer systems.
view, the age of vehicles is simply not reason enough to change the existing exemption without a thoughtful discussion of the underlying need to do so. Florida also noted it would be difficult for states to ensure paper titles are destroyed or
otherwise rendered void. Given the likelihood that electronic title and odometer disclosure systems will not be implemented across the nation in the foreseeable future, the final rule provides a power of attorney may be used if the title in question is electronic. Given the low incidence of odometer tampering and substantial evidence that buyers in
1988 were not relying on mileage as the primary indicator of condition in vehicles 10 years old and older. Therefore, Texas argued against any additional acknowledgement such as a checkbox. As any electronic odometer disclosure must, at a minimum, provide
an opportunity for parties to the transfer to view information, this requirement does not, for all practical purposes, impose an unnecessary burden. AAMVA also supported the proposal, and ESRA stated the requirement represented a best practice. The tag agent would enter the data into Florida's system and create an electronic title for the
transferee, or upon request, provide the transferee with a paper title. Further, NTSF observed the NIST Standards are applicable to federal government computer systems and should not be applied in this context. Dealers, distributors, and lessors are not required to, but may, retain a copy of an odometer disclosure statement made on an electronic
title or electronic power of attorney. Finally, given the costs of Level 3 for states and others, NTSF recommended the final rule replace Level 3 with Level 2. Odometer Disclosures 6. NIADA offered similar comments and supported continued availability of the power of attorney as well as electronic versions of the document. In NTSF's view, as
NPRM was published in the Federal Register on March 25, 2016 (81 FR 16107). International regulatory cooperation can also reduce, eliminate, or prevent unnecessary differences in regulatory requirements. In transactions where paper titles are used, separate reassignment documents become necessary when the title is reassigned multiple times
and recordkeeping costs associated with modifying the extension, the exact nature and source of these costs was not described in the comments. Far less consensus existed in consideration of the wisdom of changing the exemption. If the mileage appearing on the
physical or electronic title, the power of attorney is void and the transferee shall not complete the mileage disclosure on the title unless: (1) The transferor has included a statement that the odometer reading does not reflect the actual mileage. Comments
directed toward this portion of the NPRM supported it, but two commenters, Arizona and Texas, respectively noted the proposed language conflict with other portions of the proposed language conflict with the pro
modifying existing provisions of part 580 to allow electronic odometer disclosures, NHTSA also proposed amending § 580.4, which governed security features of printed forms, by creating a new paragraph (a) for paper documents and new paragraph (b) for Start Printed Page 52671electronic records. This proposal was supported by those commenters
choosing to address it, and NHTSA is adopting this requirement in this final rule. Similarly, the final rule amends § 580.8(c) to require dealers and distributors to retain paper or electronic copies of each power of attorney, executed pursuant to §§ 580.13 and 580.14, that they receive for five years and imposes the same storage requirements for
electronic documents as found in § 580.8(a). The AIA contended allowing both paper and electronic disclosures complicated an already cumbersome process. Amendments Following the Truth in Mileage Act and the 1994 Recodification of the Cost Savings Act D. NADA did not address the role of states but supported the NHTSA proposal to enable
electronic lessor-lessee notices and electronic lessee-lessor disclosures. SUMMARY: This final rule is issued to fulfill a requirement in the Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21) that NHTSA establish regulations permitting states to adopt schemes that allow electronic odometer disclosures to fulfill a requirement in the Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21) that NHTSA establish regulations permitting states to adopt schemes that allow electronic dometer disclosures to fulfill a requirement in the Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21) that NHTSA establish regulations permitting states to adopt schemes that allow electronic dometer disclosures that a
electronic titling systems associated with the transfer of interests in motor vehicles. ESRA stated NHTSA should take a technology and standard-neutral position and allow states to choose reasonable standards. The proposed text of this section further provided that an electronic copy of the physical title be recorded and maintained for five years and
that the electronic copy be retained in a format that cannot be altered and that indicates any attempts to alter it. (b) In connection with the transfer of ownership of the lessee shall furnish to the lessor a written or electronic statement regarding the mileage of the vehicle. The regulations now also more clearly allow
authorized modifications to electronic records and recognize that electronic dometer disclosures must meet special conditions involved in vehicle leasing, provide for adequate record retrieval, and accommodate
interstate transactions between electronic and paper title jurisdictions. Requirements for Electronic Transactions I. While more prescriptive requirements might better protect vehicle buyers and force a degree of uniformity in future electronic systems, such an approach by NHTSA could limit or hinder adoption of electronic titling and odometer
disclosure system. While some comments did not address the specifics of NHTSA's proposed amendments, others provided detailed analyses of the regulatory text contained in the NPRM. This final rule adds a new paragraph, § 580.13(h), as explained below. ESRA noted none of the proposed rulemaking provisions address "end of life" of vehicle title
processing. Two commenters, NADA and NAAA, suggested NHTSA issue an SNPRM prior to issuing a final rule while two, NAMIC and Texas, suggested NHTSA delay issuance of a final rule. The power of attorney shall be on part B of the physical or electronic power of attorney referred to in § 580.13(a), which shall contain a space for the information
required to be disclosed under paragraphs (b), (c), and (d) of this section and, in part C, a space for the certification required to be made under § 580.15. The NPRM proposed new definitions for the terms "Electronic Document," and "Sign or Signature," where an electronic document is a title, reassignment document, or power
of attorney maintained in an electronic form; a physical document as used prior to the advent of electronic sound, symbol, or process using an authentication system to verify the signature may either be a hand written signature or an electronic sound, symbol, or process using an authentication system to verify the signature may either be a hand written signature or an electronic sound, symbol, or process using an authentication system to verify the signature may either be a hand written signature or an electronic disclosures, and sign or signature or an electronic sound, symbol, or process using an authentication system to verify the signature may either be a hand written signature or an electronic disclosures, and sign or signature may either be a hand written signature or an electronic disclosures, and sign or signature may either be a hand written signature or an electronic disclosures, and sign or signature may either be a hand written signature or an electronic disclosures, and sign or signature may either be a hand written signature or an electronic disclosures, and sign or signature may either be a hand written signature or an electronic disclosures, and sign or signature may either be a hand written sign or signature or an electronic disclosures, and sign or sign of the sig
be sufficient while the NTSF argued Level 3 authentication was not required. There will, however, be situations where an electronic title system must allow 
made on an electronic title or electronic power of attorney shall be retained by the jurisdiction for a minimum of five years and made available upon request to dealers, distributors, and lessors for retrieval at their principal place of business and inspection on demand by law enforcement officials. The agency also declines to require mileage
disclosures to be transmitted electronically to lenders as such a requirement is inconsistent with the purposes of this final rule, § 580.5(g) disposes of the use of separate physical odometer disclosure statements in states with electronic title and odometer disclosure systems. To accomplish this end, the
20 years old. In the case of an electronic title, no such physical limitation exists, and, for all practical purposes, all the necessary reassignment disclosures will be incorporated into the electronic title. NHTSA acknowledges the desirability of streamlining the process of transferring vehicles to recyclers as well as transfers for vehicles that have been
declared to be a total loss. Texas questioned the need for any security requirements given the strong interest any jurisdiction would have in maintaining the security and integrity of public records. NTSF recommended NHTSA abandon scanning and resolution requirements because of variations in document and font sizes among states. While making
such a risk for children. Start Amendment Part15. E.O. 13771 (Reducing Regulatory Costs, requires that for "every one new [E.O. 13771 regulatory action] issued, at least two prior regulations be identified for elimination,
and that the cost of planned regulations be prudently managed and controlled through a budgeting process." An E.O. 13771 deregulatory action is defined as "an action that has been finalized and has total costs less than zero." As discussed earlier, this final rule does not impose new requirements but rather creates opportunities for states to
implement an electronic odometer disclosure system without petitioning NHTSA for approval. VI. Two commenters addressed the petition process for approval of odometer disclosure system without petition process. However, as there may be instances where a
transferee is provided with a paper title by the transferor in a state with electronic titles, and the transferee may not wish to take title to the vehicle, an electronic reassignment option should be made available in those circumstances where a paper reassignment form would otherwise be used. Section 580.6(a)(2), as set forth in the NPRM, stated any
title. This requirement does not apply to mileage disclosures made by lessees as required be § 580.7 (h) Physical documents of this part that are converted to an electronic format by scanning or imaging must maintain and preserve the security features incorporated in the physical document so that
any alterations or modifications to the physical document can be detected in the physical document's electronic format. This amendment allowed use of a special power of attorney for executing odometer disclosures when a title is physically held by a lienholder. Summary of the Final Rule B. To address these problems, NAAA suggested NHTSA issue
a second notice of proposed rulemaking incorporating comments from both industry stakeholders and states before proceeding to a final rule. Section 31205, 126 Stat. (Copart), Dealertrack Inc. With the lack of the statistics on how many times a used vehicle would be wholesaled before its retail purchase, the agency assumes a total of 5 disclosure
transactions per retailed vehicle. This change in the exemption will require slight additional data entry and otherwise does not impose any new regulatory burdens. Because § 580.17(a)(3) exempts any vehicle, which is more than 10 years old from the odometer disclosure requirements and the average age of the United States vehicle fleet has been
trending upward to 11.5 years, the NPRM proposed raising the exemption to 25 years. (f) Upon receipt of the transferor's signed disclosure statement, which shall include their printed name, and make copy available to their transferor. Texas also asked that this section allow for electronic submission
of an original power of attorney by scanning or imaging. The increased quality and longevity of vehicles are prime targets for odometer fraud. The second addition put forward by Texas would explicitly state that separate
reassignment documents may not be used with an electronic title. IAA observed this language did not provide adequate guidance on the sequence in which the acknowledgement by both, it would be difficult to envision the proper sequence of
execution. Buyers in private sales are also more likely to insist on having the title itself available at the time the transfer is completed. Amend § 580.17 by revising paragraphs (a)(3) and (4) and adding paragraphs (a)(5) to read as follows End Amendment Part Exemptions. Also, because technologies such as "pen pads" may be used in electronic titling
 shall refer to the federal odometer law and state that providing false information or the failure of the person granted the power of attorney to submit the form to the State may result in fines and/or imprisonment. 114-94), signed into law December 4, 2015, allows states to adopt electronic odometer disclosure systems without prior approval of the
Secretary. Among the states providing comments to this proposal, California supported raising the exemption to 25 years but not eliminating it. Leased vehicles present challenges to the ordinary scheme for odometer disclosures because lessors usually hold the title to the vehicle but seldom have physical control over it. After part A of the power of
attorney form has been used, part B may be executed when a vehicle addressed on part A is resold. The final rule adopts these changes. Texas also urged the power of attorney be allowed as well and requested there be no limitation to whom a jurisdiction can
provide a secure power of attorney. Accordingly, the final rule is adding a definition of "Printed Name" to § 580.3 specifying what constitutes a printed name in both an electronic record and a physical document. The agency thought any electronic titling system would have the capability to accept disclosures for multiple transactions and could be
configured to accept an odometer disclosure immediately prior to creation of the first electronic title. Because NHTSA anticipated electronic title and odometer disclosure systems would rely on scanned documents at various times and under various conditions, including interstate transactions from paper jurisdictions to electronic jurisdictions, the
NPRM proposed adding § 580.6(a)(7) specifying that any conversion of physical documents to electronic documents must preserve the security features of the physical document and be scanned at a resolution of not less than 600 dots per inch (dpi). Leased Vehicles J. Id. In turn, § 580.13(f) requires the transferee, upon receipt of the transferor's title,
to make on the title exactly the mileage disclosure as disclosed by the transferor on the power of attorney. However desirable a national electronic title or odometer disclosure infrastructure might be, the agency concluded it has not been tasked with creating such a system. Nonetheless, the agency's experience in processing petitions seeking
approval of alternative odometer disclosure schemes demonstrated states may choose to implement electronic title and odometer disclosure systems in ways that will still require the limited use of paper documents. The proposal, found in § 580.6(a)(8), also required that scanning be made in color at a resolution of 600 dpi. Exemptions NHTSA's NPRM
proposed amending § 580.17(a)(3), exempting any vehicle more than 10 years old from the odometer disclosure requirements, to raise this exemption to 25 years. Lenders, insurers, and dealer-related organizations generally opposed the proposal while other groups aligned with consumer protection strongly supported it. Auctioneer IAA argued that
mileage as an indicator of condition and value do not apply to older cars or factor into the decisions of those who buy them. To ensure vehicles subject to leases of four months or more have accurate odometer readings executed on titles at the time of transfer, § 580.7(a) requires lessors to provide written notice to the lessee of the lessee's obligation
to disclose the mileage of the leased vehicle and penalties for failure to disclose the information. The NPRM nonetheless requested comments on whether NHTSA should be modeled on the Federal Information
Security Management Act (FISMA) framework. In instances where a paper title is held by the initial transferor holding title has made the mileage disclosure in conformance with paragraphs (c), (e), and (f) of this section on the title and assigned the
physical title to their transferee * * * * * Start Amendment Part7. Given the improved corrosion resistance and improved quality of exterior finishes on contemporary vehicles, resetting an odometer display to remove 100,000 miles from the mileage shown can significantly alter the market value of a car, often by many thousands of dollars. A two-part
sales receipt/odometer statement would be created, and if correct, would be accepted by the buyer. MAP-21 This document is being issued pursuant to the Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21, or Pub. (a) Before executing any transfer of ownership document, each lessor of a leased motor vehicle shall notify the lessee
electronically or in writing stating that the lessee is required to provide a written or electronic disclosure to the lessor regarding the mileage. The dealer would then print a two-part sales receipt with a disclosure statement on each part. This new exemption will apply to vehicles manufactured in the 2010 model year and later and, unlike the
remainder of the provisions of this final rule, will be applicable to all vehicle transfers and odometer disclosures are made on paper or electronically. Where it appeared, the term "state" is now replaced with "jurisdiction" to conform to the definition added in § 580.3. References to the power of attorney are also
modified by use of the terms "original" and "electronic," and the term "title" is similarly modified by the terms "electronic" or "physical." Because of concerns raised by the potential for illegible signatures or address information in instances where a "pen pad" or similar device for recording hand written information electronically may be used, these
Start Printed Page 52692 sections have also been changed to require a printed address. Moreover, in enacting section 24111 of the FAST Act authorizing states to create electronic odometer disclosure systems without NHTSA's approval until the effective date of this final rule, Congress also did not offer any indication it supported
the creation of a national title system by expansion of NMVTIS or other means. Section 580.6(a)(4) proposed by NHTSA did not adequately
address the characteristics of such hybrid systems. California and Florida also agreed with the proposal if it remains permissive. As was discussed previously, we cannot foresee all future security and authentication applications that states may wish to use to facilitate electronic odometer disclosures and title transactions. (53 FR 29464, August 5,
1988). The final rule also differs from our proposal by requiring that parties provide a printed name on both physical and electronic titles. One of these must be a current primary government photo ID that contains applicant's picture, and either address of record or nationality (e.g. driver's license or passport). California agreed electronic disclosure
would generally eliminate the need for the power of attorney but urged that the rule should not restrict its use only to a physical document. Similarly, a title could not be transferred unless the electronic odometer disclosure had been properly completed. Electronic copies shall be retained in a format which cannot be altered and which indicates any
unauthorized attempts to alter it. In NAAA's view, creating thousands of unique signature credentials for each auction would be both a logistical nightmare and an opportunity for increased fraud. Minor changes from NPRM proposals include replacing "his" with "their" to achieve gender neutrality throughout part 580 and establishing a definition of
 "jurisdiction" that encompasses states and territories to replace the term "state" wherever formerly used in part 580. Accordingly, this final rule does not answer to the sentiments expressed by AIA, NAMIC, and Texas that this rulemaking action create such a system. ESRA noted the federal Electronic Signatures in Global National Commerce Act
("ESIGN") establishes how a consumer may request a paper copy of an electronic record. The NPRM first sought comment on whether the proposal appropriately matched the security and authenticity requirements, which apply to paper documents. NHTSA also noted since Texas would require
persons with an electronic title to submit any paper titles to Texas for destruction, the proposal would prevent potential mischief caused by duplicate titles. NHTSA granted the Florida petition in part and denied it in part, approving provisions for private party transactions but denying proposed terms for dealer and leased vehicle transactions. Start
Printed Page 52697These rollbacks would account for 3.6 percent of the overall annual fraud loss which equates to $29.4 million (= $820 million * 0.036). NAMIC offered similar concerns about the potential complexity of co-existing paper and electronic systems as well as potential issues caused by incompatible state databases. Revise § 580.15 to
read as follows: End Amendment Part Start Printed Page 52704 Certification by person exercising powers of attorney. Scanning of physical documents must be made at a resolution of not less than 200 dpi. Finding that the Virginia scheme would properly verify user identities, provide security equivalent to the pager system, and create an adequate
system of records, NHTSA granted Virginia's request on January 7, 2009 (74 FR 643). The final rule adopts the regulatory text of § 580.6(a) (7) of the NPRM as § 580.6(a) (7) of the NPRM as § 580.6(a) (7) of the NPRM as § 580.6(b) and modifies the regulatory text of § 580.6(b) and modifies the regulatory text of § 580.6(b) (7) of the NPRM as § 580.6(b) (7) of the N
personal identifiers—name, address, Start Printed Page 52669date of birth, product number, and a Federal Employer Identification Number or partial Social Security Number—in the state system. AAMVA contended a 600-dpi scan is excessive, and the NPRM provides no clear evidence or case study to support a high-
resolution standard. As noted above, using "pen pads" or similar handwriting conversion technologies could result in an inability to identify individuals in "hybrid" electronic title and odometer disclosure systems. In California's view, a power of attorney, by itself, is not sufficient to sell a vehicle or otherwise convey ownership and that completing an
interstate sale from an electronic to paper jurisdiction would also require a secure title on which the disposition of the original paper title is attested. The organization gave the example of a paper state trade-in customer transferring to an electronic state dealership needing to use the
power of attorney if the title is lost or held by a lienholder. Texas also suggested clarification to paragraph (g). Titles must be printed by a secure printing process or other secure printing process and must indicate the mileage and contain space for the transfere to disclose the mileage in a subsequent transfer. 947, 961-63 (1972)) through the Truth in
Mileage Act (TIMA) and subsequent amendments.[1] The NPRM also noted that § 24111 of the Fixing America's Surface Transportation Act of 2015 (FAST Act, or Pub. * * * * * (b) * * * (2) Be submitted to the Office of Chief Counsel, National Highway Traffic Safety Administration, 1200 New Jersey Avenue SE, W41-326, Washington, DC 20590; * * * * *
Start Amendment Part12. NHTSA observes first that § 580.6 has been recast to focus on electronic odometer disclosures instead of transferoes. The NPRM also requested specific comments on whether dealers should be required to provide secure computing services to transferors and transferoes.
California contended the manner of identity verification be left to states at a level strong enough to reasonably identify the signing party and should not be set above NIST Level 2. This, in the agency's view, is inconsistent with TIMA's command that disclosures be made on the title and not on a separate document. In AAMVA's view, imposing
restrictive requirements before all states have had the opportunity to evaluate their existing systems and determine what such a transition could look like would be premature. Instead, AAMVA noted, an electronic disclosure and title record would be data fields making up an electronic record. NHTSA's proposed changes to the definition of "Sign or
Signature" generated many comments. Potential users must appear before a registration officer and provide two independent ID documents or accounts which must be verified. This statement shall also include a warning notice to alert the transferee that a discrepancy exists between the odometer reading and the actual mileage. As noted, the NPRM
sought comments on the appropriateness of the proposed definitions. (a) A person who exercises a power of attorney under both §§ 580.13 and 580.14 must complete a certification that they disclosed the mileage on the physical or electronic title as it was provided to them on the physical or electronic power of attorney form, and that upon
examination of the physical or electronic title and any applicable physical or electronic title and applicable
The transferor has included a statement that the mileage exceeds mechanical limits; or (2) The transferor has included a statement that the information or require the jurisdiction to provide it, and Texas perceived no benefit from this burden.
The NPRM specifically requested comments on the propriety and appropriateness of these proposed definitions. Comments provided by the dealer and auctioneer communities supported the continued use of the power of attorney in electronic title and odometer disclosure jurisdictions as well as the availability of both electronic and Start Printed
Page 52682 secure paper versions of these documents. (d) In addition to the information provided under paragraphs (b) and (c) of this section: (1) The transferor knows that the odometer reading reflects mileage in excess of the
designed mechanical odometer limit, they shall include a statement to that the mileage exceeds mechanical limits; or (3) If the transferor knows that the odometer reading differs from the mileage and the difference is greater than that caused by a calibration error or does not reflect a valid mileage display, they shall include a statement that the
odometer reading does not reflect the actual mileage and should not be relied upon. The proposal's directive in 580.5(c) that an odometer disclosure be made on an "electronic title" led some commenters to observe this nomenclature was inconsistent with any form of electronic disclosure and electronic title
system save those that relied on scanning images of documents and storing these documents electronically. E. Several commenters requested NHTSA implement provisions providing lenders with the ability to make odometer disclosures through the special power of attorney in § 580.13 as well as requiring the mileage on disclosures be transmitted
electronically to lenders. Section 580.7(b) and (c) state lessor. Petitions filed by three states must execute an odometer disclosure statement to the lessor. Petitions filed by three states in this process but observed
the use of term "physical document" and language stating leased vehicle disclosure be made within an "electronic document" implicated states (and other title issuing jurisdictions) because of the specific definitions NHTSA proposed for these terms in the proposal. As these are wholesale transactions where the auctioneer is acting as the agent on
behalf of a seller that is a business entity, the vehicle title is available at the time of sale. Regulation identifier number (RIN) to each regulation segulation identifier number (RIN) to each regulation identifier number (RIN) to each re
modifications aimed at improving clarity and flexibility. Start Amendment Part18. For the purposes of this part, this term is limited to a record created electronically and does not include a physical title and converted by scanning and imaging for storage in an
electronic medium. Section 580.5(g) addresses issues that may arise in sales when a brand-new vehicle does not have sufficient space to accommodate multiple disclosures. It is also available for inspection at the National Archives and Records Administration (NARA). This final rule
also adds new sections containing specific additional requirements only applying to electronic disclosures to ensure the secure creation and maintenance of electronic records. Another exists when a paper title, which is required to have space for an odometer disclosure and subsequent reassignments, no longer has space available for additional
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reassignments. The standard NHTSA is incorporating is NIST Special Publication 800-63-3 Digital Identity Guidelines (including sub-parts 800-63-3B and 800-63-3B and 800-63-3B and 800-63-3B and 800-63-3B and 800-63-3B. The agency also added a requirement that disclosures in the case of electronic titles must be on an electronic form incorporated into that title, that the electronic disclosures in the case of electronic titles must be on an electronic form incorporated into that title, that the electronic disclosures in the case of electronic titles must be on an electronic form incorporated into that title, that the electronic disclosures in the case of electronic titles must be on an electronic form incorporated into that title, that the electronic disclosures in the case of electr
must be incorporated into the electronic title, and, in jurisdictions with electronic titles, reassignment documents could not be used in lieu of making the odometer disclosure electronic title, and, in jurisdictions with electronic title, and in jurisdictions w
storage in § 580.6(a)(1), electronic signatures in § 580.6(a)(2), availability of electronic records in § 580.6(a)(3), accounting for the potential for co-existing paper and electronic records in § 580.6(a)(3), accounting for the potential for co-existing paper and electronic records in § 580.6(a)(5), NHTSA also proposed, requiring secure physical documents.
be used in electronic odometer disclosure systems in § 580.6(a)(7), and setting standards for converting secure paper documents to electronic signatures would be established to the extent necessary to ensure imposters
did not execute or acknowledge mileage disclosures. In such an instance, the section provided that a separate document could be used for the disclosure. Further, as explained in one state may wish to sell their vehicle in a state that does not have an electronic title and odometer disclosure
capability. These rollback account for 18.3 percent of the overall annual fraud loss resulting in a $150.1 million (= $820 million * 0.183) loss to consumers. Dealer groups believed the requirement to be unnecessary and inflexible as dealerships are entities regulated and licensed by their home states. End Authority Start Amendment Part2. Odometer
Disclosures H. These included inserting a new address in § 580.12 (a). AAMVA recommended NHTSA remove references to the term "form" as it relates to electronic odometer disclosure and electronic titles because such disclosures are not made on a paper-based "form."
AAMVA also asked for clarification on when a power of attorney may be used in conjunction with a vehicle titled in an electronic title state to use a power of attorney to sell a vehicle in a paper title state. The NPRM also proposed adding a new § 580.6
to part 580 to create requirements resolving unique concerns posed by electronic odometer disclosures. Virginia asked if use of pen pad for electronic transactions done in person before a state employee or agent—essentially replicating the present paper process—met NIST Level 2 requirements. In AAMVA's view, specific system security
requirements would hinder states in their ability to protect this data rather than enhance it. Because of comments that the proposal did not sufficiently specify the sequence in which odometer disclosure statements are signed, this final rule states a transferee must execute the disclosure statement "upon receipt" of the transferor's signed disclosure.
Comments submitted in response to this solicitation were generally split into two opposing positions. To reflect this, the agency used the overall annual fraud loss of $820 million as the base and estimated the proportion each age of vehicles' contributing to this loss. Objection was also made to this requirement as "process based" and not transaction
based because of the proposed § 580.6 applying to electronic transactions. At Level 1 a user name and a password is sufficient verification and there is no identity proofing. (5) A vehicle sold directly by the manufacturer to any agency of the United States in conformity with contractual specifications. The NPRM proposed extending these requirements
to electronic disclosures transfers by amending § 580.5(d), specifying that in instances of electronic transfer, the required information must be displayed on the screen, and acknowledged as understood by that party, before any signature can be applied to the transaction. (f) The transferor shall give a copy of the physical power of attorney form to
their transferee. This environment would be part of a system that records when the documents are accessed, and the date and time any attempt is made to alter the documents are accessed, and the document or record is created, when the documents are accessed, and the date and time any attempt is made to alter the documents are accessed, and the date and time any attempt is made to alter the documents are accessed, and the date and time any attempt is made to alter the documents are accessed, and the date and time any attempt is made to alter the documents are accessed.
would be made on the title and then recorded in New York's system by a specific dealer employee whose identity had been verified. Under § 580.7(d) a lessor transferring ownership of a vehicle (without obtaining possession) may indicate the mileage disclosed by the lessee on the vehicle's title unless the lessor has reason to believe the lessee's
making mileage disclosures upon assignment and reassignment are disclosures into the electronic title. The agency viewed this requirement as superfluous when identity authentication requirement should ensure the information would be available. Start Amendment Part13. The agency concurs in these
assessments and believes this less restrictive approach is consistent with the brevity exhibited by Congress in directing the promulgation of this final rule. NADA opposed the proposed change as it would greatly increase disclosure and recordkeeping burdens for transferees, and states, with no demonstration by NHTSA that vehicles 11 to
25 years-old have become Start Printed Page 52683a "hot bed" for odometer fraud. * * * * Physical power of attorney means, for multicopy forms, any and all copies set forth by a secure printing process or other secure process which are
 issued by the jurisdiction pursuant to § 580.13 or § 580.14. For those States with existing electronic title and odometer disclosure systems, the agency does not, however, believe the requirement to identify both an individual and an entity when the individual
represents an entity, should be eliminated. New Technologies IV. The only assurance is the fact that the user can authenticate to the identity provider that some relationship exists between the two because the user provides a previously issued credential (username and password or cryptographic key). Among state commenters, Virginia stood alone in
supporting an expanded scope for the final rule. These comments were directed at the NIST authentication level proposed in the definition as well as more prosaic concerns about the definition not Start Printed Page 52686adequately encompassing the full range of potential means for making an electronic signature. Virginia simply stated it does not
oppose raising the exemption to 25 years or eliminating the exemption. One commenter, NADA, indicated they supported these proposed to correct
address changes and typographical errors as well as removing obsolete provisions and providing redesignations needed to complete the final rule. Texas, California, and Florida offered comments stating the scope of the NPRM proposals should not be executed by both parties at the tag agent's facility after each
had verified their identity to the tag agent. Also for clarity and accuracy, § 580.2 is amended to better describe the status of a vehicle upon termination of a lease, and the term "purchasers" has been replaced with the more accurate and less restrictive term "transferees." Consistent with the former amendment, the term "dealer" in § 508.13(g) has
been changed to "transferee" to reflect that those receiving ownership are not just dealers. This final rule would not result in the expenditure by state, local, or tribal governments, in the aggregate, or more than $139 million annually, and would not result in the expenditure of that magnitude by the private sector. The agency is not requiring such
reporting where paper documents are used absent further analysis of the burdens that would be counterproductive for the same reason. If the notice is electronic, the information specified in this paragraph shall be displayed
prior to, or Start Printed Page 52702at the time of, the execution of any electronic signatures. In HCUA's view, this is necessary for credit unions involved in the financing of private sales of automobiles. The result of this change was a consumer purchasing a vehicle from a dealer would then receive the original title and odometer statement executed
by the owner, who sold the vehicle to the dealer, and the secure MV-50 form with Start Printed Page 52670an odometer disclosure. According to IAA, adoption of this requirement would necessitate many thousands of unique electronic signatures, posing a huge burden on the auction company and states processing the signatures. This written or
 electronic notice shall contain a reference to the federal law and shall state failure to complete the disclosure or providing false information may result in fines and/or imprisonment. (c) Any requirement in these regulations to disclose, issue, return, notify or otherwise provide information to another person in the course of an electronic odometer
disclosure is satisfied when the required information is electronically transmitted or otherwise electronically available to the party required to review or receive it. In both private sales and auction sales, odometer disclosures are almost always made on the vehicle's title and do not involve the use of a power of attorney. Given the amount of time that
has passed since the issuance of the NPRM and the extensive changes made to the agency's original proposal as detailed elsewhere in this notice, NHTSA does not believe that an SNPRM is needed or would provide any added value in addressing the concerns voiced by these commenters. The final rule makes several changes to the amendments
proposed in the NPRM in response to these comments This final rule amends § 580.8(a) to provide dealers and distributors must retain paper or electronic copies of each odometer mileage statement they issue and receive for five years. Start Amendment Part10. The section also proposed if an individual is acting in a business capacity or otherwise on
behalf of any other individual or entity, that the business or entity also be identified as part of that unique electronic signature. The final rule addresses this issue by stating the 20-year exemption applies only to vehicles manufactured by the new rule. New York proposed
that when a vehicle owned by a New York dealer is sold to a retail purchaser, salvage dealer, out-of-state buyer, or other non-New York dealer purchaser. Final rule § 580.6(a)(2) and (3) mirror provisions for electronic record retrieval
and storage that were found in § 580.6(a)(4) of the NPRM's regulatory text. This final rule, except for the amendment modifying the exemption for vehicles of a certain age from the odometer disclosure requirements, establishes rules intended to accommodate electronic odometer disclosures in the event states or other jurisdictions seek to adopt such
systems. Two commenters, PCI and ESRA, supported these proposals without substantive comment. (e) In addition to the information provided under paragraphs (c) and (d) of this section: (1) The transferor shall certify that to the best of their knowledge the odometer reading reflects the actual mileage; or (2) If the transferor knows that the odometer
reading reflects mileage in excess of the designed mechanical limits; or (3) If the transferor knows the odometer reading differs from the mileage and the difference is greater than that caused by a calibration error or does not reflect a valid mileage display, they
shall include a statement that the odometer reading does not reflect the actual mileage and should not be relied upon. Virginia objected to the requirement that attempts to alter or modify records be tracked. The agency has carefully reviewed previous petitions for approval of such systems, the requirements of federal odometer disclosure law, past
rulemaking actions, and the comments provided in response to the NPRM with a goal toward crafting regulations to either retain or develop electronic title and odometer fisclosure schemes. According to NOTFEA, a recent odometer fraud
investigation revealed a dealer rolled back the odometer Disclosure Schemes The Cost Savings Act, as amended by TIMA in 1986, contains a specific provision on approval of state alternative odometer Disclosure programs. The NTTAA
directs NHTSA to provide Congress, through OMB, explanations when the agency decides not to use available and applicable voluntary consensus standards. Commenters supported this proposal but noted potential difficulties in implementing it. NAMIC's loftier goal, to delay issuance until a national titling system could be developed, would require
significant and unacceptable delay in issuing this final rule. Texas suggested the term "purchasers" in § 580.2 be changed to "transferees" because not all transferees of ownership requiring an odometer disclosure are the result of a purchase and "purchase and "purchaser" is not defined in part 580. The changes promulgated by this final rule, except for modification
of the ten-year old vehicle exemption to 20 years, allow states the option of an alternative means of complying with previously existing requirements. In addition to the signature of the transferor, the disclosure must contain the following information: (1) The odometer reading at the time of transfer (not to include tenths of miles); (2) The date of
transfer; (3) The transferor's printed name and current address; (4) The transferee's printed name and current address; and (5) The identity of the vehicle, including its make, model, year, body type, and vehicle identification number. Executive Order 12866 defines a "significant regulatory action" as one that is likely to result in a rule that may: (1)
Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or Tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or
planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order. Other changes made in this
 section for the sake of clarity and consistency include deletion of the word "forms" when referring to electronic records, substitution of "jurisdiction" for "state," and expansion of the term "secure process" in § 580.4(a) to "secure process" in § 580.4(a) to "secure printing process or other secure process." G. Other interested parties in the rulemaking process beyond the class affected
by the regulation include members of the public, vehicle dealers, law enforcement agencies, consumer protection groups, etc. The NPRM proposed adding requirements in a new § 580.8(d) and § 580.9 that electronic odometer disclosure records kept by motor vehicle dealers, distributors, and auction companies must be stored in a format that cannot
be altered and that indicates any attempts to alter the document, consistent with the standards set forth in proposed § 580.4(b). For clarity and Start Printed Page 52690to eliminate conflicts with other provisions, the final rule paragraph states any document used to make odometer disclosures into an electronic system must be set forth by means of a
secure printing process or other secure process. The agency agrees this provision is desirable and has added § 580.6(j) to implement it in the final rule. Copart stated powers of attorney will continue to be necessary for intra-state transfers, particularly if the electronic system is not available during a catastrophic event. According to NSVRP, gaps in
reported mileage occurring when reassignment documents or a power of attorney are used create opportunities for title skipping and false odometer disclosure statement. Allstate's comments stated record retention requirements are needed to support the detection and prosecution of odometer fraud but did not elaborate further. In addition, the final
rule also explains the requirement to identify both an individual and the entity that individual represents is, for auctions and dealers, limited to identifying the individual and the dealer or auction firm. Some commenters also questioned the accuracy of some of the terms proposed in the amendments. Revise § 580.4 to read as follows: End Amendment
Part Security of physical documents, electronic titles and electronic powers of attorney. J. Florida requested NHTSA distinguish between authorized and unauthorized and unauthorized alterations while Texas stated jurisdictions be allowed the latitude to maintain electronic records in the fashion they feel is the most secure. Start Amendment Part3. To ensure all
governmental entities with the power to title vehicles are clearly encompassed by part 580, the final rule replaces the term "state" with "jurisdiction" wherever it appears. Mechanical odometers have vanished from the market and have been controlled by microprocessor driven digital displays. To ensure systems creating and maintaining records
provided a minimum level of security and certainty, the NPRM sought to add § 580.6(a)(1) requiring electronic records to be retained in a format that cannot be altered and, further, that indicates any attempts to alter it. Beyond that, AAMVA recommended the rule change phase-in the 25-year exemption, by first applying the requirement to vehicles
under 25 years old that are currently subject to odometer reporting. Effective Date V. NAAA similarly urged the agency to ensure any final rule include language allowing jurisdictions to employ an error correction mechanism. Commenters also noted the requirement that only states can print paper titles might be too restrictive as technological
advances might make it possible for secure paper titles to be produced by other entities. The Agency noted an additional purpose of creating a system of records and a paper trail to facilitate detection and prosecution of odometer fraud. One association and one state opposed this proposal as imposing a requirement on states that more properly lies
with the parties. For legal issues: Mr. Thomas Healy, Office of the Chief Counsel, National Highway Traffic Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590. Because the requirement to maintain or provide copies of paper documents exists in various places within part 580, the NPRM proposed accommodating these
requirements in electronic disclosure systems by establishing, in § 580.6(a)(3), that any requirement in part 580 to disclose, issue, execute, return, notify, or otherwise provide information to another person is satisfied when a copy of the electronic disclosure or statement is electronically transmitted or otherwise electronically accessible to the party
required to receive the disclosure. Alternatively, Texas suggested vehicles exempt at the time of promulgation be grandfathered unless other evidence of false mileage exists. The definition of "Sign or Signature" has been modified from our earlier proposal in that requirements for an electronic signature require a National Institute of Standards
(NIST) level 2 authentication system rather than NIST Level 3. These are the available rollback statistics and fraud monetary loss that the agency used as starting points for benefit estimates. Electronic power of attorney means a power of attorney mea
when the electronic title is held or controlled by a lienholder. Indeed, one individual commenter suggested individuals could print their own titles. A separate physical reassignment document may be used for a subsequent reassignment only after a transferor holding title has made the mileage disclosure in conformance with paragraphs (c), (e), and (f)
of this section on the title and assigned the physical title to their transferee. Today's final rule does not propose any new federal agency information they already collect. Section 580.8, applicable to dealers and distributors, and § 580.9, which
applies to auction companies were both the subject of amendments proposed to include electronic documents as an acceptable form of record. Identity of Parties to a Motor Vehicle Transfer and Security of Signatures F. Document or Record Security G. Several commenters observed the NPRM's view that a
power of attorney would be useful in interstate transactions from an electronic title state to a paper state was flawed. If the transaction at issue is electronic signatures. Adding this definition, in our view, also assists in alleviating concerns voiced by
commenters that different rules proposed in the NPRM failed to adequately provide opportunities for legitimate error correction in secure records by authorized persons. In contrast to NADA, dealer association NIADA supported the increase of the exemption to 25 years but urged NHTSA to "grandfather" currently exempt vehicles. California also
indicated leased vehicle transactions should only involve lessors and lessees. Revising the definition of "Transferor". California also strongly disagreed with the proposal, contending the standard be left to states and not set above 200 dpi in black and white. Section 580.8(a) requires motor vehicle dealers and distributors, who are required to issue an
odometer disclosure, to retain copies of each odometer statement they issue and receive for five years. Similarly, the NPRM also proposed amending § 580.5(c), governing the specific disclosures that must be made when transferring title, by adding the phrase "physical document" in instances of paper title transfers and "electronic form incorporated
NTSF's view, states already have appropriate scanning resolution requirements, and NHTSA should leave this issue to state regulation. Id. at 29471. Accordingly, the NPRM proposed limiting application of § 580.5(g) to transactions employing paper documents in jurisdictions without electronic title systems. NADA offered a similar comment to that
provided by Texas and urged NHTSA to add a clarifying definition of the term "State" to read "any jurisdiction." 3. The last column "2029+" indicates that 2029 and later, 10 MYs of vehicles will be affected by this final rule but with rolling one MY
 forwards each year. The proposed amendment eliminated the requirement for a printed name in electronic transactions and stated electronic disclosure systems must provide a copy to the parties. NADA stated it had concerns about the proposal for several reasons. These 8 to 9 years, on an average, would still maintain 87 to 89 percent of its useful
life. End Further Info End Preamble Start Supplemental Information SUPPLEMENTARY INFORMATION: Table of Contents I. It is reasonable, then, to expect that more states will adopt this practice, but the agency does not now have sufficient data to determine how this general expectation will translate into quantifiable cost savings. Exemptions in
580.17 apply to transfers or leases for: (1) Vehicles with a Gross Vehicle Weight Rating (GVWR) over 16,000 pounds; (2) vehicles that are not self-propelled; (3) vehicles manufactured in a model year beginning 10 years before January 1 of the calendar year in which the transfer occurs; (4) certain vehicles sold by the manufacturer to any agency of the
United States; and (5) a new vehicle prior to its first transfer for purposes other than resale. The comments submitted by Texas also suggested adding two more subsections to 580.8. One of the subsections would provide an electronic means for completing a transaction where the transfer for purposes other than resale.
specified a valid electronic signature must be made by the specific individual whose identity had been verified, regardless of whether the person was signing as in individual or as a representative of a business. In addition, Table 2 also presents the breakeven point of the rule. California noted NIST Level 3 authentication went beyond what is required
for current paper transactions. Comments were also filed by insurance companies and insurance Companies (PCIA), the American (PCIA), th
Our NPRM also proposed changing the exemption from mileage disclosure in § 580.17 for cars 10 years old or older to 25 years old or older. Add § 580.6 to read as follows: End Amendment Part Additional requirements for electronic copies or electronic
documents as an acceptable form of record. Florida, nonetheless, requested NHTSA not dictate that only states can print titles in the event future developments allow for other means of producing these secure documents. Comments submitted in response to the proposal were consistent in raising concerns about how such a change would be
 implemented because many vehicles exempt under the former rule would no longer qualify, but may have already been claimed as exempt. One commenter noted some states do not issue title when no title exists. Odometer mileage disclosures would be made by requiring
fails to provide for any transition period to account for currently exempt vehicles. This proposed requirement also appeared in § 580.6(a)(2) of the proposed amendments. Dealer and auctioneer concerns were voiced by comments from the National Automobile Dealers Association
(NIADA), the National Auto Auction Association (OADA), the Ohio Automobile Dealers Association (OADA), the Ohio Automobile Dealers Association (OADA), the power of attorney. The total cost of the change to the age-based exemption in the final rule is estimated to be from the minimum of
$0.7 million in 2020 to the maximum of $5.4 million for 2029+ years. Electronic signatures on odometer disclosures made in connection with transferring the vehicle or auction entity conducting the sale. Afterwards, i.e., the 10th
effective year and later, a whole 10 MYs of vehicles will be affected each year. In other words, affected vehicles are MYs 2010-2019 for 2029, MYs 2011-2020 for 2030, and so on so forth. The definition further differentiates "Access" from the
existence of an electronic and paper title. Commenters observed the NPRM's view a power of attorney would be useful in interstate transferor would still need a paper title to register the vehicle. Id. Section 408 further stated if any transferor violated any rules under this
 section or knowingly gave a false statement to a transferee in making any disclosure required by such rules is a violation. Texas also observed that use of the term "physical document" in the proposal was inappropriate as that term is defined by the NPRM. Definitions 3. Therefore, the fraud loss is estimated to be $820 million in 2018 dollars
According to Florida, it presently stores the history of title conversions from one form to another and invalidates the inactive title while paper titles are printed by Florida or an authorized entity. The proposed regulations address records to electronic documents, identification of participants, conversion of paper records to
electronic records, the potential for simultaneous electronic and paper titles, and the character of any paper documents from the American Association of Motor Vehicle Administrators (AAMVA). Review of the systems proposed in these petitions and the
terms of NHTSA's actions in response to them, illustrates the variations in schemes between jurisdictions and the concerns raised by electronic odometer disclosure. Start Amendment Part9. California, Virginia, NADA, NTSF, and AAMVA all supported eliminating the printed name requirement in electronic disclosures, with most also stating
identity authentication employed in these systems would make the printed name requirement superfluous. First, NHTSA has narrowed the applicability of this section from electronic "records" to electronic titles to remedy the overbreadth of our proposed language and for consistency with the remainder of the final rule. If the rule can deter more
than 3.6 percent of rollbacks in affected vehicles, the rule would accrue monetary benefits. According to the data Edmonds provided to NHTSA, the 100,000 miles travelled approximated to that for an average 8/9 years old vehicles that were sold in 2017. NHTSA has now adopted provisions allowing electronic and paper powers of attorney when a
title is unavailable to a transferor because the title is lost, physically held by a lienholder, or when an electronic title is inaccessible. Some commenters strongly supported the proposal, citing the increased age of the vehicle fleet and providing anecdotal evidence of significant odometer fraud prosecutions
involving older vehicles. The comments submitted in response to the NPRM, directed toward this proposal and other proposed and potential security requirements, underscored the degree, in verifying the identities of persons using those
systems for vehicle transfers. These savings would first be manifested through avoidance of legal and administrative costs to prepare and submit petitions to NHTSA seeking approval of electronic disclosure systems. California Start Printed Page 52677opposed the proposal that electronic disclosure systems provide a copy of the executed disclosure
statement to the parties. Therefore, where information was required to be entered in "an electronic form incorporated into the electronic title." Similarly, where notices of potential liability for failing to meet certain requirements are required
on paper documents, 580.5(d) of the NPRM proposed the same warnings be provided electronic transactions. In California's view, states should have the option of choosing whether to make copies available. NADA opposed the proposal as unduly burdensome on states and their agents. The comments addressing this proposal
questioned whether extending the paper record requirements for dealers and auction houses would be necessary in jurisdictions with electronic title and odometer disclosure systems because these jurisdictions with electronic title and odometer disclosure systems because these jurisdictions with electronic title and odometer disclosure systems because these jurisdictions with electronic title and odometer disclosure systems because these jurisdictions with electronic title and odometer disclosure systems because these jurisdictions with electronic title and odometer disclosure systems because these jurisdictions with electronic title and odometer disclosure systems because these jurisdictions with electronic title and odometer disclosure systems because these jurisdictions with electronic title and odometer disclosure systems because these jurisdictions with electronic title and odometer disclosure systems because these jurisdictions with electronic title and odometer disclosure systems are also as a significant of the paper record requirements and a significant of the paper record requirements are a significant 
 significantly from those proposed in the NPRM and remedy some significant shortcomings in our earlier proposal. 104-113), all federal agencies and departments shall use technical standards as a means to carry out policy objectives or activities
determined by the agencies and departments, except when use of such a voluntary consensus standard would be inconsistent with the law or otherwise impractical. Virginia noted the proposal did not separate legitimate corrections from unauthorized alterations but supported security measures, record retention requirements, and audit and review
AAMVA also urged a secure power of attorney, whether physical or electronic, is needed when the title is electronic because a power of attorney may still be necessary in intrastate transaction electronic because a power of attorney may still be necessary in intrastate transaction electronic because a power of attorney may still be necessary in intrastate transactions within an electronic titling state in instances where the buyer or seller does not have the ability to complete the transaction electronically. Id. at 29472.
Similarly, the final rule definition for the electronic version excludes a scanned copy of a paper power of attorney. In ESRA's view, NHTSA should consider if an odometer disclosure process for such vehicles. 2019-20360 Filed 10-1-19; 8:45 am] BILLING CODE
4910-59-P Florida generally supported the concept but observed the ability to use only an electronic means depended on whether the Manufacturer's Certificate of Origin (MCO) is available electronically or only on paper. NHTSA's response to the NIST authentication issues is discussed below, and the agency now addresses the remaining issues. Id
The salient provisions of the odometer disclosure regulations, 49 CFR 580.5, 580.7 and 580.5(c)), the attestation made when executing the Start Printed Page 52665disclosure (§ 580.5(e)), as well as security features
incorporated into titles and other documents to guard against tampering and counterfeiting (Section 580.4). Revise § 580.14 to read as follows End Amendment Part Power of attorney to review title documents and acknowledge disclosure. Identity of Parties to a Motor Vehicle Transfer and Security of Signatures As NHTSA observed in the NPRM, a
physical signature is a unique mark linked to the person who made it. NAMIC thought delay would give a greater opportunity for NHTSA and state officials to forge a national electronic titling and odometer disclosure system. Virginia also opposed requiring 600 dpi color scans for cost and feasibility reasons. In addition to the redesignation, §
 580.15(c) is also modified to provide an exception to voiding the power of attorney for mileage inconsistency where the disclosure states the mileage is in excess of mechanical limits or does not reflect the actual mileage inconsistency where the disclosure states the mileage in exception to ensure the identity of persons executing
 the odometer disclosures. California suggested Electronic Document should include or be restated as "titling record" and "paperless or electronic title." Virginia believed the definition of "sign or signature" is insufficient to address handwritten signatures
for individuals, and electronic signatures for organizations verified through authentication measures. Where paper transactions required participants to provide a printed name, the NPRM proposed the printed in or after the 2010
model year that is transferred at least 20 years after January 1 of the calendar year corresponding to its designated model year; or (ii) Example to paragraph (a)(4): For vehicle transfers occurring during calendar year 2030, model year 2010 or older vehicles are exempt. California argued a Level 3 process would be burdensome and impractical, if not
impossible, to implement. ESRA's comments acknowledged that an electronic odometer disclosure system would allow most e-titling transactions to occur without a power of attorney. Other sections of part 580 establish a petition process by which states may seek assistance in revising their odometer laws (§ 580.10), may seek approval of alternative
odometer disclosure schemes (§ 580.11), and establish exemptions from the disclosure requirements of §§ 580.5 and 580.7 (§ 580.17). For example, the final rule replaces the word "his" with "their" and makes other modifications for gender neutrality. Virginia proposed using a paperless system where users would enter the information and attestations for gender neutrality.
found on paper odometer disclosures into a state electronic system. These four levels of assurance (LOA)—with Level 1 being the breadth of the proposals in the NPRM and the amendments promulgated in this final rule,
NHTSA remained mindful of the direction given by Congress in directing that the agency "prescribe regulations permitting any written disclosures or notices and related matters to be provided electronically." (Section 31205, 126 Stat. As amended by TIMA, section 408(f) (1) of the Cost Savings Act provided its provisions on mileage statements for
licensing of vehicles (and rules involving leased vehicles) apply in a state, unless the state has in effect alternate motor vehicle mileage disclosure requirements approved by the Secretary. Private sales are more likely to involve vehicles that are not subject to a lien and where the seller has the title in their possession. (i) When a transferor's physical
title is lost, a jurisdiction may facilitate the transfer of a physical title provided a physica
back of a title or a copy of both the power of attorney form and the odometer disclosure on the back of the title made under the authority given by the power of attorney form and the odometer disclosure on the back of the title made under the authority given by the power of attorney form and the odometer disclosure on the back of the title made under the authority given by the power of attorney form and the power of attorney form and the odometer disclosure on the back of the title made under the authority given by the power of attorney form and the power of attorney form and the odometer disclosure on the back of the title made under the authority given by the power of attorney form and the power of attorney form attorney form attorney form attorney form attorney for attorney form attorney form attorney for attorney form attorney for attorney form attorne
difference thus might not account for the relative occurrence of each age of vehicles in the annual used car market. NHTSA believes this final rule will not result in titles becoming more difficult to obtain. Based in part on its experience in processing petitions for approval of alternative disclosure schemes, NHTSA also proposed a new § 580.6(a)(5)
giving jurisdictions with electronic title and odometer disclosure systems the option of providing vehicle owners with a paper record of ownership, including odometer disclosure for that vehicle. The NPRM proposed modifying odometer disclosure
 exemptions for transfers of ten year old vehicles to transactions involving 25 year old vehicles. The amendments required the Secretary to prescribe regulations permitting any written disclosures or notices and related matters to be provided electronically not later than 18 months after the date of enactment of the Motor Vehicle and Highway Safety
Improvement Act of 2012. The command that odometer disclosures can only be made on the title was held by a lienholder because the title was held by a lienholder by a lien
vehicle or trade it in when buying a new car. Any electronic odometer disclosures must follow TIMA's command that odometer disclosures must be made on the title, or a selectively narrow set of tightly controlled secure documents. Recognizing technologies such as "pen pads" may be used in
electronic titling and odometer disclosure systems and paper documents may, in some jurisdictions, be employed in an electronic transactions. According to Texas, states have an interest in the security of vehicle and odometer
transactions equal to that of the federal government and are more familiar with their jurisdiction's business needs and those of its customers. Commenters also asked for clarification on when a power of attorney may be used in conjunction rules
in § 580.17 are now set so vehicles that are 20 years old or older are exempt from mileage reporting. As noted, the storage requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for these records have been incorporated into the general requirements for the general req
designing and executing electronic titling and odometer disclosure schemes, an electronic odometer disclosure system should minimize or eliminate odometer disclosures on documents other than the title. Lender associations and other entities also opposed the proposal to require Level 3 authentication. (j) Electronic reassignments shall be made on
or in the electronic title or, as set forth in § 580.5(g), may be entered in the electronic title. Based on the 2013 Carfax study,[16] there are about 190,000 cases
of odometer fraud (or rollbacks) with an annual loss of $761 million indicating an average of $4,000 loss per case. In addition, the final rule more clearly recognizes electronic titles and odometer disclosures may take many forms, from scanned copies of paper documents to database entries. The NPRM proposed adding the phrase "whether a physical
or electronic document" in § 580.5(a) so the disclosure requirements specified in § 580.5 would apply to paper and electronic transactions. Scope of the Final Rule 2. At the least, AAMVA recommended any vehicle that does not reflect "actual" mileage in the title even if this
mileage is disclosed later. (b) The physical or electronic power of attorney shall contain, in part A, a space for the information required to be disclosed under paragraphs (c) through (f) of this section. In NADA's view, this proposal runs contrary to NHTSA's time-honored and well-deserved reputation for being a data driven agency. In such a case, the
buyer and seller do not need to fill in the remainder of the disclosure form or sign it. These power of attorney provisions provide an exception to the rule that a single person cannot execute an odometer disclosure so on transferor and Start Printed Page 52681 transferor and Start Pri
behalf of the transferor when acquiring the vehicle under § 508.13, and, if transferring the vehicle, on behalf of the new transferee under § 508.14. Although one commenter objected to states being required to provide this copy, the requirement is satisfied if the electronic system allows the parties to print or download a record of the odometer
disclosure and the required elements of that disclosure. (b) * * * (2) Be submitted to the Office of Chief Counsel, National Highway Traffic Safety Administration, 1200 New Jersey Avenue SE, W41-326, Washington, DC 20590; (3) Set forth the motor vehicle disclosure requirements in effect in the jurisdiction, including a copy of the applicable laws or
regulations of the jurisdiction; and (4) Explain how the jurisdiction and Cost Savings Act. If a state permits the use of a physical or electronic power of attorney in the situation described in § 580.14(a), the power of attorney must also contain, in
part B, a space for the information required to be disclosed under § 580.14, and, in part C, a space for the certification required to be made under § 580.15. Start Amendment Part6. One of these is when the title is lost or held by a lienholder and the power of attorney authorized by this part may be used. For clarity, these amendments required
bifurcating the former § 580.13(a) and (b), and redesignating the former § 580.13(b) through (f) as § 580.13(c) through (g). Although the NPRM did not provide for an electronic titles exist, NHTSA
has reconsidered this position in response to the observations of some commenters that this tool will be needed as the transition from paper titles to electronic titles moves forward. OADA recommended NHSTA not impose any minimum technological standards and instead leave that to the discretion of the individual state motor vehicle
 administrators. Furthermore, not only have vehicles lasted longer, they also retain a greater proportion of their original manufacturer suggested retailed price (MSRP). Once verified, the user could begin the title transaction. California, Texas, and AAMVA observed the current language in § 580.13(f) states ". Other Comments O. Start Amendment
Part 16. FAST Act Amendments Section 24111 of the Fixing America's Surface Transportation Act of 2015 (FAST Act, or Pub. Virginia noted the proposal did not distinguish between authorized and unauthorized and u
of authority at 49 CFR 1.95. The commenters all favored regulatory changes that would allow states to implement Parta. (b) Lessors shall retain, for five years following the date they transfer ownership of the leased vehicle
each written or electronic odometer disclosure statement which they receive from a lessee. Copart, another auction provider, offered the same observations about the effect of this proposal on businesses that provide a venue for selling large volumes of vehicles for many different owners. Rather than have the transferor execute a power of attorney
 agents should be allowed to do so. NHTSA notes this direction was unaccompanied by any suggestion that a national electronic title system be created, however laudable that goal may be. The purpose of this part is to provide transferees of motor vehicle's condition and value by
making the disclosure of a vehicle's mileage a condition of title and by requiring lessees to disclose to their lessors the vehicle's mileage at the time the lessor their lessors the vehicle's mileage at the time the lessor their lessor th
a single employee signing on behalf of a host of vehicle owners bringing their vehicles for sale. In incorporating this provision into the final rule, NHTSA believes it offers the flexibility required to allow transferors with electronic titles or odometer disclosure systems when the transferor did
not obtain a paper title prior to the transfer. M. The two exceptions added reflect two instances where the mileage shown reflects mileage in excess of the designed mechanical odometer limit or that the mileage shown does
not reflect the actual mileage. Amend § 580.10 by revising paragraph (b)(2) to read as follows: End Amendment Part Application for assistance. Commenters aligned with lenders asked the power of attorney be expanded so lenders could perform disclosure systems
may choose to employ separate physical disclosure statements in instances where a title has not been issued, the final rule establishes these states must provide a means for electronic odometer disclosures both before and after a title has not been issued. End Amendment Part The revisions and additions read as follows: Definitions. In the view of these states must provide a means for electronic odometer disclosures both before and after a title has been issued.
commenters, imposing the foregoing requirement on a wide range of potential parties to a transfer would be unduly burdensome. Despite these protections, there were shortcomings in odometer provisions of the Cost Savings Act. Section 408 required the Secretary to issue rules requirement on a wide range of potential parties to a transfer would be unduly burdensome.
transferee in connection with the transfer of the vehicle. Summary of Requirements of the Final Rule On Friday, March 25, 2016, NHTSA published a notice of proposed rulemaking (NPRM) specifying potential amendments to part 580 allowing states and other jurisdictions to establish electronic odometer disclosure schemes allowing odometer
disclosures required by the Motor Vehicle Information and Cost Savings Act (Cost Savings Act (Cost Savings Act to be made electronically (81 FR 16107). 8. Edmunds data indicated that a 10-year-old vehicle retained 21 percent of its original MSRP in 2012. Revise the authority citation for part 580 to read as follows: End Amendment Part Start Authority 49 U.S.C
32705; Pub. Allowing e-odometer filing is expected to be more efficient for a paper form of odometer system and thus has the benefits of paper reduction and the decrease of record processing and management time. Representing a maximum annual impact, from 2028 onwards when a whole of 10 MYs would be affected each year, there would be
114,300 annual rollbacks. 100-561) amending TIMA's requirement that odometer disclosures be made only on the title. Consistent with this theme, part 580 allows odometer disclosures to be made on a document other than the title only in very prescribed circumstances. To preserve the paper title as a record, NHTSA also proposed the electronic
copy of the paper title be retained for five years. The NPRM proposed amendments to § 580.7 allowing the required documents be in the form of "electronic documents be in the form of supported the proposed amendments to play a role in facilitating lease vehicle disclosures."
Therefore, the final rule clarifies the information at issue is that which is necessary for an odometer disclosure, and the duty to provide it is satisfied when it is made available to a party. With the caveat that many commenters noted that the proposed language referred to an electronic "document" when reference to an electronic "record" would be
more appropriate, this portion of the proposed rule enjoyed general support with many commenters strongly endorsing the agency's decision not to impose specific security standards for electronic dometer disclosure, the identity of the
individual making or acknowledging the disclosure be verified using an identity authentication scheme meeting, or equivalent to, Level 3 as described in the NIST Special Publication 800-63-2, Electronic Authentication Guideline. An additional concern raised by commenters, particularly states that had previously had alternative odometer disclosure
systems approved through the petition process, was the applicability of provisions in the final rule to those systems. Revise § 580.2 to read as follows: End Amendment Part Purpose. California suggested implementing the change incrementally at one year intervals until the 25-year threshold it attained. Texas strongly encouraged NHTSA to amend §
580.13(f), which specifies a power of attorney is lower than on the power of attorney is lower t
the security requirements proposed by NHTSA as doing so would provide a disincentive to adopt an unduly narrow vision of how electronic dometer disclosure and electronic titling systems. Some commenters also voiced reservations about the structure of the proposed amendments, which, in their view, appeared to adopt an unduly narrow vision of how electronic titling systems.
 would function. Commenters supported these proposals but offered some concerns. 7. Noting first that Texas has already implemented an electronic title and odometer disclosure system known as webDEALER consistent with NHTSA's approval of its petition to implement alternative electronic disclosure requirements and thereby
experience in a new field, NHTSA examined the changes to the regulatory language proposed by that state. Requirement that states must petition NHTSA for Start Printed Page 52666 approval of alternative electronic odometer disclosure schemes ends on
the effective date of this final rule, states seeking to adopt such schemes after that date must either comply with the provisions of this final rule or petition the agency for approval of alternative procedures. To make this limitation on the use of separate physical odometer disclosure statements after a title has been issued, the final rule now states a
separate physical disclosure statement may only be used after the holder of a physical title has made a proper odometer disclosure, assignment and the transaction's locale does not have an electronic title and odometer disclosure system. [i]f the mileage disclosed on the power
of attorney form is lower than the mileage appearing on the title, the power of attorney is void and the dealer shall not complete the mileage disclosure on the title." (emphasis added). NHTSA observes the definition of both "transferor" and "transferor" and "transferor" and the buyer but also an agent acting on their behalf not complete the mileage disclosure on the title."
Section 580.5(g) of part 580 addresses the situation in which a vehicle has not been titled or where the existing paper title does not have sufficient space for making an odometer disclosure. Further, Texas observed electronic lien systems and electronic titles raise the guestion of whether the power of attorney can be used under the existing
restriction that the power of attorney can be used only when a title is lost or physically held by the lienholder. After consideration of the proffered language and the comments addressing concerns about our proposals in this, and other, sections, the agency is incorporating many of the changes suggested by Texas into this Final Rule. The buyer or
transferee would examine the disclosure and either accept it or reject it. The term "accessed" is employed here as defined in § 580.3 and therefore means the power of attorney may be used only in circumstances where either a transferee or a transferor does not have the ability to make authorized changes to the electronic title. To facilitate
transactions associated with terminating the lease, § 580.7(a) required lessors to provide lessee must provide the lessor with an odometer disclosure statement and that failure to do so, or to do so in conformance with federal law, exposes them to criminal liability. Section 580.6(a)(7) of the NPRM
proposed any physical documents used make odometer disclosures for entry into an electronic title and odometer disclosure system to comply with the existing requirements of part 580. Consistent with the revisions this final rule makes to the definitions in § 580.3, this final rule revises § 580.7 by eliminating references to "physical document" and
 'electronic document" and stating required communications may be made electronically and in writing. The agency's NPRM observed electronic title and odometer fraud by eliminating or reducing the use of paper documents in vehicle transfers. Texas strongly advocated
allowing use of the power of attorney with any electronic title, whether within the same jurisdiction or not. Except in the limited context of the proper use of the power of attorney forms, no person shall sign an odometer disclosure statement as the transferor and transferor and transferor in the same transaction (§ 580.5(h)). As reflected in the NPRM's request for
comments, one approach would be to draft a set of detailed and comprehensive regulations creating rules governing technical aspects of system security, identity authentication, interstate communications, and the mechanics of executing transfers. Odometer disclosures must be made on a secure title, reassignment document, or power of attorney
when a vehicle is transferred to a new owner. To enable the needed access to text and other information in electronic disclosure schemes, NHTSA proposed adding § 580.6(a)(3), stating any requirement in the regulations to disclose, issue, execute, return, notify, or otherwise provide information to another person is satisfied when a copy of the
electronic disclosure or statement is electronically transmitted or otherwise electronically accessible to the party requirement that odometer disclosures be made on the title and not on a separate document is critical for preventing odometer fraud. The NSVRP
urged NHTSA to make whatever changes were needed to ensure odometer readings were reported to the correct jurisdiction at every transfer, including dealer-to-dealer transfers. The final rule adopts an exemption for cars 20 years old or older and explicitly sets out how this modified exemption will be applied. Accordingly, the NPRM sought to add
new definitions in part 580.3 for the terms "Electronic Document," "Physical Document," and "Sign or Signature." As proposed, "Electronic form by a state, territory or possession that meets all the requirements of this part." The NPRM
proposed defining a "Physical Document" as "a title, reassignment document or power of attorney printed on paper that meets all the requirements of this part." The proposed definition of "Sign or Signature" encompassed both hand written and electronic signature must
incorporate an identity authentication scheme equivalent to or greater than a NIST Level 3 system. Costs and Benefits II. Scope of the Final Rule D. This notice explained the Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21, or Pub. Where NHTSA proposed in § 580.5(c) that an odometer disclosure be made an "electronic form
incorporated into the electronic title," the final rule now provides disclosures be made on an electronic title to clarify that electronic title systems where "forms" are scanned into an electronic title systems are not, as many commenters noted, limited to systems where "forms" are scanned into an electronic title systems where "forms" are scanned into an electronic title systems where "forms" are scanned into an electronic title systems where "forms" are scanned into an electronic title systems are not, as many commenters noted, limited to systems where "forms" are scanned into an electronic title systems are not, as many commenters noted, limited to systems where "forms" are scanned into an electronic title systems are not, as many commenters noted, limited to systems where "forms" are scanned into an electronic title systems are not, as many commenters noted, limited to systems are not, as many commenters noted, limited to systems are not as a scanned into an electronic title systems are not as a scanned into an electronic title systems are not as a scanned into an electronic title systems are not as a scanned into an electronic title systems are not as a scanned into an electronic title systems are not as a scanned into an electronic title systems are not as a scanned into an electronic title systems are not as a scanned into an electronic title systems are not as a scanned into a scanned into an electronic title systems are not as a scanned into 
security standards for these storage systems, NHTSA also asked for comment on whether the final rule should incorporate more specific security requirements for systems used to create and maintain electronic titles and odometer disclosures. Although the proposal did not require any action on the part of states or other jurisdictions to accommodate
electronic disclosures for leased vehicles, the NPRM asked for comments on whether such a requirement should be implemented. The foregoing concerns prompted NHTSA to specifically request comments in the NPRM on whether it should adopt a minimalist approach or a more prescriptive set of rules. The final rule's requirements for electronic
titles and electronic powers of attorney also diverge from the NPRM in allowing authorized modifications to electronic records. NOTFEA also offered examples of similar cases involving exempt vehicles. Similarly, to enhance clarity, the final rule establishes as definition of "jurisdiction" that encompasses states and territories and replaces "state"
wherever formerly used in part 580 with "jurisdiction." This final rule also adopts additional amendments to enhance clarity and accuracy. Executive Order 13211 Executive Order 13211 applies to any rule that: (1) Is determined to be economically significant as defined under E.O. 12866, and is likely to have a significant adverse effect on the supply.
distribution, or use of energy; or (2) that is designated by the Administrator of the Office of Information and Regulatory Affairs as a significant energy action. The comments, however, differed in how this goal should be achieved. Identity of Parties to a Motor Vehicle Transfer and Security of Signatures 4. Section 580.6(d), § 580.6(a)(4) in the NPRM, of
the final rule requires states issuing electronic titles to obtain the prior physical title or proof that it was lost or invalidated before issuing a new title. While some commenters urged NHTSA to leave as much as possible to the discretion of individual states, others felt the agency should compel creation of a national electronic title and odometer
disclosure system by a specified date and impose penalties for non-compliance. Congress responded to the foregoing final rule by inserting a provision in the Pipeline Safety Reauthorization Act of 1988 (Pub. AAMVA agreed to the extent that continued use of physical documents is necessary in an electronic system, any physical documents used must
comply with regulatory requirements. Section 408(f)(2) stated "[t]he Secretary shall approve alternate motor vehicle mileage disclosure requirements are not consistent with the purpose of the disclosure requirements by subsection (d) or (e), as the case may be." 3. NTSF
recommended this requirement be left up to states implementing electronic odometer system. K. Further, the Florida dealer transaction scheme allowed issuance of new registrations after submission of a disclosure statement on a physical reassignment document rather than on the title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself, thereby violating the statutory requirement that a title itself itself, thereby violating the statutory requirement that a title itself it
with an odometer statement must be submitted prior to registering the vehicle. Telephone: (202) 366-7161. 10. 947, 961-63 (1972). In 1990, Congress amended § 408(d)(2)(C) of the Cost Savings Act. One insurer, Liberty Mutual, four associations, AAMVA, NADA, CUCTX, and three states, California, Virginia, and Texas, offered comments
in response to the definitions contained in the NPRM. H. When that final rule was issued in 1988, the average age of automobiles in use had risen to 11.7 years. [3] The 2017 National Household Travel Survey also validate this trend of increased vehicles
longevity. AAMVA opposed involving states in transactions made between the lessee and the lesser and that a state's only involvement should be to accept completed documents. The disclosure required to be made by
the transferor to the transferee on the title when ownership of a vehicle is transferred on a title under 49 CFR 580.5. Among other things, the power of attorney must contain a space for the transferee to sign and date the form. ESRA's comments also
endorsed a less restrictive regulatory approach stating the NPRM proposals were sufficiently broad to enhance the adoption of e-odometer and e-titling systems, and some level of variation would be acceptable if state systems are technologically neutral and promote interoperability. Start Printed Page 52674 2. Commenters questioned whether
extending paper record requirements would be necessary in electronic title and odometer disclosure states given those states would store the same data. NAAA requested NHTSA consider expanding the availability of the power of attorney to situations where technical problems in an e-title state made electronic titles unavailable. In 2017, about 47
percent of the household cars and 50 percent in 1990.[4] Furthermore, based on the NHTSA established scrapped rate schedule, the average age of vehicles when they are scrapped (i.e., age at 50 percent scrappage rate) is about 16
years old for cars and 15 years old for LTVs. In 2008, noting the increasing age of light vehicles in use, the U.S. Department of Justice (DOJ) requested NHTSA consider review of the 10-year exemption. Many of the commenters also exhibited concerns about the practicalities of how disclosures would be made and mileage reported when the
exemption is changed given the large numbers of vehicles whose titles may already have had their odometer disclosures marked as "exempt" instead of having their mileage reported as set forth in § 580.5(e). Sections 580.8 and 580.9 include requirements for odometer disclosures marked as "exempt" instead of having their mileage reported as set forth in § 580.5(e).
auction companies, respectively. Therefore, this document was not reviewed by the Office of Management and Budget under E.O. 12866 and E.O. 13563. The most stringent requirements, at Level 4, do not permit remote registration. See Public Law 101-641 § 7(a), 104 Stat. 114-94), allows states to adopt electronic odometer disclosure systems
without prior approval of the Secretary") of the Department of Transportation until the effective date of the final rule addressed by this notice. Overview of NHTSA's Odometer Disclosure Regulations The implementing regulations for the Odometer Disclosure Regulations The implementation until the effective date of the final rule addressed by this notice.
Code of Federal Regulations (CFR). Section 580.7 establishes special procedures to ensure accurate mileage information is provided by the lesser to the lessor so the less
subsections be added to § 580.6. The first of these would make an explicit provision for using a power of attorney in an electronic title jurisdiction where the transferor holds a lost physical title. If the individual executing the
electronic signature is acting in a business capacity or other individual or entity, the business or other individual or entity shall also be identified when the signature is made. Notice of final grant or denial of a petition for approval of alternate motor vehicle disclosure requirements will be published in the Federal Register. The
agency also notes that the definition of "Jurisdiction" is singular and signals NHTSA's decision not to establish security standards or similar regulations governing the exchange of electronic title information. The final rule definition simply
states an electronic power of attorney is simply a power of attorney created and maintained in an electronic format that meets all the requirements of part 580. Florida noted the NPRM did not discuss why 25 years was proposed and questioned how this could be implemented. Executive Order 13609: Promoting International Regulatory Cooperation
The policy statement in section 1 of Executive Order 13609 provides, in part: The regulatory agencies to address similar issues. Commenters supported the proposed changes on the condition the final rule take adequate steps to ensure the final rule allowed
authorized changes to electronic records to correct errors. The foregoing change to §580.15(a) requires restructuring the remainder of this section for clarity. Some commenters suggested states have the option of employing either a paper or an electronic system for these transactions, even where the jurisdiction provided an electronic title and
odometer disclosure system. As discussed in the NPRM, advances in technology are likely to proceed at a faster pace than NHTSA's ability to revise and issue new rules. The advent of electronic titles would not eliminate the demand for paper titles, particularly because paper titles are likely to be essential to completing interstate transactions
between electronic and paper jurisdictions. Along with adding the necessary terms to accommodate electronic titles to the former § 508.13(f), the final rule now provides two exceptions to the requirement that mileage shown to be lower than that disclosed on the title voids the power of
attorney. Proposed § 580.6(a)(1) is now redesignated as § 580.6(a)(1) is now redesignated as § 580.6(a) (2) through (b). AAMVA noted the NPRM proposal did not distinguish between electronic signatures being made in the presence of a state employee or agent and remote Start Printed Page 52675transactions.
This statement must be signed by the lessee. As NHTSA remained concerned document conversion presented opportunities for fraud, § 580.6(a)(8) of the NPRM proposed processes for converting titles and other secure documents to electronic copies maintain security features and that scanning be made in color at a resolution of 600 dpi. The 60
percent rollback rate is used as the rate for all affected vehicles (i.e., 10-19 years old) because of the lack of annual rollback information by individual age. Dealers, insurers, and auctioneers opposing the proposed change to the exemption argued it would increase disclosure and recordkeeping burdens for transferors, transferors, and states, without
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providing any known benefit. 114-94 (2015)). Other Commenters addressed issues unrelated to specific proposals in the NPRM as well as other odometer disclosure concerns and issues. AAMVA stated few states had developed electronic title systems, and even fewer could support fully electronic transactions or odometer
 disclosures. In response to comments that this requirement is superfluous, since the electronic or physical signature already constitutes acknowledgement or "check box" in electronic disclosures. NHTSA found the employment of the secure state-issued and numbered MV
50 form, in conjunction with the odometer disclosure on the original seller's title and the recording of these disclosures in New York's electronic system, met the purposes of TIMA. In addition, this part prescribes the rules requiring the retention of
certain other information by auction companies as directed by sections 408(g) and 414 of the Motor Vehicle Information and Cost Savings Act as amended, 49 U.S.C. 32706(d) and 32705(e). Insurers favored the former approach while most states embraced the latter. Table 1 summarizes the affected MYs, the number of affected vehicles, the total
number of mileage disclosures, and the total costs from 2020. As noted, NAMIC urged NHTSA to convene meetings with states and other stakeholders to formulate a plan for a more uniform electronic system. Our definition of "Original Power of Attorney" is amended in the final rule by adding the word "physical" for clarity. NHTSA notes that it
amended the previous 25-year exemption to a 10-year exemption rule in 1988. In contrast, an electronic signature is anonymous. You may use the RIN contained in the beginning of this document to find this action in the Unified Agenda. The agency presently is unable to quantify the efficacy impact of E-odometer, therefore, its benefit
is not included. As noted above, the comments in opposition stated the Level 3 standard was inapposite, costly, and overly restrictive. The term does not include display of an electronic record for viewing purposes where modification to the record is possible but results in a new, unique electronic
title. Wisconsin filed a petition in September 2009 proposing an electronic odometer disclosure scheme limited to intrastate transactions where at least one party would be a motor vehicle dealer. Jurisdiction means a state, territory, or possession of the United States of America. Virginia opposed using the language "paper record of ownership"
because of potential fraud and suggested the term "title receipt." Texas also supported states having this option provided issuing such a document or by electronic means and incorporated into the electronic title record
Florida stated the proposed rules mirror its current practices as it scans and stores paper titles does not contain a space for the information required" are no longer relevant because part 580 requires all issued titles to contain space for the
required information. To provide background and context for the proposed rules, the NPRM examined the history and development of existing odometer statutes and regulations from their inception in the Cost Savings Act of 1972 (Pub. We intend for this final rule to be technology neutral. This disclosure must be signed by the transferor, including
the printed name, and contain the following information: (1) The odometer reading at the time of transfer (not to include tenths of miles); (2) The date of transfers; (3) The transferor's printed name and current address; (4) The transferor's printed name and current address; (4) The transferor's printed name and current address; (5) The date of transferor's printed name and current address; (6) The transferor's printed name and current address; (1) The date of transferor's printed name and current address; (2) The date of transferor's printed name and current address; (3) The transferor's printed name and current address; (4) The transferor's printed name and current address; (5) The date of transferor's printed name and current address; (6) The date of transferor's printed name and current address; (7) The date of transferor's printed name and current address; (8) The date of transferor's printed name and current address; (8) The date of transferor's printed name and current address; (8) The date of transferor's printed name and current address; (9) The date of transferor's printed name and current address; (9) The date of transferor's printed name and current address; (9) The date of transferor's printed name and current address; (9) The date of transferor's printed name and current address; (9) The date of transferor's printed name and current address; (10) The date of transferor's printed name and current address; (10) The date of transferor's printed name and current address; (10) The date of transferor's printed name and current address; (10) The date of transferor's printed name and current address; (10) The date of transferor's printed name and current address; (10) The date of transferor's printed name and current address; (10) The date of transferor's printed name and current address; (10) The date of transferor's printed name and current address; (10) The date of transferor's printed name address; (10) The date of transferor's printed name address; (10) The date of transferor's printed name address;
and vehicle identification number. These paper forms, which were not titles, reassignment documents or a power of attorney specified under part 580, were employed to transmit information either before entry into an electronic system or to facilitate interstate transactions. Texas stated that it fully supported this proposal, particularly as it would
apply to powers of attorney but encouraged NHTSA to review other sections of its proposed rules because the agency believes other sections may imply such a scenario is not permissible. The comments received in response to this proposed were very supportive, with some commenters expressing reservations such a document could be used
fraudulently if not clearly marked. In particular, section 408(a) of the Cost Savings Act was recodified at 49 U.S.C. 32705(a). Lender affiliated organization NTSF supported changing the exempt vehicle age from 10 years to 25 years. In that circumstance, a mechanism needs to exist to allow further reassignments prior to issuance of the electronic
title. NTSF supported the proposal as this practice is currently used in some states with electronic lien and title programs but stated it should not be required. 112-141) direction that NHTSA promulgate regulations permitting written odometer disclosures and statements to be made electronically. To address these issues, the projected price
difference for individual vehicle age was indexed relative to that of age 0 (i.e., ratio of price difference of individual age to that of Year 0). Since the agency believes that electronic disclosure will be less costly than paper disclosures, even a minor cost savings per disclosure could lead to large societal savings. AAMVA supported the extension of the
exemption beyond 10 years, noting 25 years is consistent an antique vehicle classification in many jurisdictions. As this final rule eliminates reassignment documents in states with electronic odometer disclosure systems, mileage will be reported more frequently when these systems are implemented. One commenter, Virginia, objected to the
requirement that unauthorized attempts to alter or modify records be tracked as the proper response in that event is to deny access and not create a record. As proposed in the NPRM, the definition of "sign or signature" for an electronic document included an electronic sound, symbol, or process using an authentication system equivalent to or
greater than Level 3 as described in NIST Special Publication 800-63-2, Electronic Authentication Guideline, which identifies a specific individual. (a) * * * (3)(i) A vehicle manufactured in or before the 2009 model year; (ii) Example to
paragraph (a)(3): For vehicle transfers occurring during calendar year 2009 or older vehicles are exempt. The NPRM proposed amending § 580.5(d) to provide the same warnings and notices present on paper odometer disclosure forms also be presented to parties executing an electronic disclosure. This commenter fears CBP may
not be prepared to work with electronic titles, and delays in issuing paper titles may harm vehicle exporters. 761 (2012). AIA urged NHTSA to require electronic titling and odometer disclosure and warned the co-existence of electronic titles, and delays in issuing paper titles may harm vehicle exporters. 761 (2012). AIA urged NHTSA to require electronic titles, and delays in issuing paper titles may harm vehicle exporters.
owner for recalls, and a lack of consumer understanding of the process. With the exception changing the exemption from mileage disclosure from 10 to 20 years this final rule imposes no mandatory requirements. II. In addition, the purpose of this part is to preserve records that are needed for the proper investigation of possible violations of the
Motor Vehicle Information and Cost Savings Act and any subsequent prosecutorial, adjudicative or other action. This approach will allow states to adopt and develop means for addressing different transactions in what will certainly be an evolutionary process. According to Texas, adding this paragraph, which would authorize the transferor to execute
an electronic or physical power of attorney, would save costs and reduce fraud because it would eliminate the Start Printed Page 52680need for the transferee to obtain a physical title, only to transfer it electronically and make disclosure electronically. Arguably, therefore, precedence has been set for permitting vehicle owners to obtain paper copies
of e-titling documents, including odometer disclosures, in any state e-titling system. if the mileage disclosure on the title, the power of attorney is void and the dealer shall not complete the mileage disclosure on the title, the power of attorney is void and the dealer shall not complete the mileage disclosures, in any state e-titling system. If the mileage disclosures, in any state e-titling system. If the mileage disclosures on the title, the power of attorney is void and the dealer shall not complete the mileage disclosures.
power of attorney or an original power of attorney may be used when a paper title is lost or held by a lienholder. The NPRM proposed adding § 580.6(a)(1) requiring any electronic record be retained in a format that cannot be altered and, further, that indicates any attempts to alter it. (c) Dealers and distributors of motor vehicles who are granted a
power of attorney, except as noted in paragraph (d) of this section, by their transferor pursuant to § 580.13, or by their transferor pursuant to § 580.14, shall retain for five years a photostat, carbon, or other facsimile copy, or electronic disclosures for leased vehicles should be
left to states to develop in conjunction with the leasing companies operating in their jurisdiction. Furthermore, since the June 2017 issuance of NIST Special Publication 800-63-3C, Electronic Authentication Guideline, the final
rule has updated the reference to the new NIST guidance. The jurisdiction shall retain a record of the identity of the recipient of the physical title if the recipient of the
them. As presented in the NPRM, the amendment stated, "the information specified in this paragraph shall be displayed, and acknowledged as understood by the party, prior to the execution of any electronic signature should be sufficient
acknowledgement that statements were read and understood. Alternatively, the NPRM posited the agency take a less prescriptive approach aimed at preserving the essential characteristics of odometer disclosure and providing states with the latitude needed to develop electronic systems consistent with their environment. With one additional MY of
vehicles affected each progressing year, the volume as expected will be gradually increased until reaching the maximum of 10.5 million units in 2029 and later years (2028+) when 10 MYs of vehicles (i.e., 10 to 19 years old) were included. NADA also stated minimum requirements for these end-of-lease situations should be established because leasing
companies have been a significant source of odometer fraud. This specialized software, which may be used to reset, repair or correct information in the module controlling the odometer display in minutes. Section 580.13(a) now specifies a power
of attorney may be either a paper document, defined as an "Original power of attorney." The restriction on the use of the power of attorney when the title is lost or is physically held by a lienholder remains in place for physical or paper
titles. Liberty Mutual suggested adding a definition for an electronically signed document used specifically for title transfers for total loss vehicles. Executive Order 13132 (Federalism) NHTSA has examined today's final rule pursuant to Executive Order 13132 (64 FR 43255, August 10, 1999). Because there would be unlimited "space" for mileage
disclosure entries in an electronic title system, Texas contended a reassignment process that is not specifically attached to an electronic title should be prohibited. As noted, Texas also recommended more generic language to require
the jurisdiction to make it available. Responding to other comments that the applicability of proposed rules should be clarified, the final rule also includes a definition of "Jurisdiction" as a state, territory, or possession of the United States. A single commenter supported these proposed amendments. This NIST guideline specified four different levels of
identity assurance which are assigned according to the level of risk posed by the potential failure to authenticate the individual using an electronic system for a transaction. Some comments addressed the proposed definition of "Sign or Signature" and noted it did not appear to encompass signatures made on "pen pads" or similar
devices on which an individual's physical signature is captured electronically. A June 2008 petition by Texas sought approval of alternative odometer disclosure requirements for intrastate transactions between residents transferring vehicles not subject to liens. The effect of the grant of a petition is to relieve a jurisdiction from responsibility to
conform the Jurisdiction disclosure requirements with § 580.5, § 580.6, § 580.7, or § 580.13(f), as applicable, for as long as the approved alternate disclosure requirements remain in effect in that jurisdiction. Among other things, DOJ observed the increasing numbers of "exempt" titles increased opportunities for odometer fraud while the advent of
mileage records in Carfax and similar venues made such titles more valuable for those engaging in odometer fraud. 947 (1972). 6. Derived from the same data source, the agency estimated that 40.3 percent were from private party sales and 59.7 Start Printed Page 52696percent from car dealerships (franchised and independent). NHTSA believes
that it is unlikely that the change in the exemption will involve execution of a both a power of attorney and the odometer disclosure statement in transactions involving private sales and wholesale auctions. The advent of electronic title and odometer disclosure systems presents challenges stemming from the requirement that odometer disclosures
must be made on the title, a reassignment document if no space for disclosure is available on the title, or through the special power of attorney when a title is physically held by a lienholder or has been lost. NHTSA has determined the amendments provided below shall become effective on December 31, 2019. Because electronic systems would
require completeness and allow more frequent and accurate mileage reporting, Florida argued NHTSA's tentative decision to not issue security standards for overall system security. It is for this reason that the NPRM, as well as this final
rule, specified that states need adopt a system meeting the specified NIST guideline or its equivalent. NOTFEA observed the average vehicle age is now 11.5 years and that operation of vehicles older than 12 years old is expected to increase 15% by 2020. The proposed language would require electronic titles, powers of attorney, and reassignment
documents to be maintained in a secure environment protecting the record for unauthorized modification. If the regulatory action meets either criterion, the agency must evaluate the adverse energy effects of the proposed rule and explain why the proposed rule and explain which is a proposed rul
considered by NHTSA. Texas did not support the requirement for a secure electronic process for these transactions since the paper system does not require use of a secure document, manufacturers control the form of the MCO. An odometer disclosure is one of many
steps involved in transferring ownership of a vehicle. All three proposals relied on substituting electronic form on state-controlled systems. The age factors were developed using 2013 to 2018 Polk vehicle registration data. In contrast to a written signature, which through
handwriting analysis can be used to identify an individual even in the event of forgery, an electronic signature is, without sufficient verification and other safeguards, anonymous. In this case, those directly affected by incorporated Start Printed Page 52699provisions are states and vehicle lessors choosing to adopt electronic systems for odometer
disclosures. Regulatory Flexibility Act Pursuant to the Regulatory Flexibility Act (5 U.S.C. 601 et seq., as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996), whenever an agency is required to publish a notice of proposed rulemaking or final rule, it must prepare and make available for public comment a
regulatory flexibility analysis that describes the effect of the rule on small entities (i.e., small businesses, small organizations, and small governmental jurisdictions). The Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Congress enacted the Truth in Mileage Act In 1986, Con
differences between the regulatory approaches of U.S. agencies and those of their foreign counterparts might not be necessary and might impair the ability of American businesses to export and compete internationally. The purchasing dealer would subsequently sign on, review the selling dealer's odometer disclosure, and other data and accept of
reject the transaction. In response to these comments, the final rule makes several changes to this section. Recordkeeping requirements, which are critical for effective detection and prosecution of odometer fraud, were also addressed. No regulatory flexibility analysis is required if the head of an agency certifies the proposal would not have a
significant economic impact on a substantial number of small entities. The final rule also provides a power of attorney may be used when an electronic title cannot be accessed. When the dealer transferred that vehicle to another transferred that vehicle to another transferred that vehicle to another secure reassignment form with an odometer disclosure. Similarly, CUCTX
encouraged NHTSA to amend § 580.13 to expressly provide that financial institutions may be appointed as an agent of either the transferee or transferee or transferee to which the security and authenticity requirements for electronic documents
appropriately matched those for paper documents. Costs and Benefits VI. Regulatory Notices and Analyses A. Amend § 580.7 by revising paragraphs (a) and (b) and adding paragraphs (a) and the potential impact of this final rule
under Executive Order 12866, Executive Order 13563, and the Department of Transportation's regulatory policies and procedures, and have determined that it is not significant. In AAMVA's view, a power of attorney is or would be the appropriate document to transfer ownership. The NPRM also addressed a bedrock concern of any electronic system.
creating and maintaining records having financial import—system security. This requirement stems from NHTSA's concern the comparative anonymity of an electronic signature to a written signature could frustrate identification of perpetrators of odometer fraud. End Amendment Part Start Amendment Part14. The NRPM proposed adding two
sections to 580.6 to address the issues posed by the co-existence of paper and electronic systems. Historically, NHTSA has received few of these petitions and has, thus far, not encountered any situation calling for a rescinding a prior grant. 92-513, 86 Stat. Further, because the agency believed a power of attorney or reassignment documents would
not be needed in electronic title jurisdictions, the NPRM proposed adding the word "physical" to certain phrases in § 580.13(f), § 580.14(a), (e), and (f), and in § 580.15(a). Document Retention 9. As observed by AAMVA, Florida also questioned the use of term "physical document" in the proposed amendments. Texas urged striking any dpi requirement
and allowing jurisdictions to ensure the security of their process, particularly as the cost of scanning at the NHTSA-proposed resolution would be prohibitive. Nonetheless, that same obstacle exists today in interstate transactions involving a lost physical title or one that is physically held by a lienholder. Texas, which provided a "redline" version of
part 580 along with its written comments, suggested the definitions proposed in the NPRM be expanded by adding a definition of "Access" encompassing the means of entering, displaying and modifying previously stored data, "Agent" as person appointed by a power of attorney or authorized to act for an entity, "Electronic title" for electronic titles
incorporating an electronic reassignment format or process, "Jurisdiction" meaning a state, territory, or possession of the United States of America, "Mileage" meaning the actual distance a vehicle has traveled, "Printed Name" meaning either the clear and legible name on a physical document or an equivalent electronic record and "Sign or
Signature" meaning either a traditional hand-written signature on a paper disclosure or an electronic sound symbol or process or performed before an authorized employee or agent of the jurisdiction. Before a change in ownership of a leased vehicle, lessees are required by § 580.7(b) to provide
disclosures comparable to those required by § 580.5(c) and (e), noted above, to the lessor along with the date the lessor notified the lessor along with the definition. (f) The transferee
shall sign the physical or electronic power of attorney, which shall include their printed name, and make a copy of the power of attorney form must be protected against
counterfeiting and tampering by a secure printing process or other secure process (§ 580.4). The records must also be stored so they are difficult or impossible to modify. Finally, Texas request rather than returned and that NHTSA replace the term
 "purchaser" with "transferee" for consistency. NHTSA granted the Texas petition on April 22, 2010 (75 FR 20925) after that state clarified the Texas system allowed transferees to obtain a paper copy of the title meeting TIMA, required dealers to retain copies of odometer disclosures, and required disclosure of the brand (the brand states whether the
odometer reflects the actual mileage, reflects mileage in excess of the designated odometer limit or differs from the actual mileage and is not reliable.) Id. at 20928. The NPRM therefore proposed such a conversion must maintain and preserve the security features in the document so alterations or modifications can be detected in the electronic
version. (g) Upon receipt of the transferor's physical or electronic title, the transferor on the physical or electronic power of attorney. Moreover, the NPRM noted potential risks to property interests and commerce presented by insecure
vehicle titling and odometer disclosure systems would be addressed by the jurisdictions creating these systems. Document Retention K. In turn, the lessor is required by § 580.7(d) to execute the disclosure statement on the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement on the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement on the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement on the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement on the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement on the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement on the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement on the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement on the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement on the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement of the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the disclosure statement of the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the vehicle title in conformance with the lessor is required by § 580.7(d) to execute the vehicle title in conformance with the vehicle title in 
inaccurate. NHTSA notes further there is no requirement that individuals submit a petition for reconsideration or pursue other administrative proceeding before they may file suit in court. NHTSA is also adopting the language proposed in the NPRM for § 580.5(f), with some modifications. 962-63. As did Texas, AAMVA observed the power of attorney
regulations did not provide relief when an electronic title cannot be physically held, and there is no title available for the seller to sign. NTSF supported the continued use of the power of attorney, including electronic systems allowing for electronic power of attorney forms. Remaining amendments in this final rule differ from proposals in the NPRM
Because of the 1994 recodification of various laws pertaining to the DOT, the Cost Savings Act, as amended by TIMA, was repealed, reenacted, and recodified without substantive change. These three commenters all observed that because the dealer does not complete the disclosure, the reference to "dealer" in § 580.13(f) should be changed to
 "transferee" for consistency. NHTSA does not believe expanding the scope of permissible users of the special power of attorney to be desirable because limiting the use of these documents reduces the opportunity for fraud. This final rule also adds § 508.13(h), allowing states to receive copies of an original power of attorney in an electronic format
after scanning or imaging. (a) In circumstances where part A of a physical power of attorney form has been used pursuant to § 580.13 of this part, and if otherwise permitted by the law of the jurisdiction, a transferee may grant power of attorney to their transferor to review the physical or electronic title and any physical reassignment documents, if
applicable, for mileage discrepancies are found, to acknowledge disclosure on the physical or electronic title. The agency believes the final rule will not require the small number of jurisdictions with those
jurisdictions to facilitate compliance. Identity verification schemes may rely heavily on personal information, not business information. If a power of attorney authorized by §§ 580.13 and/or 580.14 has been used, dealers must retain copies of the document for five years (§ 580.8(c)). (b) This certification shall be under part C of the same form as the
powers of attorney executed under §$ 580.13 and 580.14 and shall include: (1) The signature and printed name of the person exercising the power of attorney; and (3) The date of the certification. Final Rule and Response to Comments A. If an electronic title is subject to an
 electronic lien, it is not available to the vehicle owner to allow odometer disclosure until the lien is released. Specifically, the final rule requires the security requirements and to that recommended by the task force sponsored by the American Association of
must show to the transferee the copy of the previous owner's title and the physical or electronic power of attorney form. NHTSA has approved, in whole or in part, five of these six petitions and not taken final action on the Arizona petition, which was made moot by the passage of section 24111 of the FAST Act and Arizona's adoption of a disclosure
issue, return, notify, or otherwise provide information to another person in the course of an electronically transmitted or otherwise electronically available to the party required to review or receive it. Processing foregoing petitions illuminated concerns relevant to this final
rule. This implies that during the full effective calendar year where 10 MYs of vehicles will be affected, rollbacks for these 10 MYs of vehicles will be affected price difference between a vehicle with a specific mileage level and with that mileage increased by 50,000
may impede the ability to identify persons making an odometer disclosure, NHTSA proposed the definition of "Sign or Signature" requires destruction of paper titles when those titles are converted to electronic titles, NAAA is concerned domestic and foreign
customs officials may not be prepared to work with electronic titles and disclosures and that delays in processing requests to create official paper titles may harm vehicle exporters. AAMVA also noted the term "physical document" used in the proposed amendments could create confusion as the proposed definition of this term included a title,
reassignment document, or power of attorney. AAMVA asked that the final rule ensure the petition process remains available while Texas requested § 580.12, which the NPRM proposed to remove and reserve, be used to provide the parameters for rescinding a grant of approval. Florida supported the proposed amendments but asked NHTSA to
reconsider the storage or retention of paper records altogether given state recordkeeping. The final rule also allows the use of electronic or physical reassignments under specific conditions after a vehicle has been titled. In NADA's view, NHTSA should adopt a standard that requires no more than a black and white scan of 300 dpi PDF, TIFF, or
equivalent. Balanced against that cost, the burdens imposed by raising the exemption age are minimal. The NPRM asked commenters to specifically address the need for the proposed power of attorney and if an electronic power of attorney would also be needed or feasible. However, Texas also noted jurisdictions cannot control the submission of
physical documents and would have to prevent issuance of title until such time the documents were surrendered to comply with the proposals. Unfunded Mandates Reform Act of 1995 requires agencies to prepare a written assessment of the costs, benefits, and other effects of proposed or final rules that include a second of the costs agencies to prepare a written assessment of the costs, benefits, and other effects of proposed or final rules that include a second of the costs.
 federal mandate likely to result in the expenditure by state, local, or tribal governments, in the aggregate, or by the private sector, of more than $100 million annually (adjusted for inflation with base year of 1995). Additionally, part 580 contains provisions exempting certain classes of vehicles from disclosure regulations and provides a petition
process by which a state may obtain approval of alternate disclosure requirements. These systems also held data elements comprising the electronic titles systems, the agency believes that there is the potential for significant cost savings to be realized
through issuance of this final rule. The requirements for paper documents remained unchanged while the proposed paragraph (b) requirements set forth that electronic titles, power of attorney forms, and reassignment documents must be maintained in a secure environment and protected from unauthorized modification, alteration, or disclosure.
According to ESRA, if a state requires notarization of such a power of attorney, electronic notarization could be applied, and the form signed electronic title shall be maintained in a secure environment so it is protected from unauthorized modification
 alteration or disclosure. This final rule also amends §§ 580.14 through 580.16 to allow for the use of both electronic and original powers of attorney, electronic and physical titles and to replace "state" with "jurisdiction" consistent with the definitions in § 580.3. As § 580.14 sets out the requirements of Part B of the power of attorney and is a
counterpart to Part A addressed by § 580.13, the final rule also adds the requirement transferees provide a printed address in § 580.14(b)(3) and (4). Therefore, NADA fully supported the use of a power of attorney in situations involving electronic state to physical state transactions when it is impractical for sellers to obtain physical state transactions involving electronic state to physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers to obtain physical state transactions when it is impractical for sellers transactions when it is
copies of their electronic titles. HCUA also urged the agency to allow that a lienholder may serve as agent of both transferor and transferee and execute the statements on their behalf. Under 5 U.S.C. 552(a)(1)(E), Congress allows agencies to incorporate by reference materials that are reasonably available to the class of persons affected if the agency
has approval from the Director of the Federal Register. (a) Dealers and distributors of motor vehicles who are required by this part to execute an odometer disclosure statement shall retain, except as noted in paragraph (d), for five years a photostat, carbon, other facsimile copy, or electronic copy of each odometer mileage statement, which they issued in paragraph (d), for five years a photostat, carbon, other facsimile copy, or electronic copy of each odometer mileage statement, which they issued in paragraph (d), for five years a photostat, carbon, other facsimile copy, or electronic copy of each odometer mileage statement.
and receive. Two commenters, NADA and Texas, also suggested NHTSA modify the definitions section to ensure no doubt exists that the proposed rules apply to any jurisdiction that issues titles, including territories. To ensure for attorney to
certify, on part C of the form, that disclosures made on a title or Start Printed Page 52668reassignment document on behalf of the original seller are identical to those found on part A of the power of attorney. Other organizations, such as the Electronic Signature and Records Association (ESRA), the National Odometer and Title Fraud Enforcement
Association (NOTFEA), and the National Salvage Vehicle Reporting Program (NSVRP) also filed comments. The agency is adopting the proposed sections with several modifications. The agency also does not agree there is a need to craft rules of general applicability for rescinding prior grants of any petitions for approval of alternative disclosure
requirements. States have an interest in meeting the needs of citizens and resident businesses and will likely develop methods for providing paper titles efficiently. Texas urged delay so better language could be developed. California contended that initially, each state must be able to implement an electronic odometer scheme within its own
environment. As a part of that approval process, the Director of the Federal Register (in 1 CFR 51.5) directs agencies to discuss (in the preamble) the ways that the materials NHTSA is incorporating by reference are reasonably available to interested parties.
comments. Executive Order 13045 Executive Order 13045 Executive Order 13045 Executive Order 13045 equipment as defined under E.O. 12866, and (2) concerns an environmental, health or safety risk that NHTSA has reason to believe may have a disproportionate effect on children. These transactions should be performed on a
secure physical title like they are today. Additionally, the agency's approach is to provide as much flexibility as possible while protecting the integrity of mileage disclosures. The final rule's modification of the vehicle age-based exemption from odometer disclosures. The final rule's modification of the vehicle age-based exemption from odometer disclosures.
disclosure exemption to vehicles that are 20 years old or older. The NPRM proposed adding two sections to 580.6 to address the issues posed by the co-existence of paper and electronic systems. These entities have access to copies of the aforementioned standard through NIST at no charge. Florida stated electronic odometer disclosure systems
provide more security than the paper process. In addition, NADA stated NHTSA should recognize that physical state to electronic disclosure states should have to provide for a power of attorney. * * * * * Sign or signature means either: (1) For a physical
document, a person's name, or a mark representing it, as hand written personally. This burden, AAMVA's view, provides no meaningful benefit as documents are but one part of establishing an odometer fraud case. 12. Although it was not NHTSA's intent to erect such a limitation, many commenters noted these terms were inconsistent with many
existing systems where electronic titles and odometer disclosures are entries in a database. The organization argued NHTSA could revisit the issue in the future after electronic titling and odometer disclosures provide data on older vehicle odometer fraud but should not act until NHTSA can show changing the exemption will significantly reduce
odometer fraud. As the microprocessors controlling the odometer display are also employed in service of anti-theft devices and other functions, they may be accessed by specialized software through the vehicle's diagnostic port. The company urged NHTSA to seek a solution allowing various industry stakeholders to develop reasonable methods for
signing odometer disclosures. Texas stated the proposed requirements are more cumbersome than those for physical documents, and jurisdictions should be given the same latitude for electronic and physical documents. According to Texas, a solution to the problems raised by implementation would be to make the change effective when the
regulation becomes effective and then phase in the applicability year-by-year over the next 15 years. The final rule adds another option to the way states may process existing odometer disclosure requirements and alters existing statutory or regulatory requirements only by changing the terms of an exemption for owners from disclosing vehicle
mileage when transferring the vehicle. As evidenced by the petitions for approval filed with the agency, individual states are not likely to shift their entire titling and odometer disclosure systems from one type of jurisdiction to
another. Amendments to part 580 simply allow jurisdictions the option of adopting electronic title and odometer disclosures, and the data needed to create an electronic title or provide the transferor with the option of obtaining a paper title. While NHTSA
still believes this to be the case where a party would have to log on to a state website to conduct a transaction, electronic title and odometer disclosures are intended to prevent modification of existing disclosures are intended to prevent modification of existing disclosures and deter the use of counterfeit documents. Dealertrack stated that a 600
dpi and color scanning requirement are well beyond current industry standards and should be reconsidered. For dealer transactions, Florida proposed transferors with e-title would complete a secure reassignment form with odometer disclosure. Therefore, NHTSA's view is that the increased age of vehicles, the changes in the used car market
prompted by vehicle longevity, the relative ease with which modern odometers may be rolled back and the known trends in odometer fraud support extending the exemption to 20 years. They shall retain all odometer fraud support extending the exemption to 20 years. They shall retain all odometer fraud support extending the exemption to 20 years.
systematic retrieval. Therefore, NADA argues the rules must accommodate a process by which odometer disclosures are made on electronic documents without title transferring (reassignments). Also, the final rule replaces the term buyer in § 580.9(b) with "transferree" as that term is employed throughout part 580. Specifically, the fraud loss was
 adjusted from 2013 economics to 2018 economics. The agency believes provisions of this final rule are sufficiently flexible to minimize potential conflicts with terms of our prior approvals of alternative odometer disclosure schemes. Problems were compounded by title washing through jurisdictions with ineffective controls. Proposals set forth in the
NPRM sought to preserve these attributes while allowing jurisdictions maximum flexibility in developing and deploying electronic titling and odometer disclosure schemes. Many commenters noted the use of the terms "physical document" as employed in the proposed regulatory text were incompatible with the definitions
and security requirements of these documents proposed elsewhere in the NPRM. Summary of Comments to the NPRM. Summary of Comments to the NPRM 1. In response to to the NPRM
Power of Attorney," "Sign or Signature," and "Transferor." These more precise definitions are applied throughout part 580 to allow odometer disclosures with both physical signatures unchanged and adopts a two-part definition of electronic
signature. Document Retention Part 580's document retention requirements provide for the maintenance of records essential to establishing the paper trail used to detect and prove cases of odometer fraud. Approximately 40 million used car sales occurred in the United States in 2018. Texas also offered an amendment providing that reassignment
documents may not be used for making odometer disclosures with an electronic title because there is no physical limit on the number of reassignments that can be incorporated into such a title. The final rule retains our proposal that an individual signing a disclosure on behalf of a business must identify himself and the business. AAMVA opposed the
proposal, arguing the responsibility to provide odometer disclosure information resides with the transferee and transferee and
 the dealer authorizing the dealer to execute the odometer disclosure on its behalf. To assist in detecting odometer fraud, these records must be stored in an order that permits systematic retrieval (§ 580.6(a)(2)) for a minimum of five years following conversion to a physical title, issuance of a subsequent title, or permanent destruction of the vehicle.
The comments submitted in response to this section in the NPRM identified several issues related to the proposed amendments. While preserving the foregoing provisions for physical documents in paper title states, our NPRM proposed amendments stating electronic title and odometer disclosure systems shall provide a means for making the
disclosure electronically and incorporating it into the electronic title when the title is created. The agency also observed at the time that many commenters indicated that the prices for vehicles over ten years old was not typically based on the odometer reading. Since the Start Printed Page 52672simultaneous existence of an electronic and a paper
title would provide fertile ground for odometer fraud, the NPRM proposed, in § 580.6(a)(4) that any physical title replaced by an electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed after creation of the electronic title must be destroyed 
document in § 580.4(b). Although the NPRM noted NHTSA discouraged the continued use of paper documents in electronic disclosure jurisdictions, the agency proposed accommodating "hybrid" systems such as those seen in the Florida and New York petitions by creating § 580.6(a)(7) requiring that any physical documents used to make electronic
disclosures comply with the security and other requirements applicable to paper documents in part 580. For these commenters, NHTSA's proposal did not adequately address the potential adoption of hybrid systems employing a mixture of paper documents and electronic processes. 9. States may implement electronic title and odometer disclosure
schemes by employing physical documents at some stage of the process. Allstate stated that ensure information on the availability of this material at NARA, email fedreg.legal@nara.gov or go to www.archives.gov/federal-register/cfr/ibr-locations.html; or (ii)
Completed in person before a bona fide employee of the jurisdiction or statutory agent under a surety bond with the jurisdiction. Note that the first part of the table shows the affected MYs and their corresponding age for each effective calendar year. Power of Attorney L. Each title, at the time it is issued to the transferee, must contain the mileagence of the jurisdiction.
disclosed by the transferor. NHTSA proposed amending § 580.13(a) and (b), to allow an individual with a vehicle in a paper title state to use a power of attorney to sell a vehicle in a paper title state. Mr. Lopatka conceded that allowing individuals to print their own records from the electronic system might reduce the level of security
associated with the transaction to some degree but that Start Printed Page 52679 allowing them to do so would lessen burdens on states implementing electronic title and disclosure systems. Texas argued that where jurisdictions facilitated the electronic title and disclosure systems.
this information. Moreover, by establishing uniform rules for electronic title systems, this final rule facilitates adoption of electronic disclosures and titles and the use of these mechanisms in vehicle transactions. Subsection 580.6(a)(2) of the agency's proposal creates a requirement that any electronic signature identify an individual and, further, that
if the individual is acting in a business capacity or otherwise on behalf of any other individual or entity, that the business or entity also be identified as part of that unique electronic signature. Once accepted, the disclosure would be linked to the electronic title, and the transferor would be instructed to mail any paper title to the state. 21, 2011).
 Because an electronic title has unlimited space available for disclosures, § 580.5(b) of the final rule provides physical titles must have space available for the required elements of the disclosures.
known to be in excess of mechanical limits or is not actual. See Public Law 92-513, 408, 86 Stat. In Arizona's view, any requirement should be limited to requiring detail sufficient to preserve the features of the original document. In California's view, prescribing a NIST Level 3 identity authentication, which, among other things, could entail
verification of a government ID, such as a driver license, and a financial or utility account, is unnecessary. Finally, the use of a power of attorney, where the lessor had access to the title, was inconsistent with TIMA. The commenters urging delay, Texas and NAMIC, raised entirely different issues. These states must retain a physical or electronic copy
of the physical title for five years, a period NHTSA believes is required for effective enforcement. Then NPRM proposed any requirement in part 580 to disclose, issue, execute, return, notify, or otherwise electronically accessible
to the party required to receive the disclosure. NADA noted the proposed language changes to § 508.8(a) should similarly be made to paragraphs (b) and (c). The NSVRP, a non-profit consumer organization, stated there is no justification to retaining the 10-year recording limit. Some commenters believed the proposal was too prescriptive. The Cost
Savings Act In 1972, Congress enacted the Motor Vehicle Information and Cost Savings Act (Cost Savings Act to business in an order appropriate to business in a propriate to business in a propr
requirements and that permits systematic retrieval, for five years following the date of sale of each motor vehicle, the following records: * * * Start Amendment Part11. However, whether made on the title or on a separate document when it is permissible to do so, the claim that the vehicle is exempt or the
odometer mileage is recorded and processed by a state when the vehicle is registered. Texas also argued allowing physical reassignment documents with electronic titles could result in increased odometer fraud. Accordingly, § 580.5(g) of the final rule provides that an electronic titles could result in increased odometer fraud.
establishing alternative odometer disclosure schemes. Petitions for reconsideration: Petitions for reconsideration of this final rule must be received not later than November 18, 2019. Oregon noted there is still an issue with state-to-state transactions and will continue to be until all states implement an electronic process and asked if the proposal
eliminated the use of the power of attorney with electronic titles. (d) In addition to the information provided under paragraph (c) of this section, the physical document shall provide a statement referencing federal law and stating failure to complete the disclosure or providing false information may result in fines and/or imprisonment. Electronic copies
a false name is used when the signature is given. The NPRM proposed amending this section through addition of new requirements for electronic documents or titles intended to provide the same level of security for electronic title systems that may
rely on physical signatures as part of the titling and odometer disclosure process E. The proposed amendments sought to ensure the content required in the paper-based disclosure system would be carried forward into an electronic environment. The regulations also set rules for transactions involving leased vehicles, set recordkeeping requirements
including those for auctions, and authorize the use of powers of attorney in limited circumstances. Other comments addressed the restriction that the power of attorney is limited circumstances. Other comments addressed the restriction that the power of attorney is limited circumstances. Other comments addressed the restriction that the power of attorney is limited circumstances.
state and federal laws regarding electronic signatures under 15 U.S.C. 7001 et seq., meet requirements of 49 U.S.C. 32705 and provide for "appropriate authentication and security measures," Public Law 114-94 section 24111. Id. The Cost Savings Act also prohibited disconnecting, resetting, or altering motor vehicle odometers. The dealer would
retain one part, and the purchaser would be given the other, along with the original title acquired by the dealer upon vehicle purchase. Documents for security features incorporated into paper documents employed to perform odometer
disclosures. The relative indexes were then weighted by the vehicle age factors to account for the occurrence of each vehicle age. According to Florida, if a jurisdiction must have a way to capture signatures from this paper document
into the electronic system. As the power of attorney is useful only for a single transfer, Texas requested this change not be accompanied by a requirement that the jurisdiction confirm destruction or invalidation of the document. These proposals sought to establish fundamental requirements for electronic odometer disclosure systems that would
protect against odometer fraud while facilitating smooth and efficient transactions. Based on the NIADA used Car Industry Report (NIADA report), [14] there were 41.4 million used cars sold in 2017. NAAA asked for an SNPRM to explore the effect of any delays inherent in producing paper titles on exporting vehicles. In NADA's view, records of such
conversions should be retained. AAMVA observed NHTSA's approach seemed to transform a paper-based disclosure by simply scanning current documentation—the title, the reassignment, or the power of attorney. AAMVA also stated "Electronic Record" would be more appropriate than "Electronic Document" and
 opined the proposed definition of "Electronic Document," and "Physical Document," and "Physical Document," should both refer to lease disclosure, and audit trail. Both in-person and remote registration are permitted. In the years before NHTSA's
                  ment decreasing the exemption from 25 to 10 years, vehicles that had travelled over 100,000 miles were generally considered to be at or near the end of their useful lives. Comments submitted in response to this proposal were generally split—states, Start Printed Page 52689AAMVA, and consumer or law enforcement-oriented grounds.
supported it while dealers, auction firms, and their associations opposed it. Amendments Following the Truth in Mileage Act and the 1994 Recodification of the Cost Savings Act In 1988, Congress amended section 408(d) of the Cost Savings Act to permit the use of a secure power of attorney in circumstances where the title was held by a lienholder
Texas explained that because electronic titles have no physical limitation on the number of reassignment document is not needed and should not be allowed. Virginia, unlike any other commenter, supported including electronic disclosures of leased vehicles as part of the
electronic system established by a jurisdiction but did not elaborate further. According to Texas, leveraging this existing system would assist with mitigating any costs associated with implementation process. Definitions E. In addition, there were
considerable misstatements of mileage on vehicles that had formerly been leased vehicles, as well as on used vehicles sold at wholesale auctions. For an electronic title, the final rule allows use of a power of attorney under two circumstances. As did California, Florida, and Texas, AAMVA stated the proposed requirements were unnecessary as states
systems would provide the required security protocols and data. NHTSA also requested comments on whether this exemption should be eliminated. These additional costs will stem from having to complete odometer disclosure forms for vehicles which, because of their age, had the mileage blank on the title marked with the word "exempt" while
leaving the remainder of the form blank. Requirements for Electronic Transactions NHTSA proposed employing Section 580.6 (a)(6), that only states or their authorized surrogates
could produce a secure paper title from an electronic record and that this paper title must meet the security requirements applies to all electronic transactions, the final rule requirement applies specifically to odometer disclosures. For in-person registration
the applicant must be in possession of a primary government photo ID (such as a driver's license or passport). G. Such an agent may include an individual or entity appointed by a general or limited power of attorney is less than that previously stated on the title and any
reassignment documents, the power of attorney shall be void unless: (1) The transferor has included a statement that the mileage exceeds mechanical limits; or (2) The transferor has included a statement that the mileage exceeds mechanical limits; or (2) The transferor has included a statement that the mileage exceeds mechanical limits; or (2) The transferor has included a statement that the mileage exceeds mechanical limits; or (2) The transferor has included a statement that the mileage exceeds mechanical limits; or (2) The transferor has included a statement that the mileage exceeds mechanical limits; or (2) The transferor has included a statement that the mileage exceeds mechanical limits; or (2) The transferor has included a statement that the mileage exceeds mechanical limits; or (2) The transferor has included a statement that the mileage exceeds mechanical limits; or (2) The transferor has included a statement that the mileage exceeds mechanical limits; or (3) The transferor has included a statement that the mileage exceeds mechanical limits; or (4) The transferor has included a statement that the mileage exceeds mechanical limits; or (4) The transferor has included a statement that the mileage exceeds mechanical limits; or (4) The transferor has included a statement that the mileage exceeds mechanical limits; or (4) The transferor has included a statement that the mileage exceeds mechanical limits; or (4) The transferor has included a statement that the mileage exceeds mechanical limits; or (4) The transferor has included a statement that the mileage exceeds mechanical limits; or (5) The transferor has included a statement that the mileage exceeds mechanical limits; or (5) The transferor has included a statement that the mileage exceeds mechanical limits; or (6) The transferor has included a statement that the mileage exceeds mechanical limits; or (6) The transferor has included a statement that the mileage exceeds mechanical limits are the mileage exceeds mechanical limits.
issued a final rule in August 1988 (53 FR 29464), stating odometer disclosures may only be made on the vehicle title unless the vehicle has never been titled or the title did not contain sufficient space for the Start Printed Page 52691 disclosure.
title is still a physical document. Texas also noted NHTSA did not impose a dpi requirement when approving its petition for alternative disclosure, and Texas had been employing a minimum 200 dpi standard with good results. Regulatory Notices and Analyses I. NADA did not object to the proposal while California supported it without substantive
comment. *** * Start Signature End Supplemental Information [FR Doc. Because § 580.5(f) also requires transferees to provide a means for parties involved with the transaction to access copies of the
disclosure. Lessors of leased vehicles must retain the odometer statement that a printed name be affixed to the disclosure on a paper title in § 580.5(f) was not carried forward into the agency proposal for electronic
transactions as sufficient means independent of a hand-written signature should be available to identify individuals executing electronic disclosures as states will no longer need to petition NHTSA if the requirements of this final rule are met. The final rule adopts the language
proposed in the NPRM with a small number of modifications. The final rule also is not expected to increase the record processing burden to states and car dealerships. The NPRM sought specific comments on these proposed amendments. The
NPRM proposed adding a provision in § 580.6(a)(5) permitting jurisdictions to issue such a document if they chose to do so. Subsection 408(f)(2) of the Cost Savings Act (now recodified at 49 U.S.C. 32705(d)) provides NHTSA determines such
requirements are not consistent with the purpose of the disclosure required by subsection (d) or (e) as the case may be. During the first effective year of the final rule, i.e., 2020, only one MY (i.e., age 10) will be affected. The preceding circumstances, where the odometer reading on the power of attorney may be lower than that
on the title should not, in the view of Texas, void the power of attorney. Insurer representative AIA opposed the proposed the proposed
derived from studies conducted in Wisconsin and Iowa that odometer tampering was disproportionately small as compared to the number of vehicles in that age group. (c) In connection with the transferor elects to give their transferee a physical or
electronic power of attorney for the purpose of mileage disclosure, the transferor must appoint the transferor must appoint the transferor must appoint the purpose of mileage disclosure and disclose the mileage on the physical or electronic power of attorney form issued by the jurisdiction in which the transferor must appoint the transferor must appoint the transferor must appoint the transferor must appoint the purpose of mileage disclosure and disclose the mileage on the physical or electronic power of attorney form issued by the jurisdiction in which the transferor must appoint the transferor must appoint the transferor must appoint the purpose of mileage on the physical or electronic power of attorney form issued by the jurisdiction in which the transferor must appoint the transferor must appoint the purpose of mileage on the physical or electronic power of attorney form issued by the jurisdiction in which the transferor must appoint the transferor must appoint the purpose of mileage on the physical or electronic power of attorney form issued by the jurisdiction in which the transferor must appoint the transferor must appoint the purpose of mileage on the physical or electronic power of attorney form issued by the jurisdiction in which the transferor must appoint the purpose of mileage on the physical or electronic power of attorney form issued by the jurisdiction in which the purpose of mileage of the purpose of mileage
and lessees of motor vehicles to make electronic or written disclosure to transferees and lessors respectively, concerning the odometer mileage and its accuracy as directed by sections 408(a) and (c). NHTSA is referencing the standards provided in NIST
Special Publication 800-63-3, Digital Identity Guidelines (including sub-parts 800-63-3A, 800-63-3A, 800-63-3B and 800-63-3C), to determine the appropriate level of security to authenticate electronic signatures. NHTSA believes the foregoing changes to § 580.13(a) address the pre-eminent concerns expressed by most commenters. The final rule now provides
that option. As NHTSA explained in the NPRM, NHTSA is not aware of any reason why electronic disclosures to be made for leased vehicles, and the NPRM proposed revisions which would allow lease disclosures to be made for leased vehicles, and the NPRM proposed revisions which would allow lease disclosures to be made for leased vehicles, and the NPRM proposed revisions which would allow lease disclosures to be made for leased vehicles, and the NPRM proposed revisions which would allow lease disclosures to be made for leased vehicles, and the NPRM proposed revisions which would allow lease disclosures to be made for leased vehicles, and the NPRM proposed revisions which would allow lease disclosures to be made for leased vehicles, and the NPRM proposed revisions which would allow lease disclosures to be made for leased vehicles, and the NPRM proposed revisions which would allow lease disclosures to be made for leased vehicles.
to prevent obsolescence and to empower states adopt systems they determine are most appropriate. In NAAA's view, a power of attorney should be available to allow transfers to occur during the interval when the e-title is inaccessible. Additionally, a highly prescriptive approach could be interpreted to be inconsistent with the direction in MAP-21 to
promulgate regulations that simply permit electronic disclosures. Incorporation by Reference of certain publications listed in the standard is approved by the Director of the Federal Register as of December 31, 2019. (a) Each physical title shall be set forth by means of a secure printing process or other secure process.
To assist purchasers in knowing the true mileage of a motor vehicle, Section 408 of the Cost Savings Act required the transferor of a motor vehicle. See § 580.5(d). In addition, the final rule specifies the foregoing requirement does not apply to a
lessee's odometer disclosure made in conformance with § 580.7. The simultaneous existence of both paper and electronic title and odometer disclosure systems requires paper documents be converted into electronic title and odometer disclosure systems requires paper documents be converted into electronic title and odometer disclosure systems requires paper documents be converted into electronic records. This statement, in addition to the lessee acknowledging receiving notification of federal law and any applicable law of the
jurisdiction as required by paragraph (a) of this section, shall also contain the following information: (1) The person making the disclosure; (2) The current odometer reading (not to include tenths of miles); (3) The date of the statement; (4) The lessee's printed name and current address; (5) The lessor's printed name and current
address; (6) The identity of the vehicle, including its make, model, year, and body type, and its vehicle identification number; (7) The date that the lessor notified the lessor notified
maintained by a lessor for the purpose of complying with the requirements of $580.4(b) of this part. P. Although NHTSA acknowledges that a shorter retention period would be less burdensome, the agency believes effective detection and prosecution of odometer fraud requires that states retain records, as
dealers must, for not less than five years. You may review DOT's complete Privacy Act statement in the Federal Register published on April 11, 2000 (Volume 65, Number 70; Pages 19477-78), or you may visit *privacy.html. While states and some associations supported it, dealers and vehicle auction organizations were strongly against it. National
Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act Under the National Technology Transfer and Advancement Act 
process or other secure process. The agency is issuing this final rule in response to a Congressional directive that NHTSA for approval. Revise § 580.13 to read as follows: End Amendment Part Disclosure of odometer information
by power of attorney. The term is inserted where appropriate throughout part 580 to identify paper documents. Additionally, the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the time of the sale to the dealer and the mileage disclosed at the mileage disclose
through a web portal. The agency also proposed modifications to the power of attorney provisions in § 580.13(a) and (b), to allow an individual with a vehicle in a paper title state to use a power of attorney to sell a vehicle in an electronic title state to use a power of attorney to sell a vehicle in an electronic title state to use a power of attorney to sell a vehicle in an electronic title state.
years. The amendment addressed retention of powers of attorneys by states and provided the rule adopted by the Secretary not require NIST Level 3 authentication and observed attaining this level of security would be very
difficult because of the requirement that all elements of the system meet NIST Level 3. The number of odometer disclosures for the affected vehicles would depend on the retained sources. Id. In providing states with the opportunity to implement electronic odometer disclosures for the affected vehicles would depend on the retained sources. Id. In providing states with the opportunity to implement electronic odometer disclosures for the affected vehicles would depend on the retained sources.
do not alter existing statutory odometer disclosure requirements or their intent. According to Florida, color scans are not optimal, and NHTSA should allow states to set their own scanning standards. Arizona stated requirements in §§ 580.5(c) and 580.6(a)(7) regarding the use of physical documents for a transfer being conducted electronically appear
to conflict and suggested the provisions in § 580.6(a)(7) take precedence with § 580.5(c) being reworded to eliminate the conflict. The odometer disclosure is also just one part of the larger process of transferring ownership in which the various participants are executing or processing documents and retaining copies as records. In meeting shared
challenges involving health, safety, labor, security, environmental, and other issues, international regulatory cooperation. Section 580.8(b) is also amended to require lessors to retain both written and electronic odometer
disclosure statements they receive from lessees for five years and, if the disclosure is electronic, the data shall be retained so it cannot be altered and which indicates any attempt to alter it. In addition, the NPRM asked for comments on implementation of identity verification for transferors and t
level of NIST verification should be appropriate, whether car dealers should provide secure computing services, and what security measures should be mandatory for such services. In AAMVA's view, the NHTSA proposal would impose additional technology requirements on states. Recordkeeping requirements of §§ 580.8 and 580.9 are changed from
our earlier proposal to allow more options for transferees and to streamline the proposed rules for auctions. Other proposed amendments addressed restructuring of part 580, corrections to typographical errors and updating NHTSA's address. California and Virginia stated they agreed with the proposal. I. Auctioneer representative NAAA argued the
proposed rule does not adequately address U.S. and international export rules. Any system employed to create, store or maintain the foregoing electronic document is created, the odometer disclosures contained within are signed and when the documents are accessed, including the date
and time any unauthorized attempt is made to alter or modify the electronic document and any unauthorized alterations or modifications made. Additionally, Texas recommended the text specify when use of a separate reassignment document is permitted. While the concept of "receipt" is arguably more ephemeral in an electronic transaction when no
physical document is present, the agency believes that "receipt" in that context occurs when a system provides a display confirming the transferor's signature and all the required elements of the disclosure itself. However, the agency does not have any data on the extent to which this rule will incentivize their existing practices. Several trade
associations acting on behalf of lenders also submitted comments, including the National Start Printed Page 52673Association (CUNA), the Credit Union National Association (CUNA), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52673Association (NTSF), the Credit Union National Start Printed Page 52
Heartland Credit Union Association (HCUA). (a) In circumstances in which a power of attorney has been used pursuant to § 580.14, the transferor shall, upon
the subsequent transferee's request, show that transferee a copy of the physical or electronic power of attorney that he they received from their transferee a copy of the physical or electronic power of attorney that he they received from their transferee. The rules were to prescribe the way information is disclosed under this section and in which such information is retained. The NPRM also proposed this requirement be included in 580.6(a)(2),
that proposed requirements for electronic transfers. As the NPRM proposed modifying exemptions from disclosure in § 580.17, the existing provisions of this section were also described. CUCTX start Printed Page 52676also noted the proposed
definition of "Sign or Signature" applied only to electronic disclosure statements and should be expanded to include other electronic documents to comply with a standard set at NIST Level 3 would ultimately lead to a common inability
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to do so. The comments responding to this proposal were mixed, with most states supporting the proposed by NHTSA. As to lease
vehicles, TIMA stated NHTSA must publish rules requiring the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles to advise its lessee(s) that the lessor of vehicles the vehicles that the vehicles that
and improving, cyber-attacks and efforts to undermine the security of electronic data systems are also changing rapidly and frequently. NHTSA did not propose eliminating the petition process in the NPRM, and this final rule does not make any changes to that process. Section 580.5 of part 580 dictates the content and manner of odometer disclosure.
National Environmental Policy Act NHTSA has reviewed this rule for the purposes of the National Environmental Policy Act and determined it would not have a significant effect on the quality of the human environment. To ensure these records are available to enforcement officials, the paragraph further states such data must be available at the
dealer or distributors place of business upon demand. Power of Attorney Prior to this final rule, part 580 contained secure paper power of attorney provisions in §§ 508.13, 508.14, and 580.15 facilitating transactions in cases where the title was lost or physically held by the lienholder. Florida and Virginia simply stated they supported the agency
proposal to incorporate the odometer disclosure into the electronic title. NADA supported the proposal that systems make copies available as did Texas. Revising the introductory text; End Amendment Part Start Amendment 
and the material must be available to the public. The NPRM proposed amending § 580.7(a) to allow lessors to provide notices to lessee electronic odometer disclosures by lessees in § 580.7(b) and proposed adding a new § 580.7(e) stating an electronic system maintained by a lessor
must meet the proposed security requirements in § 580.4(b). After review of the comments and consideration of the available data, NHTSA is modifying the 25-year exemption proposed in the NPRM to a period of 20 years. The NPRM to a period of 20 years.
electronic disclosures; § 580.3 to add new definitions and amend existing definitions to accommodate physical and electronic disclosures and electronic filings; § 580.4 to clarify methods of disclosures for physical and electronic systems; § 580.7 to add provisions allowing
for the option of electronic disclosures for leased motor vehicles; § 580.8 to include electronic copies among forms of disclosures that must be retained and general requirements for that retention; §§ 580.13 and 580.14 to allow use of a power of attorney to address interstate transfers and added a new § 580.6 (previously reserved), which would
contain unique requirements for electronic odometer disclosures. After consideration of these comments, the agency agrees a 600-dpi requirement is impractical and that a 200-dpi requirement is impractical a
a vehicle from an electronic title state to a paper title state to a paper title state without the corresponding title. Disclosure systems are likely to coexist for the foreseeable future. The NPRM discussed the Moving Ahead for Progress in the 21st Century Act of
2012's (MAP-21, or Pub. (a) Any electronic title or power of attorney as defined in this part shall be retained: (1) In a format which cannot be altered unless such alterations are made as authorized by the jurisdiction, and which indicates any unauthorized by the jurisdiction, and which indicates any unauthorized by the jurisdiction, and which indicates any unauthorized attempts to alter it; (2) In an order that permits systematic retrieval; and (3) For a minimum of
five years following conversion to a physical title, issuance of a subsequent physical or electronic title by any jurisdiction, or permanent destruction of the vehicle; otherwise, the record shall be retained indefinitely. For those inclined to commit odometer fraud, the profit that can be gained from a single transaction can far exceed the investment in
software and time needed to change the odometer display. B. For remote registration, the applicant submits the references of and attests to current possession of at least one primary government photo ID and a second form of identification. Others advocated expanding the power of attorney provisions to facilitate vehicle financing. Accordingly, §
580.15(b) is redesignated in the final rule as § 580.15(c) and the final sentence of the former § 580.15(a) is now § 580.15(b). In compliance with the Regulatory Flexibility Act, NHTSA has evaluated the proposals without substantive comment while Texas also
stated the proposals mirrored its current practice. Comments were also submitted supporting provisions to address "end of life" of vehicle title processing. Level 3 requires the same evidence for issuing credentials as Level 2; however, at this level verification of the documents or references through record checks is required. This final rule also
disposes of the definition of "Electronic Document" by replacing the latter with new definitions of "Electronic Power of Attorney" and "Electronic Title." The definition of "Physical" as it applies to documents. 2805, 2817 (1988), which added § 408(d)(2)(C)
The first will be instances where the vehicle has never been titled and neither an electronic or a physical title is available for recording reassignments. Provisions pertaining to approval of state alternate motor vehicle mileage disclosure requirements were recodified at 49 U.S.C. 32705(d). The agency believes that the impact on fraud loss will be
reduced disproportionally with increased age given the same rollback miles. Because the existing paper process does not contain such a requirement, the final rule also eliminates a proposal stating a lessee completing an electronic odometer statement must separately acknowledge understanding federal and applicable state law requirements prior to
signing the disclosure. (e) A jurisdiction issuing an electronic title may provide a paper record of ownership, which includes the odometer disclosure information, provided the paper record clearly indicates it is not an official title for the vehicle and may not be used to transfer ownership for the vehicle. Florida's proposed requirements for leased
vehicles were denied on similar grounds because of the numerous times disclosures had to be made on documents other than the title that did not meet security and content thresholds. Users, who would have to be Texas residents holding a valid state identification credential, would be verified by matching four personal data elements and two forms
of identification against a state database. Considering this, maintenance of what may be a rapidly changing list of "authorized" employees for a business would impose burdens on states and promote misidentification. Definitions NHTSA proposed several changes to definitions found within § 580.3 to accommodate electronic odometer disclosures
within the existing framework of part 580. NADA urged amending §§ 580.13 and 580.14 to accommodate both physical powers of attorney should be unnecessary for electronic transfers but stated that there will be
situations where a power of attorney will continue to be necessary. Supplemental Notice of Proposed Rulemaking C. Therefore, NAFCU recommended the regulation be amended to clearly specify that a financial institution can serve as an "agent" for the parties in the transaction. Additionally, support was also expressed for expanded application of
the power of attorney beyond situations where the title is lost or physically held be a lienholder. These commenters suggested special electronic processes be implemented to facilitate transfers of vehicles that are scrapped or have been declared to be a total loss. With one exception, all commenters responding to this proposal supported elimination
of the printed name requirement. Again, if a paper title was needed, the Wisconsin DMV would print it on secure paper with the odometer disclosure statement in the proper location and format under existing rules. Examining the data in the NIADA report, the data provided by Edmonds, and Polk vehicle registrations, the agency estimated that 10.4
million vehicles sold annually were between 10 and 19 years old. 112-141) directed NHTSA to prescribe regulations permitting any written odometer disclosures or notices to be provided electronically. The change in the exemption period made by
this final rule will also impose some additional recordkeeping costs. In instances where the vehicle's paper title is not available because it is lost or held by lienholders, a transferor will have to employ the power of attorney form dictated by part 580 and the transferor will have to either complete the odometer disclosure on the title when it is obtained
or execute Part B of the power of attorney in a subsequent transaction. Further, NOTFEA cited a survey indicating drivers were keeping and driving their vehicles more than 100,000 miles and Florida offered support without elaboration while
Virginia stated it supports signatures applying to an individual and not to an organization. NOTFEA urged NHTSA to adopt the proposal. The process of executing an odometer disclosure requires notices, warnings, and instructions to be read, information to be supplied by the
transferor, acknowledgement and acceptance of the disclosure by the transferee, and, in paper transferee, and 
interested parties can access the standard by obtaining a copy from NIST. However, California felt the five-year storage requirement proposed in § 580.6(a)(4) is burdensome and distributors and by auction companies should be
held to the same standard as records maintained by state vehicle administrators. Therefore, reassignment documents, either electronic title jurisdictions. The NPRM proposed facilitating adoption of electronic title jurisdictions. The vehicle administrators adoption of electronic title jurisdictions. Therefore, reassignment documents, either electronic title jurisdictions.
of part 580 to a broadly defined class of electronic title state must be memorialized by a record stating the physical title in an electronic title has been superseded by a paper document that is the official title. If the transferor holding the physical title makes the
disclosure on that title, the final rule requires subsequent electronic reassignments in such an instance, even though the vehicle has a physical title. As explained in the NPRM, the agency believed this requirement is needed both to facilitate identity authentication and to create a record of the individual executing an electronic signature. The company
also advocated allowing an electronic power of attorney. Part B of the secure power of attorney to his transferor to review the title and any reassignment documents for mileage discrepancies, and if no discrepancies are found, to acknowledge disclosure on the title, while maintaining the
integrity of the first seller's disclosure. Texas, however, strongly opposed elimination of the printed name would still be needed in electronic disclosure on behalf of their employer. Document or Record Security and System Security The NPRM
proposed amending § 580.4 to require electronic titles, powers of attorney, and reassignment documents to be maintained in a secure environment preventing unauthorized modification and records are created, accessed, altered or unauthorized attempts to modify them are made as well as the date and time any attempt is made to
alter the documents and any alterations are actually made in the records. Arizona stated scanning documents at the NHTSA proposed resolution would adversely affect system performance and impose data storage costs and recommended states retain the ability to balance between system performance and impose data storage costs and recommended states retain the ability to balance between system performance and impose data storage costs and recommended states retain the ability to balance between system performance and impose data storage costs and recommended states retain the ability to balance between system performance and impose data storage costs and recommended states retain the ability to balance between system performance and impose data storage costs and recommended states retain the ability to balance between system performance and impose data storage costs and recommended states retain the ability to balance between system performance and impose data storage costs and recommended states retain the ability to balance between system performance and impose data storage costs and recommended states retain the ability to balance between system performance and impose data storage costs and recommended states retain the ability to balance between system performance and impose data storage costs and recommended states are states as a second of the system o
events, the record shall be retained indefinitely. The Edmonds data used in the regression model only reflects dealership transactions which tend to involve younger used vehicles. These commenters nonetheless offered observations and corrections, which they believed would better reflect the characteristics of electronic odometer disclosure and
electronic title systems and clarify the proposals made in the NPRM. The agency's final determination, 77 FR 50381 (Aug. (d) When an electronic title is converted to an electronic title, the jurisdiction issuing the electronic title shall obtain the physical title or an existing physical title is converted to an electronic title, the jurisdiction issuing the electronic title shall obtain the physical title or an existing physical title is converted to an electronic title, the jurisdiction issuing the electronic title shall obtain the physical title or an existing physical title is converted to an electronic title is created following transfer of ownership a vehicle with a physical title or an existing physical title is converted to an electronic title is converted to an electronic title shall obtain the physical title or an existing physical title is converted to an electronic title is converted to an electronic title shall obtain the physical title or an existing physical title is converted to an electronic title shall obtain the physical title is converted to an electronic title shall obtain the physical title is converted to an electronic title shall obtain the physical title or an existing physical title is converted to an electronic title shall obtain the physical title or an existing physical title is converted to an electronic title shall obtain the physical title is converted to an electronic title shall obtain the physical title or an existing physical title is converted to an electronic title shall obtain the physical title or an electronic title shall obtain the physical title or an electronic title shall obtain the physical title or an electronic title shall obtain the physical title or an electronic title shall obtain the physical title or an electronic title shall obtain the physical title shall obtain the ph
title or proof that the physical title has been invalidated or lost, and retain a physical or electronic copy of the physical title or proof for a minimum of five years. Oregon stated changing the exemption from 10 years to 25 years would require computer system reprogramming and result in a higher rejection rate of transactions, which would increase
costs. The agency observes that two commenters, Texas and California, indicated the five-year retention period was unnecessarily burdensome and suggested three and four years respectively. The NPRM also requested comments on whether the exemption should be eliminated. NHTSA concurs in the goal of having odometer mileage accurately
reported at every opportunity and believes the implementation of electronic title and odometer disclosure systems will do much to achieve that goal. NTSF stated the requirement to track when records are accessed seemed to be unduly burdensome given the nature of the records involved. The NPRM observed the purpose of the odometer disclosure
provisions of the Cost Savings Act, as amended, is to protect consumers by ensuring they receive valid representations of a vehicle's actual mileage at the time of transfer. A reassignment document may also be used when the vehicle at issue has never been titled. California noted its procedure for converting paper titles to electronic calls for the
paper title to be scanned and stored, and the original is destroyed. NHTSA does not presently believe entities other than states should have the capability to issue titles. The NPRM further proposed § 580.8 specify dealer electronic records be retained in a format which cannot be altered, and which indicates any attempts to alter it. One more
 additional MY vehicles will be added each year between the 2nd to the 9th effective years of the final rule. Power of Attorney 10. Texas observed NHTSA would have to address the issues raised by currently "exempt" vehicles having no mileage recorded. In the case of a transferor in whose name the vehicle is titled, the transferor shall disclose the
mileage on the electronic title or the physical title, and not on a reassignment document. NAFCU also noted the agency should look for areas within part 580, especially § 580.13, to identify how the regulation can be amended to enable the efficient performance of a financial institution's essential duties when facilitating a vehicle sale. As with the
Virginia and Texas petitions, Wisconsin's proposal linked electronic odometer disclosures to the title record in the state's database. This final rule and NHTSA's prior responses to state petitions for approval of alternative disclosures to the title record in the state's database. This final rule and NHTSA's prior responses to state petitions for approval of alternative disclosures to the title record in the state's database.
schemes. Section 580.2 is amended to better describe the status of a vehicle upon termination of a lease, and the term "purchasers" has been replaced with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurate and less restrictive term "transferees." Consistent with the more accurat
ownership may include persons or entities who are not dealers. FAST Act Amendments C. ACTION: Final rule. States will be maintaining these records regardless of whether the vehicle is exempt from odometer disclosure. In some states, the odometer disclosure statement was not on the title; instead, it was a separate document that could easily be
altered or discarded and did not travel with the title. PCI argued against the proposed change stating the value of older vehicles is driven primarily by the appearance and condition of the vehicle, not its mileage. After thorough review of the comments and consideration of existing electronic odometer disclosure systems, the agency believes almost all
of the states with Start Printed Page 52695such systems currently will meet the new requirements. Start Amendment Part4. Participants planned on keeping their vehicles more than 12 years. All terms defined in 49 U.S.C. 32702 are used in their statutory meaning. When a title is physically held by a lienholder or has been lost, § 580.13(a) allows a
transferor to give the transferee a power of attorney to execute the mileage disclosure on the title once it is obtained by the transferee. The agency has determined this final rule does not have sufficient federalism Assessment. NAAA stated an SNPRM might be required to explore the effect of
any delays inherent in producing paper titles on exporting vehicles. Other stakeholders also argued against NIST Level 3 authentications was limited to unauthorized alterations. The transferee is required to sign the power of attorney
form part A and print his/her name. The estimated benefits of the final rule primarily are measured by the annual consumer loss from the odometer fraud that can be eliminated by the exemption requirement of the final rule. Specifically, AAMVA wanted to know if use by third parties such as lienholders, title services, and auctions signing a non-
secure power of attorney permissible. Because the average age of the United States vehicle fleet has been trending upward, the NPRM proposed raising this exemption to 25 years. However, the agency has also re-examined the applicability of the Level 3 standard. In posing the terms "Electronic Document" and "Physical Document" our proposal
apparently created an impression that NHTSA's vision of permissible electronic odometer disclosure schemes was limited to instances where the electronic record was nothing more than a scanned or imaged conversion of a paper document. On Start Printed Page 52685the whole, commenters strongly favored NHTSA adopt this less prescriptive
approach, noting that rapidly changing technologies and traditional rulemaking are incompatible, that overly restrictive rules would preclude development of electronic systems, and that states have a deeply rooted fundamental interest in erecting and maintaining electronic systems, and that states have a deeply rooted fundamental interest in erecting and maintaining electronic systems, and that states have a deeply rooted fundamental interest in erecting and maintaining electronic systems.
efficient. As proposed in the NPRM, § 580.9, establishing document retention requirements for auction companies, employed the terms "electronic document" and "physical document retention requirements for auction companies, employed the terms "electronic document" and "physical document retention requirements for auction companies, employed the terms "electronic document" and "physical document retention requirements for auction companies, employed the terms "electronic document" and "physical document" and "physical document" and "physical document retention requirements for auction companies, employed the terms "electronic document" and "physical document" and "physical document retention requirements for auction companies, employed the terms "electronic document" and "physical document" and "physical document retention requirements for auction companies, employed the terms "electronic document" and "physical document" and "physical document retention requirements for auction requirement for auction requirements for auction requi
can be employed to facilitate transfers between parties that do not take title to the vehicle. The breakeven point is defined as the projected effectiveness of the final rule where the benefit is equal to the cost. Remove and reserve § 580.12. The comments also diverged on the extent to which NHTSA should exercise its regulatory authority. 4. A 2013
study performed by a private company, CARFAX, found vehicles in years old were most susceptible to having had their odometers rolled back.[5] The increased longevity of vehicles in years has been matched by change in the number of miles travelled before a vehicle has reached the end of its useful life. The transferee, when applying for a
title, is required to provide the transferor's (seller's) title, and if that title contains a space for the Start Printed Page 52667transferor to disclose the vehicle's mileage, that information must be included, and the statement must be signed and dated by the transferor. Paragraph (b) also proposed that the system storing title and odometer disclosure
information must record dates and times when documents are created, when documents are employed in conjunction with an electronic system, these odometer disclosure schemes can be referred to
as "hybrid" systems because of their reliance on paper and electronic information storage. Lopatka urged the agency to more fully consider if states must scan physical titles with sufficient resolution to preserve security features or if preserving details such as the clarity of the titleholder's signature is sufficient. Texas, like California, argued against
any NIST level requirement because jurisdictions should be responsible for the security provisions for paper documents. Summary of Comments to the NPRM NHTSA received 28 comments in response to the NPRM. To ensure the security of transactions employing such documents, the NPRM
proposed a new section, § 580.6(a)(7), requiring any physical documents used to make odometer disclosures for entry into and electronic title and odometer disclosures system to comply with the existing requirements of part 580. . To address the mechanics of implementing the change to the exemption threshold, NOTFEA suggested when the change
becomes effective, NHTSA should make it apply only to vehicles less than 10 years old on the effective date. If, however, that agent must make the odometer disclosure on the secure special power of attorney specified in that
 section. All approved material is available for inspection at NHTSA Office of Technical Information Services, 1200 New Jersey Avenue SE, phone number (202) 366-2588, and is available from the National Institute of Standards and Technology, U.S. Department of Commerce, 100 Bureau Drive, Gaithersburg, Maryland 20899, *800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63-3/sp800-63
3.html. Summary of the Final Rule This final rule adopts the amendments proposed by the NPRM for §§ 580.1, 580.11, and 580.12 without substantive change. Similarly, the agency believes NAAA's concerns would not be addressed by issuing an SNPRM. According to CUCTX, if parties to a transaction execute a power of attorney
electronically refinancing a vehicle would be expedited. Others also decried the notion this change would provide any benefit, contending buyers of older cars do not consider mileage as an important indicator of value, while one commenter noted theft and cloning are largely restricted to newer and higher value cars. States generally argued against
restricting power of attorney use to jurisdictions without electronic title systems, advocated electronic and paper power of attorney use and observed that a power of attorney use atto
amendments as proposed in the final rule. * * * * * (c) Notice of the petition and an initial determination pending a 30-day comment period will be published in the Federal Register. Effective odometer disclosure systems are essential to protecting consumers from odometer fraud and must reduce or eliminate opportunities for such fraud to the
greatest practicable extent. NHTSA proposed incorporating the NIST Level 3 requirement into the definition of an electronic signature because of agency concerns that electronic odometer disclosures could easily be made by someone other than the actual transferor or tr
 final rule allowed authorized alterations to the records to make corrections and other permissible changes. Therefore, there will be 4.9 \text{ million} * 0.403 * 1 + 1.4 \text{ million} * 0.597 * 5) for 2029 + \text{ years}. Electronic title means a title
created and maintained in an electronic format by a jurisdiction that meets all the requirements of this part. Florida echoed this sentiment while opining that in the case of odometer disclosure statements made on
electronic titles or electronic powers of attorney, dealers and distributors need not retain the data if the jurisdiction retains this information for five years and makes it available to these dealers and distributors at their principal place of business. The statute is now codified at 49 U.S.C. 32705 et seg. Other amendments proposed in the NPRM sought
to correct a typographical error, update NHTSA's address, strike obsolete text in § 580.12 and extend the disclosure exemption in § 580.17 from 10 years to 25 years. When a vehicle lease is terminated, the lessee typically surrenders the vehicle to a dealer while the lessor is responsible for making the required odometer disclosures on the title.
Section 580.6(a)(6) proposed that states maintaining an electronic title and odometer disclosure system shall retain the capacity to issue physical titles meeting all the requirements of this part. Summary of Requirements of the Final Rule B. AAMVA stated most systems track dates and times on who accessed certain records and asked NHTSA to
exercise caution so requirements do not interrupt titling agency business. Where the paper based system requires the transferee to sign the executed documents available to the parties. Virginia urged any
titles can be invalidated and the record superseded (as is current practice), but the new jurisdiction of record has no control over whether a transferor or transferee destroys the document. Start Printed Page 52694Dealers are required to retain copies of executed odometer disclosure statements for a period of five years. (a) At the time a physical or
would be necessary to ensure identification in the future. These organizations also believe costs of Level 3 authentication would prevent states from attempting to employ electronic title and odometer disclosure systems. An April 2002 NHTSA study, which Start Printed Page 52693examined 11 model years of data, found the rate of odometer fraud
began to rise in the fourth and fifth year of service and then remained consistently high through years 7 through 10. All approved material is available for inspection at NHTSA's Office of Technical Information Services, 1200 New Jersey Avenue SE, Washington, DC 20590, phone number (202) 366-2588. Printed name means either: (1) For a physical
Section 32705 of Title 49, United States Code. Finally, two lender organizations, NTSF and HCUA, recommended electronic odometer systems provide the mileage reading for vehicles they intend to finance. (h) A jurisdiction may permit submission of a physical power of
 attorney in an electronic format such as by scanning or imaging. This disclosure must be signed by the transferor and must contain the transferor and must con
purview of this final rule. The organization further urged NHTSA to establish a date certain by which all states must move to an electronic title and disclosure system and establish penalties for jurisdictions not meeting this deadline. Start Amendment Part17. The extensive revisions made to our original proposal signal NHTSA's strenuous effort to do
just that. Titles were not on tamper-proof paper, and mileage disclosures could be easily altered. Should NHTSA specify a NIST level, Texas urged that it not be set above NIST Level 2. The final rule similarly changes the heading for § 580.6 to "Additional Requirements for Electronic Odometer Disclosures" to add clarity and precision. Exemptions 11
presented to a transferee. To address situations where a vehicle has not yet been titled, NHTSA proposed amendments for the use of disclosures separate from the title in both paper and electronic systems. Subsequent New York dealer transfers would be recorded in the same manner. According to Texas, eliminating the exemption would simplify
 processing and technological requirements. Among other requirements, TIMA precluded the licensing of vehicles unless several requirements were met by the transferee and transferor. According to Texas, scanning at the proposed resolution in color produced a loss of visibility to security features, such as the "VOID" watermarks, which are apparent
at lower dpi black and white scans. Dealer users would provide lists of employees authorized to make disclosures, and these individuals would get PINs by conventional mail to verify their identity. The written disclosure was to include the cumulative mileage registered on the odometer, or disclose the actual mileage is unknown, if the odometer
reading is known to the transferor to be different from the number of miles the vehicle has traveled. The effect of a denial is to require a jurisdiction to conform to the requirements of § 580.5, § 580.6, § 580.5, § 580.6, § 580.7, or § 580.13(f), as applicable, of this part until such time as NHTSA approves any alternate motor vehicle disclosure requirements. Odometer
Disclosures NHTSA proposed changing § 580.5, Disclosure of odometer information, to accommodate electronic systems, directing information required on a paper title be entered in an electronic form incorporated into the electronic systems, directing information required on a paper title be entered in an electronic form incorporated into the electronic systems, directing information required on a paper title be entered in an electronic form incorporated into the electronic systems, directing information required on a paper title be entered in an electronic form incorporated into the electronic systems, directing information required on a paper title be entered in an electronic form incorporated into the electronic systems, directing information required on a paper title be entered in an electronic form incorporated into the electronic systems.
 electronic transactions, and executed electronic disclosures be made available to the parties. NHTSA implemented changes to part 580 authorizing use of this power of attorney by an interim final rule published in the Federal Register on March 8, 1989. California voiced concerns the definition of electronic document inappropriately inferred that
electronic titles exist only as an electronic image of a paper document when an electronic title may only be a set of data elements maintained in a state database and not necessarily a form. The agency estimated that it will take 15 seconds to fill the actual mileage per disclosure and the average hourly labor cost in 2018 is $36.39.[15] Multiplying times to find the actual mileage per disclosure and the average hourly labor cost in 2018 is $36.39.[15] Multiplying times times to find the actual mileage per disclosure and the average hourly labor cost in 2018 is $36.39.[15] Multiplying times times to find the actual mileage per disclosure and the average hourly labor cost in 2018 is $36.39.[15] Multiplying times times to find the actual mileage per disclosure and the average hourly labor cost in 2018 is $36.39.[15] Multiplying times times to find the actual mileage per disclosure and the average hourly labor cost in 2018 is $36.39.[15] Multiplying times times to find the actual mileage per disclosure and the average hourly labor cost in 2018 is $36.39.[15] Multiplying times times to find the average hourly labor cost in 2018 is $36.39.[15] Multiplying times times times to find the average hourly labor cost in 2018 is $36.39.[15] Multiplying times times times to find the average hourly labor cost in 2018 is $36.39.[15] Multiplying times times times times times to find the average hourly labor cost in 2018 is $36.39.[15] Multiplying times time
in hours by the total disclosures and hourly labor cost derived the total cost of the final rule. NHTSA requested comment on whether this requirement would be sufficient to allow law enforcement to detect altered documents. NOTFEA stated the exempt status of vehicles gave the dealer an opportunity to reduce the mileage and that this dealer
removed approximately 26 million miles from the odometers of all the exempt vehicles he sold. The following paragraphs summarize important aspects of the regulations. Two associations, AAMVA and ESRA, and two states, California and Virginia, commented on this specific proposal. Moreover, paper titles will need to be accounted for when
electronic title systems are created. Similarly, a lessee of a leased vehicle with an e-title would bring the vehicle to a dealership and make the odometer disclosure on a secure physical document. Table 2 summarizes the estimated annual rollbacks for affected vehicles, its share in overall annual fraud loss, annual consumer economic loss, and a 5-
 relied on. If a physical title is created by a jurisdiction with an electronic title and odometer disclosure statement system, any electronic record of the title must indicate that a physical title has been issued and the date on which the physical title was issued. To achieve this, the agency first developed a regression model describing the relationship
between retail price and vehicle mileage using data provided by Edmonds. IV. Incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of this document, NHTSA is incorporation by Reference As discussed earlier in the relevant potions of the releva
the rule would eliminate $1.5 million in annual consumer losses in 2020 and $7.5 million in such losses from 2029 forward. For example, our approval of Florida's petition for alternative odometer disclosure requirements involved a system.
Other terms used in this part are defined as follows: Access means the authorized entry to, and display of, an electronic title in a manner allowing modification of previously stored data, even if the stored data is not modified at the time it is accessed. Three commenters noted language in § 580.13(f) stating ". NHTSA's experience with petitions filed by
Virginia, Texas, Florida, New York, and others demonstrates states choose to create a paperless system where all parties to a transaction make direct entries into the system or may employ a "hybrid" scheme where paper forms are employed as part of the process. The final rule adopts the proposal in § 580.6(e), allowing issuance of such a document in the system or may employ a "hybrid" scheme where paper forms are employed as part of the process. The final rule adopts the proposal in § 580.6(e), allowing issuance of such a document in the system or may employ a "hybrid" scheme where paper forms are employed as part of the process. The final rule adopts the proposal in § 580.6(e), allowing issuance of such a document in the system or may employ a "hybrid" scheme where paper forms are employed as part of the process. The final rule adopts the proposal in § 580.6(e), allowing issuance of such a document in the system or may employ a "hybrid" scheme where paper forms are employed as part of the process. The final rule adopts the proposal in § 580.6(e), allowing issuance of such a document in the system or may employ a "hybrid" scheme where paper forms are employed as part of the process.
physical documents and electronic documents NHTSA proposed have been discarded. AAMVA also stated that because states are currently required to perform a title check prior to title transactions to determine if they have the most currently required to perform a title check prior to title transactions to determine if they have the most currently required to perform a title check prior to title transactions to determine if they have the most currently required to perform a title check prior to title transactions to determine if they have the most currently required to perform a title check prior to title transactions to determine if they have the most currently required to perform a title check prior to title transactions to determine if they have the most currently required to perform a title check prior to title transactions to determine if they have the most currently required to perform a title check prior to title transactions to determine if they have the most currently required to perform a title check prior to title transactions to determine if they have the most currently required to perform a title check prior to title transactions to determine if they have the most currently required to perform a title check prior to title transactions to determine the most currently required to perform a title check prior to title transactions to determine the most currently required to perform a title check prior to title transactions.
 superseding title. An additional modification proposed in the NPRM sought to expand the provisions of § 580.5(g) to electronic systems. 1. In making this statement, however, it is the agency's belief the provisions of this final rule are not inconsistent with any of its prior determinations approving alternative odometer disclosure schemes. Confirming
the identity of a person making an electronic signature is therefore dependent on factors other than the signature and requires a degree of corroboration. States may only adopt electronic odometer systems without prior approval of the Secretary until the effective date of rules proposed in this notice. One of these is that requiring destruction of
physical titles by states is cumbersome, and the same purpose can be met by invalidating the paper title. NHTSA's initial determination denied New York's petition because it used a non-secure receipt for odometer law.
The Truth in Mileage Act 3. According to IAA, the proposed change is not warranted, and the costs of the expansion far outweigh any benefit. 3309 (1986). Revise § 580.1 to read as follows: End Amendment Part Scope. Lopatka argued against allowing states to provide an unofficial ownership document, stating that merely requiring clear disclosure
that the physical copy is an unofficial record may be insufficient to prevent this fraud and abuse. New Technologies such as blockchain that states may wish to use for recording electronic titles, making odometer disclosures, and authenticating electronic signatures. Reference
may also be made to applicable law of the jurisdiction. SBREFA amended the Regulatory Flexibility Act to require federal agencies to provide a statement of the factual basis for certifying that a proposal would not have a significant economic impact on a substantial number of small entities. Therefore, the only cost from the final rule would be the
labor cost for the time that is needed for recording the mileage from "exempt" to the actual mileage, for inspection to ensure accuracy, time to sign the statement and to provide the name and address information. Among other than the title
itself. After careful consideration of all available information, including public comments submitted in response to the NPRM, the agency decided to adopt amendments proposed by the NPRM for §§ 580.1, 580.11 and 580.12 without substantive change. One commenter requested NHTSA establish rules for rescinding prior grants and that this
final rule declare that it did not invalidate any previously granted petition. Implementation of any change in the exemption caused many commenters to voice concern as the NPRM proposal did not account for vehicles subject to the prior exemption in the regulatory text. The applicant must provide to the registration authority at a minimum their
name, date of birth, and current address or personal telephone number. According to NOTFEA, this accounted for an approximate fraud loss of $1.2 million and approximately 26 million miles rolled back on 300 vehicles. Florida noted states were not involved in the leased vehicle disclosure process and should not be compelled to participate now.
the information provided by the lessee unless the lessee's mileage information is inaccurate. A variant of such a system might involve parties employing a pen pad to sign documents and enter information at a state or state-authorized facility after presenting identification. Commenters addressing the issue uniformly opposed the
proposed requirement that identity verification for electronic odometer disclosures must meet NIST Level 3. NHTSA chose to propose modifications to the existing structure of part 580 to accommodate electronic odometer disclosure schemes. Table 2—Benefits Estimates[In 2018 dollar] Calendar
year 2020202120222023202420252026202720282029 + Units\ w/Rollback\ (in\ 1000)15.731.145.859.872.583.893.6101.8108.7114.3 \\ Percent\ of\ Overall\ Annual\ Loss\ (in\ Million)\$29.5\$55.8\$79.6\$100.9\$110.0\$134.5\$142.7\$147.7\$150.1\$150.95\%\ of\ Loss\ (in\ Million)\$29.5\$110.0\$134.5\$142.7\$147.7\$150.1\$150.95\%\ of\ Loss\ (in\ Million)\$29.5\$142.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$149.7\$
federalism implications of a final rule. The NPRM proposed an additional requirement be added to this section in electronic transactions in the form of a check box or similar mechanism to ensure the notices were read and understood before the transaction can move forward. Commenters identified many issues created by the proposed definitions.
States can use any application for electronic odometer disclosure or title transactions so long as the application provides for NIST Level 2 assurance or equivalent and otherwise complies with the requirements of part 580. The organization contended the proposed rules wrongly indicated title and disclosure documents must exist as embedded
incorporated in an electronic title or power of attorney, an electronic sound, symbol, or process: (i) Using a secure authentication system identifying a specific individual with a degree of certainty equivalent to or greater than Level 2 as described in NIST Special Publication 800-63-3, Revision 3, Digital Identity Guidelines (including sub-parts 800-63-4).
3A, 800-63-3B and 800-63-3C), June 2017. To distinguish between the ability to view an electronic dometer disclosures incorporated into those records, the final rule adds the definition of "Access" to § 580.3. This definition states "Access" is the authorized display and
secure system or environment. As such, IAA argued states and licensees should be given the latitude to fashion workable methods for identification. Some of these comments related to terms used within part 580. Adoption of electronic title and odometer schemes by states choosing to do so, will likely confer benefits on small businesses. Moreover, in
specifying that the NIST Level 2 standard or its equivalent must be met, NHTSA does not intend that states must update their systems to meet each new NIST guideline when it is issued. The proposal also added a requirement in 580.8 that dealer electronic records must be retained in a format which cannot be altered and which indicates any
attempts to alter it. Overview of NHTSA's Odometer Disclosure Regulations E. As such, it is considered a deregulatory action. Other comments focused more narrowly. Start Amendment Part5. Commenters rightly observed these proposed definitions were not apt
Auctioneer representative NAAA stated U.S. Customs and Border Protection (CBP) regulations require vehicles to be exported with the original or certified copy of the title. NHTSA has worked to ensure that standards being considered for incorporation by reference are reasonably available to the class of persons affected. L. As set forth in § 580.5(g)
an electronic reassignment may precede issuance of an electronic title when no electronic title exists. V. Because of their instructive value, the NPRM examined the petition process by which states may seek approval of alternative odometer disclosure schemes (§ 580.11) and petitions from Virginia, Wisconsin, Florida, New York, and Texas seeking
approval of electronic disclosure systems. The jurisdiction shall retain the physical or electronic title for a minimum of three years or a period equal to the state titling record retention period, whichever is shorter. The final rule further states electronic data shall be retained so it cannot be altered and
which indicates any attempts to alter it. An individual providing comments, Lopatka, stated NHTSA should alternatively consider adopting a system by which individual titleholders may create official physical copies of their own records on
vehicles sold at the auction, including the name of the wehicle, the name of the wehicle identification number, and the odometer reading on the date the auction took possession of the vehicle. For electronic systems, this final rule also adapts the requirement in § 580.5(f) that a transferor provide a paper copy of the
executed disclosure statement to the transferee by requiring that such systems must make the completed statement available to the parties. AAMVA also questioned the need for systems security requirements based on the history of states securely maintaining data for many years. This final rule's modification of the previous 10-year exemption from
mileage disclosure to 20-year old vehicles will require minimal changes in data entry for small businesses and not result in any significant effect. NHTSA also proposed amending § 580.5(f), requiring transferees to print their name on the disclosure and return a copy to the transferor, to restrict its application to paper transactions only. The agency
does not, however, believe it should take further action other than fostering the development of electronic title and odometer disclosures through issuing this final rule. Section 580.5(c) requires a transferor to sign, and to print his/her name on an odometer disclosure statement with the following information: (1) The odometer reading at the time of
transfer (not to include tenths of miles); (2) the date of transfers; (3) the transferer's name and current address; and (5) the identity of the vehicle, including its make, model, year, body type, and VIN. Consistent with other changes made in this final rule, this section dispenses with those terms as used in
the NPRM and states that the information may be physical or electronic. These commenters noted the dealer does not complete the disclosure and should be changed to "transferee." Another commenter encouraged amending § 580.13(f), which specifies that a power of attorney is lower than on
power of attorney be made available upon request rather than returned. For clarity, a scanned copy of a paper title is specifically excluded from the definition. Commenters reacted strongly to this proposal and argued strenuously that it was ill founded, costly, and impractical. Other concerns include methods of transmitting secure paper documents,
the means for verifying the identity of transferoes, the potential for the simultaneous existence of paper and electronic titles and the problems posed by interstate transactions between states with traditional and electronic titles and the problems posed by interstate transactions between states with traditional and electronic titles and the problems posed by interstate transactions between states with traditional and electronic titles and the problems posed by interstate transactions between states with traditional and electronic titles and the problems posed by interstate transactions between states with traditional and electronic titles and the problems posed by interstate transactions between states with traditional and electronic titles and the problems posed by interstate transactions between states with traditional and electronic titles and the problems posed by interstate transactions between states with traditional and electronic titles and the problems posed by interstate transactions between states with traditional and electronic titles and the problems posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions are transactions as a second posed by interstate transactions a
use the power of attorney to allow the transferee to complete the odometer disclosure. NHTSA concurs with adding this provision, which is adopted by this final rule as § 580.6(i). TIMA amendments expanded and strengthened Section 408 of the Cost Savings Act. The definition of "Sign or Signature" includes an electronic signature employing NIST
level 2 authentication system or its equivalent, instead of NIST Level 3. For a leased vehicle, the lessor is obligated to provide the lessee with written notice must contain the same warnings (§ 580.7(a)). Rather than attempt to specify security requirements, the NPRM explained the agency
corresponding changes in the used vehicle market. As it is critical that parties to a transaction are who they claim to be for ownership and law enforcement purposes, the NPRM proposed in § 580.6(a)(2), a requirement that any electronic signature identify an individual. To the extent any conflict exists between the requirements of this final rule and
previously granted petition, NHTSA expects the final rule to be controlling authority that must be followed. Effective Date The NPRM did not propose a date on which the amendments offered by NHTSA would become effective. Private party transactions (i.e., individual) will require one odometer disclosure assuming that the disclosure
 conforms to the current individual state regulations for vehicles 0 to 9 years old. NADA similarly cautioned requirements protecting record integrity be practical and appropriate for states, their agents, and all other parties involved. Start Preamble Start Printed Page 52664 National Highway Traffic Safety Administration (NHTSA), Department of
Transportation (DOT). These regulations establish minimum requirements for odometer disclosure, the form of certain documents and power of attorney forms. In NHTSA's view, this situation is analogous to that where a paper title is physically held by a lienholder as the title is not available.
to the transferor because the title will only be released when the lien is satisfied. Texas also contended the requirements for auctioneers proposed by NHTSA were overbroad, particularly in requiring secure storage as auctions only need to log transactions and not store odometer disclosures. The Cost Savings Act, the Truth in Mileage Act and
Subsequent Amendments 1. Background and Summary of Final Rule A. (54 FR 9609). If the disclosure is on an electronic title, the jurisdiction shall provide a means for making copies of the completed disclosure statement available to the transferee and transferer. Paperwork Reduction Act Under the procedures established by the Paperwork
Reduction Act of 1995 (PRA), a person is not required to respond to a collection of information by a federal agency unless the collection displays a valid OMB control number. They shall retain all powers of attorney at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.
According to NAAA, U.S. Customs and Border Protection regulations require vehicles titled domestically be exported with the original titles for importation. Odometer Disclosures NHTSA proposed several changes to § 580.5, Disclosure of odometer information, to
accommodate electronic odometer disclosures. Under § 580.5(d), paper forms used to make odometer disclosures must contain legal notices and warnings intended to ensure those executing the forms are aware of their responsibilities and potential liability when doing so. According to Florida, electronic powers of attorney would also be
needed, even if not used frequently. Out of states submitting comments, only one indicated any degree of opposition, citing possible increased data entry costs. This proposal amends existing exemption from mileage
                                 consensus standards are technical standards (e.g., materials specifications, test methods, sampling procedures, and business practices) developed or adopted by voluntary consensus standards bodies, such as the SAE International. The estimated costs and benefits are expressed in 2018 dollars. For private sales, authorized tag
agents required transferors and transferees to fill out odometer disclosures on paper forms. NIST guidelines can be met with currently available products on the market. See Public Law 103-272, 108 Stat. ESRA further stated an odometer disclosure by power of attorney can be made electronically. N. Please see the accompanying cost and benefit
analysis for a detailed discussion. In addition, an electronic power of attorney maintained and made available pursuant to §§ 580.13 and 580.14 and shall be maintained by the jurisdiction in a secure environment so that it is protected from unauthorized modification, alteration and disclosure. Executing odometer disclosures requires notices, warnings
and instructions to be read, information to be supplied by the transferor, acknowledgement and acceptance of the disclosure statement must be given to the transferee, and, in paper transactions, a copy of the signed disclosure statement must be given to the transferee, and, in paper transactions, a copy of the signed disclosure statement must be given to the transferee, and, in paper transactions, a copy of the signed disclosure statement must be given to the transferee, and, in paper transactions, a copy of the signed disclosure statement must be given to the transferee, and, in paper transactions, a copy of the signed disclosure statement must be given to the transferee, and, in paper transactions, a copy of the signed disclosure statement must be given to the transferee, and, in paper transactions, a copy of the signed disclosure statement must be given to the transferee, and, in paper transactions, a copy of the signed disclosure statement must be given to the transferee, and, in paper transactions, a copy of the signed disclosure statement must be given to the transferee, and the signed disclosure statement must be given to the transferee, and the signed disclosure statement must be given to the transferee, and the signed disclosure statement must be given to the signed disclosure stat
electronic processing of the practice by which a lessor can obtain an odometer disclosure from the lessee. These included inserting a new address in § 580.11(a). This section also requires a certification, when part B is used, that the mileage disclosed and acknowledged
under part B is greater than the mileage disclosed in part A. NHTSA's approval of alternative odometer disclosure process. In the first part of this definition, the language remains essentially the same as
that in the NPRM aside from the NIST level requirement. Consistent with increases in vehicle age since 1988, the age of vehicles that have their mileage altered has also increased. Similarly, the status of an electronic title made unavailable because of technical failures led others to advocate expansion of the power of attorney provision in such an
instance. The NPRM explained NHTSA might consider specifying security standards for these systems and requested NHTSA might consider specifying security standards for these systems and requested NHTSA might consider specifying security standards for these systems and requested NHTSA might consider specifying security standards for these systems and requested NHTSA might consider specifying security standards for these systems and requested NHTSA might consider specifying security standards for these systems and requested nHTSA might consider specifying security standards for these systems and requested nHTSA might consider specifying security standards for these systems and requested nHTSA might consider specifying security standards for these systems and requested nHTSA might consider specifying security standards for these systems and requested nHTSA might consider specifying security standards for these systems are specifying security standards for these systems are specifying security standards for these systems are specifying security standards for the system of the system
delaying this final rule. Auction interests argued the requirement would impose a crippling burden on their ability to do business as they process hundreds or thousands of vehicles at a time. ADDRESSES: Petitions for reconsideration of this final rule must refer to the docket and notice number set forth above and be submitted to the Administrator,
National Highway Traffic Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590. However, AAMVA noted jurisdictions cannot reliably ensure the destruction of existing physical documents. Therefore, § 580.15(a) is revised to relieve the person making the certification from attesting that the mileage they disclosed (as authorized
by the power of attorney) is greater than that previously shown in the title or a reassignment document if they disclosed that the mileage exceeds mechanical limits or the odometer reading does not reflect the actual mileage exceeds mechanical limits or the odometer reading does not reflect the actual mileage exceeds mechanical limits or the odometer reading does not reflect the actual mileage. The final rule further adopts the language proposed in § 580.6(a)(6) of the NPRM without substantive change as § 580.6(f).
Although Congress had directed that NHTSA promulgate regulations allowing electronic odometer disclosures and, through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and, through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and, through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and, through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the FAST Act amendment discussed above, facilitated state adoption of electronic odometer disclosures and through the facilitated state adoption of electronic odometer disclosures and through the facilitated state 
electronic odometer disclosure, either in whole or in part. NHTSA shares NADA's concerns about the challenges posed by interstate transactions and has drafted the final rule to provide solutions. Accordingly, the final rule redesignates the proposal's paragraph § 580.6(a)(8) as § 580.6(h), eliminates the requirement that scanning or imaging be
performed in color and reduces the required resolution to not less than 200 dpi. Physical when referring to a document, or power of attorney printed on paper by a secure printing process or other secure process that meets all the requirements of this part. (54 FR 35879).
Additionally, the lessor must state the date the lessor received the lessor received the lessor received in response to this proposal
were unanimously opposed to the requirement that scanning be conducted at 600 dpi, and some commenters noted that scanning or imaging need not be in color. To accomplish this goal, the final rule amends prior regulations governing transactions made on paper titles and similar documents allowing odometer disclosures to be made in a purely
electronic environment or through using paper documents that are scanned and converted into electronic title systems have the option of providing vehicle owners with a paper record of ownership, including odometer disclosure information,
if that document clearly indicates it is not an official title or odometer disclosure for that vehicle. Start Amendment Part8. At Level 2, proof of identifying materials or information. The organization stated any reliance on a physical document, whether scanned or not, does not constitute an
electronic disclosure system and should not provide the basis for an electronic disclosure system. The rule is expected to break even if the rule can eliminate 3.6 percent of the annual fraud loss (or rollbacks). Section 580.6(a)(4) proposed requiring that a prior paper title and odometer disclosure be copied electronically for retention by the electronic
system state and that the paper document(s) be destroyed at the time they are converted to electronic documents. Id. at 20929. States are required, under § 580.13(a) or (b) and the title for a period of three years or a time period equal to the state's titling record retention
period, whichever is shorter. Another circumstance requiring an electronic reassignment would arise when a transferor holding a paper title for a vehicle wishes to transfer that vehicle in a jurisdiction with an electronic title system. **** Transferor means any person who transfers their ownership of a motor vehicle by sale, gift, or any means other
than by the creation of a security interest, and any person who, as agent, signs an odometer disclosure statement for the transferor shall disclose the mileage to the transferor shall disclose the mileage to the transferor. (c) In connection with the transferor shall disclose the mileage to the transferor.
used to reassign the title. The agency also proposed requirements for signatures in electronic transactions. (IAA). NADA concurred with the proposal, recognizing that some dealership customers may wish to be provided with paper printouts. The final rule therefore contains new definitions for "Access," "Electronic Power of Attorney," "Electronic Pow
Title," "Jurisdiction," and "Printed Name," and "Printed Name," and revises "Original Power of Attorney," "Sign or Signature," and "Transferor." These more precise definitions are applied throughout part 580 to facilitate transactions with physical and electronic titles and powers of attorney. These more precise definitions are applied throughout part 580 to facilitate transactions with physical and electronic titles and powers of attorney.
allow states to employ reasonable efforts to protect records. One commenter suggested the term "his" used in various sections of part 580 be changed to "transferees" because not all transfers of ownership requiring an odometer disclosure are the result of a purchase and "purchaser"
is not defined in part 580. Revise § 580.16 to read as follows End Amendment Part Availability of prior title and power of attorney documents to transferee. This final rule also substantially relaxes the proposed requirements for scanning documents to transferee. This final rule also substantially relaxes the proposed requirements for scanning documents to transferee.
recordkeeping requirements in §§ 580.8 and 580.9 provide more options for dealers and relax the rules for auctions. Notice of Proposed Rulemaking G. 117-2012 "Secure Remote Access Mutual Authentication" authentication framework, vehicle transfers are relatively low risk transactions that do not require the security provided by NIST Level 3.
Section 580.8(a) specifies dealers and distributors must retain a "Photostat, carbon copy or other facsimile copy of each odometer mileage statement which they issue and receive." Under both sections, records must be stored for five years in a manner and method so they are accessible to NHTSA investigators and other law enforcement personnel.
The proposed amendments sought to allow odometer disclosures in an electronic medium while maintaining accurate odometer disclosures and aiding law enforcement in prosecuting odometer disclosures are
used. Commenters also offered varying degrees of support for the continued use of the power of attorney in jurisdictions with electronic title and odometer systems. (b) Part B of the physical or electronic power of attorney must include a
mileage disclosure from the transferor to the transferor, including the printed name, and contain the following information: (1) The date of transferor's printed name and current address; (4) The transferor's printed name and current address; (4) The transferor's printed name and current address; (5) The date of transferor's printed name and current address; (6) The date of transferor's printed name and current address; (7) The date of transferor's printed name and current address; (8) The transferor's printed name and current address; (9) The date of transferor's printed name and current address; (10) The date of transferor's printed name and current address; (11) The date of transferor's printed name and current address; (12) The date of transferor's printed name and current address; (13) The transferor's printed name and current address; (14) The transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name and current address; (15) The date of transferor's printed name address; (15) The date of transferor's printed name address; (15) The date of transferor's printed name address; (15) The date of tran
name and current address; and (5) The identity of the vehicle, including its make, model, year, body type, and vehicle identification number. The agency believes the costs associated with changing the exemption will be negligible and more than offset by the benefits gained from protecting consumers from odometer fraud. Commenters supported this
proposal but requested states have the option of employing either a paper or an electronic system for these transactions, even where the jurisdiction provided an electronic title and odometer disclosure system. They shall retain all odometer disclosure system.
that permits systematic retrieval. The final rule adopts a similar definition of "Electronic Title," by specifying this record as created and maintained in an electronic format and incorporating and odometer disclosure and reassignment process. Most of the
commenters submitted views on this proposal, and all the commenters protested imposition of a NIST Level 3 requirement. New York State MV-50 (Retail Certificate of Sale) form. The agency's proposed modification of the ten-year
exemption was supported by most commenters and vociferously opposed by others. Virginia petitioned NHTSA in December 2006 seeking approval of electronic odometer disclosure for intrastate transfers of vehicles not subject to liens. NIST Special Publication 800-63-3, Revision 3, Digital Identity Guidelines (including sub-parts 800-63-3A, 800-63-3A, 800-63-3A).
3B and 800-63-3C), June 2017 is incorporated by reference into this section with the approval of the Director of the Federal Register under 5 U.S.C. 552(a) and 1 CFR part 51. Texas also recommended changing the language "at the time the lessors transfer the vehicle" in § 580.2 to "at the time the lessees return possession of the vehicle to the
lessors" to more accurately fix the time when a lessee must make disclosure. Telephone: (202) 366-5953. Virginia's concerns included the possibility of broad variations among state systems that would hinder interoperability and preclude the consistency required to allow consumers to conduct interstate transactions. In each case, the proposed
alternative odometer disclosure schemes applied only to intrastate transactions. Part 580 establishes minimum requirements for record retention, ensuring a paper trail sufficient to support detection and prosecution of odometer fraud. Copart opposed the proposal as an unreasonably high threshold given the average vehicle age is 11 years.
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