

# FACT SHEET

## BUYING OR SELLING YOUR CAR IN PENNSYLVANIA

### PURPOSE

The purpose of this fact sheet is to inform Pennsylvania residents of the proper procedures when buying or selling a car in Pennsylvania privately or through a motor vehicle dealer.

After reading this fact sheet, you should be able to have all the paperwork completed smoothly and with confidence. Arrangements for the seller and buyer to meet at the office of a notary public, tag service, or motor vehicle dealer will ensure that the application is completed with correct information, which will result in the vehicle transfer being processed promptly and properly by the Department.

### TRANSFERRING A PENNSYLVANIA TITLE - This must be completed by a notary public, tag service, or motor vehicle dealer who is an authorized PennDOT agent.

If you are buying or selling a car that is already titled in Pennsylvania, the seller must sign and handprint his/her name in Section A on the back of the title. The purchaser's name and address must be listed in Section A on the back of the title. In addition, the purchaser must sign and handprint his/her name in the spaces provided.

Section D on the front of the title must be completed by the purchaser. If the vehicle is to be financed, the lien information must be included in Section D. If the lienholder participates in the Electronic Title and Lien Program, please include the lienholder's Financial Institution Number (FIN). When Sections A and D are signed and notarized, the title has been "transferred." If the vehicle is being titled in more than one name, all owners must sign the title.

### OUT-OF-STATE VEHICLES

If you are buying a car, which is titled in another state, check the front and back of the title carefully. There should be a place for the seller's signature and your vehicle's current odometer reading. The seller's signature may be required to be notarized on some out-of-state titles.

You must consult a notary public, tag service, or motor vehicle dealer who is an authorized PennDOT agent or the Bureau of Motor Vehicles about out-of-state title transfers. Many dealers and authorized tag services now process title applications online and can assist you through the process of applying for a Pennsylvania title and registration.

### VEHICLE IDENTIFICATION NUMBER (VIN) TRACING OR VERIFICATION

VIN TRACING/VERIFICATION - A VIN plate tracing is required to be attached to the reverse side of the white copy of Form MV-1, "Application for PA Certificate of Title," in the following situations:

- (1) When a Pennsylvania resident acquires a new or used vehicle from a non-resident, including an out-of-state dealer, for use in this commonwealth. NOTE: If the MCO is assigned to a Pennsylvania registered dealer and reassigned to a PA resident, the VIN verification requirement is not needed.
- (2) When a non-resident brings a vehicle previously titled or registered in another state or country into this commonwealth, in connection with establishing a Pennsylvania residence;
- (3) When the initial application for a Pennsylvania Certificate of Title is for a truck, truck-tractor or motor home, regardless of the source of ownership.

A tracing is obtained by placing tracing paper against the vehicle identification number (VIN) plate and applying pressure with a lead pencil, stroking left to right across the entire surface of the VIN plate to produce on the paper an image of all information

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that has been embossed on the VIN plate. If you are unable to locate your vehicle's VIN plate or you are unable to secure a legible tracing of the plate, contact a certified inspection mechanic or a notary public in the employ of a dealership, manufacturer or full agent (83, 84, 85, 86, 87, 88, 90, 91 and 92 DIN numbers). These individuals are authorized to inspect and verify the vehicle identification number when a tracing of the plate is not possible. They will list their name, DIN or mechanic number and signature in Section A of Form MV-1, "Application for Certificate of Title." **NOTE: A photograph of a vehicle's VIN plate is acceptable if the VIN in the photograph is physically compared to the vehicle's VIN plate and the photograph is signed and dated by a certified inspection mechanic or a notary public employed at a dealership or full agent.** If the vehicle is located outside of Pennsylvania, the vehicle identification number must be verified by a police officer, a mechanic employed by a motor vehicle dealer or an armed forces installation provost marshal or motor officer.

### **RECORDING THE MILEAGE**

The seller must indicate the mileage of the car in Section A on the back of the Pennsylvania title or in the appropriate space provided on the out-of-state title.

### **REMOVING THE PLATE**

After the title is transferred, the seller must remove the license plate from the car. **The plate should never be given to the purchaser.** The plate should be returned to the Bureau of Motor Vehicles unless the seller plans to transfer it to another vehicle. The plate should be mailed to the Bureau of Motor Vehicles, Return Tag Unit - 1st Floor, 1101 South Front Street, Harrisburg, PA, 17104.

### **REGISTRATION**

In addition to establishing ownership of the vehicle by transferring the title to your name, you will need to register it in order to obtain a license plate and drive it on the highway. You can apply for registration on the same form used for the title application. If you already have a Pennsylvania registration plate, an authorized tag service can transfer it to the car you are buying. For vehicles already titled in Pennsylvania, Section F of Form MV-4ST must be completed by an authorized tag service to indicate whether you want a new plate or are transferring a plate from another vehicle.

For a new or out-of-state vehicle (not previously titled in Pennsylvania), Section G of Form MV-1 must be completed by an authorized tag service to indicate whether you want a new plate or are transferring a plate from another vehicle.

You may also want a personalized license plate. To apply, complete Form MV-904, "Application for Personalized Registration Plate," with your choices of letters and/or numbers. Include a check for \$20 in addition to the regular registration fee. A temporary license plate will be issued to allow the vehicle to be used on highways since eight to 10 weeks are required for the manufacturing and issuance of a personalized plate.

In addition, you may want to ask the authorized tag service about Pennsylvania's Specialty Plate Program. Pennsylvania offers many specialty plates that honor members of the organization or alumni associations for their community service activities.

### **TEMPORARY LICENSE PLATES**

When you purchase a vehicle from an individual and you do not have a license plate to be transferred, you may obtain a temporary registration, valid for 90 days, from any dealer or authorized tag service.

### **INSURANCE REQUIREMENTS**

Prior to a temporary license plate being issued or transfer of a license plate, one of the following items must be presented to the authorized PennDOT agent as acceptable proof of insurance. No other forms or receipts are acceptable as proof of insurance.

1. An insurance identification card issued by an insurance carrier. The Department of Transportation issues a certificate to self-insureds who are then authorized to produce an insurance ID card (NOTE: Handprinted identification cards issued by a Pennsylvania-licensed insurance company or agency are unacceptable.)

Insurance identification cards must contain the name and address of the insured, vehicle identification number, make and body style. In addition, the card must contain the insurance company name, policy number, and effective and expiration dates;

2. The declaration page of an insurance policy or a copy thereof;
3. A copy of a valid binder of insurance that contains all of the information required to appear on the ID card, excluding the policy number, and is signed and dated by a licensed insurance agent or broker; or,
4. A copy of an application for insurance to the Pennsylvania Assigned Risk Plan that contains all of the information required to appear on the ID card, excluding the policy number, and is signed and dated by a licensed producer (insurance agent).

Each of the documents listed above should be in the applicant's name unless an agent is transferring a license plate and is presented with one of the above items as proof of insurance in a name that differs from the name shown on the transferred vehicle's registration card. The plate may be transferred and the proof of insurance is acceptable if both the old registration card and proof of insurance have the same vehicle identification number listed.

PennDOT has determined that an authorized tag service may accept as proof of insurance for a newly purchased vehicle, any of the above items. These documents may cover a vehicle being traded or another vehicle that the applicant may own. If the owner presents proof of insurance for one of these vehicles, the insurance must be current. Also, the vehicle listed must be in the same name as that of the newly purchased vehicle. It is the applicant's responsibility to contact his insurance agent or broker within 14 days of purchasing a vehicle to extend coverage to the newly purchased vehicle. (Items may be listed with the new vehicle's description.)

NOTE: Authorized tag services are not permitted to verify insurance information by simply contacting the applicant's insurance agent by telephone. However, photocopies, facsimile (FAX) or printout copies of an acceptable proof of insurance document may be accepted by an authorized tag service when sent directly by the vehicle owner's insurance company or agency to the authorized tag service's office. Vehicle owners may not deliver the above copies to the authorized tag service's office.

### **FEES**

Title Transfer (Pennsylvania Title)	\$22.50
New Pennsylvania Title (new or out-of-state vehicle)	\$22.50
Recording of Lien (if vehicle is financed)	\$ 5.00
Annual Registration for Regular Passenger Cars	\$36.00

(Trucks are \$58.50 and up depending on weight)

### **SALES TAX**

Pennsylvania sales tax is 6 percent of the purchase price or the current market value of the vehicle. (7 percent for residents of Allegheny County and 8 percent for City of Philadelphia residents.)

If a motor vehicle is taken by the seller as a trade in, the tax is imposed upon the difference between the purchase price of the motor vehicle purchased and the value of the motor vehicle taken as a trade in by the seller.

### **RECORDING THE TITLE TRANSFER**

#### ***USED VEHICLES***

In most cases, you will need the service of a notary public, tag service, or motor vehicle dealer who is an authorized PennDOT agent or the Bureau of Motor Vehicles to assist you in transferring the title. The dealer, authorized tag service, or online title/registration processor is required to send the title application directly to the Department of Transportation. If you have obtained a license plate and a Temporary Registration Permit from the agency handling the transfer, the agency must handle the paperwork. Paperwork of this nature, may not be given to the customer.

If your certificate of title is held electronically by a lienholder, a paper title must be obtained before making application for a Pennsylvania Certificate of Title.

Upon receiving your application the PennDOT will create a new title in your name and mail it to you. If you borrowed money to purchase the car, the title or an electronic file will be sent directly to the bank or finance company. After your loan is paid in full, the lender will satisfy your lien and send you the title.

#### ***NEW VEHICLES***

The dealer where you purchased your new car is responsible for sending the application to the Department. If the car is not financed, a title in your name will be sent directly to you.

#### ***MOVING***

If you are going to title your car in another state, you will be responsible for filing the forms required by that state. Your car must have a current Pennsylvania license plate in order to legally drive it to the other state. Insurance coverage must be maintained until you are properly titled and registered in another state.

#### ***SALVAGE CARS***

If you sell your car for salvage, sign the title over to the buyer and remove your license plate. Return the plate to the Department unless you are planning to transfer it to another vehicle.

### **INSPECTION**

In order to maintain safe highways, the once-a-year safety inspection system requires that all used vehicles are inspected within 10 days of sale unless a valid inspection sticker is displayed on the vehicle. The buyer is responsible to have the car inspected, which can be done at any Pennsylvania certified inspection station. If the vehicle is registered in an area of the commonwealth participating in the Emissions Inspection Program, the vehicle will also be required to have an emissions inspection.

## **DUPLICATE TITLES**

If you misplace or lose your title, you can apply for a duplicate title using Form MV-380, "Application for Duplicate Title," which is available from authorized tag services, notaries or it can be downloaded from PennDOT's Driver and Vehicle Services Web site [www.dmv.state.pa.us](http://www.dmv.state.pa.us). There is a \$22.50 fee for all duplicate titles. If you took out a loan when you first purchased your car but it has since been paid, it is a good idea to have the bank or finance company sign the MV-380 form. This could save some time in the event that the PennDOT had not been notified that your loan is now paid off. There is no additional fee to remove a lien which has been satisfied.

## **SELLERS CHECKLIST**

- TITLE:** Complete Section A on the reverse side of the title, recording the purchaser's name and address and odometer mileage. The seller must sign and handprint his/her name in the presence of a notary public. An authorized dealership may perform verification in lieu of notarization in Section A and Section D on the certificate of title.
- ODOMETER STATEMENT:** Fill in the appropriate spaces in Section A.
- LICENSE PLATE:** Remove the plate for transfer to another vehicle or return the plate to the PennDOT.

## **BUYERS CHECKLIST**

- IDENTIFICATION:** Currently, the only acceptable proof of identification for the purposes of titling and registering a vehicle in Pennsylvania are: a valid Pennsylvania photo driver's license; a valid Pennsylvania photo identification card; a valid Pennsylvania photo exempt driver's license; a valid Pennsylvania photo exempt identification card and a valid U.S. Armed Forces Common Access Card. (NOTE: Dependents of Armed Forces personnel must provide a valid U.S. Uniformed Services Identification and Privilege Card, DD Form 1173.) Each of these documents must be in the same name as listed on the motor vehicle form. A new resident must apply for a Pennsylvania Driver's License or Pennsylvania Photo Identification Card at a Pennsylvania Driver License Center prior to making application for a Pennsylvania Certificate of Title.
- ADDRESS:** Motor vehicle documents may not be issued to an out-of-state address. Exceptions to this rule are outlined on Form MV-8, "Self Certification for Proof of Residency." Only the customer's bona fide Pennsylvania numbered street address may be listed on an application to title, register, renew a registration or any change of address.
- INSURANCE:** Make arrangements prior to purchase.
- TITLE AND REGISTRATION:** On the reverse side of the title, the seller completes Section A and the buyer must sign and handprint his/her name in the presence of a notary public to acknowledge the odometer and purchaser information listed. Complete Section D on the front of the title. An authorized dealership may perform verification in lieu of notarization in Section A and Section D on the certificate of title. Apply to the Bureau of Motor Vehicles for a new title and registration in your name. Make check or money order for all fees and sales and use tax payable to the Commonwealth of Pennsylvania.
- ODOMETER STATEMENT:** Verify the vehicle mileage in Section A on the back of the title.
- LICENSE PLATE AND REGISTRATION STICKER:** Apply for a new plate or transfer a valid plate from another car.
- INSPECTION:** Be certain that the safety inspection (required) and emissions inspection (if applicable) stickers are valid, if not the vehicle must be inspected within 10 days of purchase.

Forms that you need to complete the transactions listed in this fact sheet are available from notaries, authorized tag services, automobile clubs, automobile dealers and the Bureau of Motor Vehicles.

## **BUYER'S ACKNOWLEDGEMENT**

At the time of sale, the seller should get a receipt from the buyer that acknowledges the receipt of the transferred title and delivery of the vehicle. For your convenience, an example of a typical receipt is illustrated below.

<b>BUYER'S ACKNOWLEDGEMENT OF DELIVERY OF VEHICLE &amp; TITLE</b>	
Vehicle Make _____	Year Model _____
Title Number _____	
Vehicle Identification Number _____	
Name of Buyer _____	
Address _____	
I hereby acknowledge receipt of title, which is properly assigned to me, and delivery of the vehicle described above. _____	
Notice of Seller: Keep this receipt as evidence of sale and delivery of the vehicle to the buyer.	