**Section 1010.190 Issuance of Title and Registration Without Standard Ownership Documents – Bond**

a) Definitions

"Appraisal" means an affirmation statement of the current wholesale value of the vehicle by a disinterested person of suitable qualifications, such as a licensed new or used vehicle dealer (including motorcycle, mobile home, and trailer dealers), a licensed rebuilder (for salvage and junk vehicles only), a licensed real estate agent (for mobile homes only), or an officer of an antique vehicle club or association (for antique vehicles only).

"Cash bond" means a bond executed by the applicant for vehicle ownership and accompanied by the deposit of cash in the form of currency, cashier's check, money order, or bank certificate of deposit made payable to the State Treasurer.

"Surety bond" means a bond executed by the applicant for vehicle ownership and a person/firm authorized to conduct a surety business in Illinois which obligates the guarantor to pay a third party upon default by the applicant in the performance of any duty the applicant owes to any third party.

"Wholesale value" means the trade-in value of a vehicle or the value of a vehicle sold between licensed dealers and not at retail.

b) Statement of Policy

Section 5/3-109 of the Illinois Vehicle Code provides that, in the absence of standard ownership documents, the Secretary of State may as a condition of issuing a certificate of title *require the applicant to file a bond in the form prescribed by the Secretary of State and executed by the applicant and either accompanied by the deposit of cash or also executed by a person/firm authorized to conduct a surety business in Illinois.* *The bond shall be in the amount equal to 1 1/2 times the current wholesale value of the vehicle and conditioned to indemnify the Secretary of State and any prior owner or lienholder and any subsequent purchaser of the vehicle, or person acquiring any security interest in the vehicle, and their respective successors in interest, against any expense, loss or damage, including reasonable attorney's fees, by reason of the issuance of a certificate of title for the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle.* *Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability to all persons shall not exceed the amount of the bond.* *The bond and any deposit accompanying it shall be returned at the expiration of 3 calendar years from the date of filing, or prior thereto* at the applicant's request *if the vehicle is no longer registered in this State, and the currently valid certificate of title is surrendered to the Secretary of State, unless the Secretary of State has been notified of the pendency of an action to recover on the bond.*

c) Documents Required to be Submitted to the Secretary of State Prior to Issuance of Title/Registration Without Standard Ownership Documents

1) Evidence of the right of the applicant to acquire title, such as a bill of sale, receipt, or canceled check. If such evidence is not available, an affirmation statement detailing the circumstances under which the vehicle was acquired without title is required.

2) An appraisal of the current wholesale value of the vehicle from a licensed new or used vehicle dealer (including motorcycle, mobile home, and trailer dealers); a licensed rebuilder (for salvage or junk vehicles only); a licensed real estate agent (for mobile homes only); or an officer of an antique vehicle club or association (for antique vehicles only). The appraisal should be an affirmation statement and should contain a complete description of the vehicle (year, make, model, and vehicle identification number); the current wholesale value; a statement that the vehicle is intact and that all major component parts are present; a statement that the appraisal value is accurate to the best of the appraiser's knowledge and that the affirmation is made under penalties of perjury; the signature and printed name of the appraiser; the firm name, address, and dealer license number; and the date of the appraisal. (A suggested Affirmation of Appraisal form follows.)

The appraisal can also be obtained from a used vehicle price guide, supported by copies of the front cover and pertinent pages of the guide.

AFFIRMATION OF APPRAISAL

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| The undersigned hereby affirms that the value of the vehicle described below is $ \_\_\_\_\_\_\_\_ and that the vehicle is intact and all major component parts are present. | | | | | | | |
|  | | | | | | | |
|  | | | | | | | |
| Year | Make | Model | | | | Vehicle Identification Number | |
|  | | | | | | |  |
| I affirm, under penalties of perjury, that the foregoing statement is accurate to the best of my knowledge. | | | | | | | |
|  | | | | | | |  |
|  | | | | | | | |
| Firm Name | | | Signature of Appraiser | | | | |
|  | | | | | | |  |
|  | | | | | | | |
| Address | | | | Printer Name of Appraiser | | | |
|  | | | | | | |  |
|  | | | | | | | |
| Dealer License Number | | | | | Date of Appraisal | | |

3) A surety bond or cash bond executed in the form prescribed by the Secretary of State in an amount equal to 1½ times the appraised value of the vehicle.

4) A completed application for certificate of title/registration accompanied by a fee of $13 for issuance of title, and if license plates are desired, proper registration fee according to the appropriate schedule.

5) A completed Vehicle Use Tax Return and tax payment, if applicable.

d) Miscellaneous

1) If the title records of the Secretary of State reflect a lien, a lien release from the lienholder must accompany the transaction.

2) If the title record is a Salvage Certificate or Junking Certificate, a bond will not be accepted to issue a clean certificate of title.

3) A bond will not be accepted to issue title on an abandoned vehicle, a vehicle subject to a mechanic's lien, or a repossessed vehicle.

(Source: Added at 22 Ill. Reg. 8521, effective April 28, 1998)