

(1) If the department is not satisfied as to the ownership of the vehicle or manufactured home, or that there are no undisclosed security interests in the vehicle or manufactured home, the applicant(s) must complete an Electronic Surety Bond Request Form (form MVT 10-1A) for an Alabama certificate of title under surety bond. Upon approval of the request for a surety bond, the applicant(s) will be provided a Certificate of Title Surety Bond (form MVT 10-1) for a motor vehicle or manufactured home, to be completed by the applicant(s) and the insurance company issuing the surety bond.

(2) The standardized amount of the surety bonds are as follows:

(a) Trailers:

1. Less than five (5) model years old - \$25,000
2. Five (5) model years old but less than ten (10) model years old - \$10,000
3. Ten (10) or more model years old - \$5,000

(b) Passenger vehicles and pickup trucks:

1. Less than five (5) model years old - \$50,000
2. Five (5) model years old but less than ten (10) model years old - \$25,000
3. Ten (10) or more model years old - \$10,000

(c) Trucks, buses and recreational vehicles:

1. Less than five (5) model years old - \$100,000
2. Five (5) model years old but less than ten (10) model years old - \$50,000
3. Ten (10) or more model years old - \$25,000

(d) Motorcycles:

1. Less than five (5) model years old - \$25,000
2. Five (5) model years old but less than ten (10) model years old - \$10,000
3. Ten (10) or more model years old - \$5,000

(e) Manufactured homes:

1. Less than (10) model years old - \$50,000
2. Ten (10) or more model years old - \$25,000

The manufactured home identification number for each section will be printed on the form MVT 10-1. The same certificate of title surety bond number issued by the surety company shall be listed, in the appropriate space, on each form MVT 10-1.

(3) Upon completion of form MVT 10-1, the applicant(s) must complete form MVT 5-1E Application for Certificate of Title through a designated agent. The application must be made within ninety (90) days from the date the surety bond was executed.

(4) The following documents are required to accompany the application for certificate of title:

(a) Form MVT 10-1 must be properly completed by applicant(s) and an insurance company licensed to issue surety bonds in the state.

(b) The certificate of title surety bond must be signed by a representative of the surety company and include a power of attorney for each representative authorized to sign on behalf of the surety company.

(c) Documents by which applicant(s) claim(s) ownership of the motor vehicle or manufactured home (i.e. bill of sale, registration, etc.).

(5) The certificate of title, when issued, will be printed with the legend "THIS TITLE WAS SECURED UNDER THREE-YEAR SURETY BOND".

(6) When an application for certificate of title is supported by a certificate of title issued under surety bond that is currently in effect in another jurisdiction, the applicant(s) will be required to post a surety bond in Alabama in order to title the motor vehicle or manufactured home.

(7) Once the form MVT 10-1 has been printed, it may not be modified or altered (i.e. strikethroughs, whiteout, etc.).

(8) The surety bond will indemnify any prior owner and lienholder and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, by reason of the issuance of the certificate of title of 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 for a period of three (3) years from the date the bond is executed.

(9) When the owner(s) of a vehicle deemed “salvage”, applies for a certificate of title under surety bond, the bond amount must be:

(a) 25% of the bond amount provided in subsection (2) for vehicles less than ten (10) model years old.

(b) 20% of the bond amount provided in subsection (2) for vehicles ten (10) or more model years old.

Author: James Starling and Mike Gamble

Authority: §§ 40-2A-7(a)(5),32-8-1 through 32-8-88, and 32-20-24, Code of Ala. 1975.

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