

Chapter E

Releases of Interest

Introduction

A release of interest is a signed statement from a person or business giving up ownership of a vehicle. All previous owners—including dealers and interim owners—involved in a title transaction must provide a release of interest or be listed on the new title application.

Who must provide a release of interest?

- The distributor or dealer listed on the front of a Manufacturer's Certificate of Origin
- All individuals or businesses listed on the most recently issued title who no longer hold an interest in the vehicle
- All interim buyers who have re-sold and no longer hold a financial interest in the vehicle
- Dealers must provide a release of interest for every vehicle they sell, whether or not they intend to submit the application for the customer
- All lienholders who no longer have a claim on the vehicle

Types of Releases of Interest

DMV accepts various forms of release. Most releases will be in the form of a document signed by the person whose interest is being released. The release may be on spaces provided on the certificate of title or MCO.

A separate release form, such as a bill of sale, may also be used. A Bill of Sale ([Form 735-501](#)) is available for customer use, but a bill of sale does not have to be completed on a DMV form.

Any release of interest document must contain:

- A vehicle description which contains at least the plate number, vehicle identification number or title number,
- All proper signatures and an indication that the seller releases all interest in the vehicle,
- The date of sale, and
- The release should also include the buyer's information but is acceptable without it.

DMV requires the original release to accompany a transaction. Carbon copies are only acceptable if the document is a Secure Odometer Disclosure or a Secure Power of Attorney.

⚠ Invoices, purchase agreements, and purchase orders are not an acceptable release of interest.

Signature Requirements

A release of interest must clearly identify the person or business that is releasing. The basic requirements for individual releases are different from those for businesses, but in both cases the signature must be an original "wet" signature.

Releases from individuals

The following are acceptable for a release of interest from an individual:

- Hand-printed signatures
The signature does not have to be in cursive.
- An owner's "mark"
This is typically an "X" but could be another type of mark.

A releasing signature is **not** acceptable if it is clearly from a different person.
For example: the signature is obviously Sarah Jones but the seller is Frank Smith.

Business releases

A release from a business or dealership must be signed with both the business name and the signature of an authorized representative. The signature of the authorized representative can be hand-printed or may be an owner's or releaser's "mark."

When a business is the owner, lienholder, or security interest holder listed on an out-of-state title, the release of interest must be in accordance with that state's requirements.

*If the vehicle is owned by **John Doe**, DBA Ajax Autos, then **John Doe** is the owner and a release of interest is required from John Doe.*

The chart below is to help determine whether a state requires:

- Sign/Countersign: A signature and printed business name to release interest; or
- Business Rep: An authorized representative to sign for the company.

If both columns are checked, the state does not distinguish between the two and will accept either form of release.

⚠ This chart does not apply to lienholder or security interest holder releases.

| State | Business Release Data | |
|------------------|-----------------------|--------------|
| | Sign/Countersign | Business Rep |
| Alabama | | X |
| Alaska | X | X |
| Arizona | | X |
| Arkansas | X | |
| California | X | |
| Colorado | X | X |
| Connecticut | | X |
| Delaware | | X |
| District of Col. | | X |
| Florida | | X |
| Georgia | X | |
| Hawaii | | X |

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| State | Business Release Data | |
|----------------|-----------------------|--------------|
| | Sign/Countersign | Business Rep |
| Idaho | | X |
| Illinois | X | |
| Indiana | | X |
| Iowa | | X |
| Kansas | X | X |
| Kentucky | | X |
| Louisiana | X | X |
| Maine | | X |
| Maryland | | X |
| Massachusetts | | X |
| Michigan | | X |
| Minnesota | | X |
| Mississippi | X | |
| Missouri | | X |
| Montana | | X |
| Nebraska | X | |
| Nevada | X | |
| New Hampshire | X | |
| New Jersey | X | X |
| New Mexico | | X |
| New York | | X |
| North Carolina | X | |
| North Dakota | X | |
| Ohio | X | |
| Oklahoma | | X |
| Oregon | X | |
| Rhode Island | | X |
| South Carolina | X | |
| Pennsylvania | | X |
| South Dakota | | X |
| Tennessee | X | |
| Texas | | X |
| Utah | | X |
| Vermont | | X |
| Virginia | X | |
| Washington | X | |
| West Virginia | | X |
| Wisconsin | | X |
| Wyoming | X | |

Lienholders and Security Interest Holders

A security interest holder shall release interest directly on the ownership document, when the document is available and conforming. If the security interest holder is a financial institution, the signature must include their unique line stamp if available. A business must sign the business name and the signature of an authorized representative.

If the security interest holder cannot release directly on the title, they may use a Statement of Lien Satisfaction ([Form 735-524](#)), or equivalent document, to release interest in a vehicle. The signature requirements for businesses and financial institutions are the same whether the release of interest is made directly on the title or on the Form 524.

See example in box at right:

Along with the proper signatures, the Statement of Lien Satisfaction must contain the date it was signed and the vehicle identification number.

***Wells Fargo Bank, by
John Doe.***

A lien release may also be on a bank form or a letter issued on letterhead if it includes the required signatures, vehicle identification number, and a statement that the security interest holder has no financial interest in the vehicle, or that the lien has been satisfied or released.

Variations in the name of prior owner

Doing business as (DBA) releases

When the ownership document lists the owner as an individual or company doing business as (DBA) another name, DMV requires a release of interest from the **primary** individual or company. DMV will not accept a release from the DBA name only, unless the ownership document **only** lists a DBA name.

*If the vehicle is owned by **John Doe**, DBA Ajax Autos, then **John Doe** is the owner and a release of interest is required from John Doe.*

Formerly known as (FKA) releases

If a company has changed its name from the name listed on the ownership document or a bank is acquired by another bank, the release must indicate that the company releasing was formerly known as (FKA) the name on the document. The company must sign “[New Company Name], formerly known as [Old Company Name], by: [authorized signature].” If DMV does not receive this type of release, or a statement that the two companies are one and the same, DMV will question whether the release is from the company named on the ownership document.

ACE BANKING formerly known as ***Sam’s Bank***, by John Doe.

One and the Same Statements

If a single owner is listed by two different names in a title or registration transaction, DMV requires a statement that they are one person. This is referred to as a one-and-the-same statement.

A one-and-the-same statement must be completed by an individual with knowledge that the person is known to go by the different names listed in the paperwork, for example:

- The individual person whose name is shown differently on transaction documents.
- An Oregon dealer on behalf of an individual person (not a business) that they sold a vehicle to or purchased a vehicle from. The statement can be made by anyone from the dealership.
- A security interest holder on behalf of an individual person (not a business) for whom it holds or held a security interest.

Mary Smith and Mary Jones are one and the same.

John Doe Example Dealer

A one-and-the-same statement for a business must be signed by a representative of that business. See [Chapter R](#) for more information.

Leased vehicles

When a vehicle is leased, the title may list multiple parties, such as the lessor (leasing company), lessee (person leasing the vehicle), and/or a security interest holder (lender).

| Party Listed on Title | Release Required? | Notes |
|--------------------------|-------------------|---|
| Lessor | Yes | Must release interest when lease ends or vehicle is sold. |
| Lessee | Not always | Not required if the lessor provides a release. |
| Security Interest Holder | Yes | Must provide a lien release. |

⚠ If the same entity is listed as both **lessor** and **lienholder**, two separate releases are required—one for each role.

Lease termination statement

If the lessor is staying on the title, but the lessee is changing, a lease termination statement is required.

The statement must:

- Be on the lessor's letterhead
- Clearly identify the vehicle with at least the plate number, VIN, or title number
- Identify the lessee under the lease that is being terminated

For information on Odometer Disclosures when a vehicle is Leased, see [Chapter H](#).

Other types of releases

In lieu of a release, DMV will accept other evidence that a person no longer has an interest, including a document such as a court order, repossession certificate, etc.

Bill of sale for a deceased person

A bill of sale is valid after the death of the individual who released their interest if the individual signed and dated it before the death occurred. For more information on transferring title with a deceased owner, see [Chapter G](#).

Statement of Error or Erasure of a Name, [Form 502](#)

The Statement of Error or Erasure of a Name, Form 502, is used to explain an **error or erasure of a name only** on a title, an MCO, an Application for Title and Registration, Form 226, or any other title application. Most other errors may be neatly lined through and correctly written above the error. Do not use the Form 502 for corrections to vehicle identification numbers, customer numbers, addresses, etc. Do not use the Form 502 to correct name errors on a Secure Odometer Disclosure, Form 403.

If a person places their name on the title application in error, that person must complete the Form 502 or provide a signed release of interest. If the title clerk places a name on the title application in error, the title clerk must complete the Form 502 and sign it with the business name and their signature. A Form 502 cannot be used if:

- A name was not added in error, such as where the person acquired a financial interest, but has subsequently released.
- The person(s) whose name was added signed the application or document.