

Chapter E

Releases of Interest

Introduction

A release of interest is required from all owners, including dealers and interim owners, who have not released their interest on the ownership document.

When and from whom release is required

- Persons or firms who previously held an interest in the vehicle and who no longer hold an interest must provide a release of interest.
- Dealers must provide a **signed** and **dated** release of interest for every vehicle they sell, whether or not they intend to submit the application for the customer.
- If the title, MCO, or another document shows that someone else has acquired an interest, a release of interest or other evidence that the party does not have an interest must be submitted. For example:
 - In the case of a vehicle sold on consignment, unless the documents clearly indicate that the person who sold the vehicle on consignment did not acquire an interest in the vehicle, a release of interest from that person, or a signed statement from them indicating they have no interest, may be required.
 - If documents show someone has an interest in the vehicle, and they are not to be shown on the new title when issued, they must release or sign a statement that they have no interest.

How to release

The release must match the name on the ownership document.

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 must be the person's full name. Initials may be used for the first and middle name, but not the last name. Examples:

- Any Bank USA by *Justa Customer*
- Tony's Used Cars by *J. Customer*

*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.*

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

Below is a chart that may be used as a guideline for other states' requirements. This chart does not reflect what may be required for security interest holder or lienholder releases.

The chart columns listed below have the following meanings:

- Sign/Countersign: The state requires a signature and business stamp release of interest.
- Business Rep: The state requires an authorized representative to sign for the company.

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

State	<i>Business Release Data</i>	
	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
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	

State	Business Release Data	
	Sign/Countersign	Business Rep
Oklahoma		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	

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.

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 the name on the document. This is done by signing “[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.

Form of releases

Releases of interest may be in various forms. 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 paper, etc.

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. Any separate 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 to whom the vehicle was sold, but it is acceptable without that information.

DMV requires the original release to accompany a transaction. Photocopies or faxes of a bill of sale are acceptable only if the document is a copy and the signature is an original. Carbon copies are only acceptable if the document is a Secure Odometer Disclosure or a Secure Power of Attorney. Purchase orders are not an acceptable release.

California Certificate of Title or Separate Lien Release

California requires a security interest holder's release of interest to be signed and countersigned. The company name must be stamped, typed, or handwritten with a counter signature of the individual who is signing off for the security interest holder shown on the California Certificate of Title.

Bill of Sale, Form 501

A Bill of Sale (BOS) is a document signed by an individual or business releasing all interest in a particular vehicle. A BOS releasing all interest for a business must be signed and countersigned including the title of the person signing.

The BOS can be written on any form as long as it includes the information required on a release.

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. If there is no date on the bill of sale, DMV will assume that it was signed before the person died. (For more information on transferring title with a deceased owner, see [Chapter G.](#))

Example of **VEHICLE BILL OF SALE, FORM 501**
 Actual size 8½" x 5½"

		<h2>VEHICLE BILL OF SALE</h2>		<input type="button" value="Clear Form"/>
VEHICLE DESCRIPTION				
PLATE NUMBER	YEAR	MAKE	VEHICLE IDENTIFICATION NUMBER	TITLE NUMBER
I transfer all rights, title and interest in the above described vehicle to:				
NAME OF BUYER (PRINT LAST, FIRST, MIDDLE)				DATE OF PURCHASE
BUYER'S ADDRESS				
PRINTED NAME OF SELLER (BUSINESS NAME IF SELLER IS A BUSINESS)				
SIGNATURE OF SELLER (AUTHORIZED REPRESENTATIVE OF BUSINESS)				DATE OF RELEASE
<input checked="" type="checkbox"/>				
PRINTED NAME OF SELLER				
SIGNATURE OF SELLER				DATE OF RELEASE
<input checked="" type="checkbox"/>				
SELLER'S ADDRESS				
● SELLER ● You must provide notification to DMV of the sale within 10 days of the sale. (ORS 803.112)		● BUYER ● If you do not apply for a title within 30 days from the date of purchase, you may be subject to a late title transfer fee.		
735 - 501 (8-16)		STK# 300159		

Leased vehicles

When transferring title, any owner, lessor, or security interest holder shown on the Oregon title must release interest.

Exception: A release of interest from the lessee shown on the Oregon title is not required when DMV has a release of interest from the lessor.

A lease termination statement is not required to release interest of the lessee unless there is no release of the lessor. DMV will accept a written statement from the lessor on the lessor's letterhead paper stating that the lease has been terminated, but it is not required.

The lease termination statement must clearly identify the vehicle and include at least one of the following: plate number, vehicle identification number or title number, and must identify the lessee with whom the lease was terminated.

When a lease is terminated, the lessor is required by federal law to be the one who discloses the odometer. The lessor is also required to notify the lessee that the lessee must provide the lessor with an odometer disclosure for DMV. When the lessor is the seller of the vehicle, they must make the disclosure. If the lessor never takes possession of the vehicle before ownership has transferred, they may rely upon the disclosure given by the lessee.

When the lessee is the seller of the vehicle (such as when the lessor releases interest, or in the case of a lease purchase), the lessee is responsible for making the odometer

disclosure.

For example:

- For new vehicles, the lessor needs to sign as buyer, since they are the actual buyer of the vehicle. A lessee can sign for a lessor by Power of Attorney (POA).
- If both the lessee and lessor are changing, DMV will accept the disclosure from either the lessee or lessor.

Statement of Lien Satisfaction, [Form 524](#)

A security interest holder may use a Statement of Lien Satisfaction, [Form 524](#), to release interest in a vehicle when they cannot release directly on the title.

A business must sign the business name and the signature of an authorized representative on the Form 524. If the security interest holder is a financial institution, the signature must include their unique line stamp if available, or be on official letterhead.

See example in box at right:

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

Along with the proper signatures, the Statement of Lien Satisfaction must clearly identify the vehicle, including at least one of the following: plate number, title number or vehicle identification number. Type or print the name of the **registered** owner(s) to whom the loan was made.

The lien release may be on a bank form if it includes the required signatures, vehicle identifiers and owners names. An example of Form 524 is on the following page.

Example of STATEMENT OF LIEN SATISFACTION, FORM 524
 Actual size 8½" x 5½"

		<h2>STATEMENT OF LIEN SATISFACTION</h2>	
THIS FORM IS TO BE COMPLETED BY THE SECURITY INTEREST HOLDER (LIENHOLDER) WHEN THEIR INTEREST IN THIS VEHICLE HAS BEEN SATISFIED.			
OREGON PLATE NUMBER		VEHICLE IDENTIFICATION NUMBER	
YEAR	MAKE	BODY STYLE	TITLE NUMBER
TYPE OR PRINT NAME OF REGISTERED OWNER(S) TO WHOM LOAN WAS MADE			
TYPE, PRINT OR STAMP NAME OF SECURITY INTEREST HOLDER WHO IS RELEASING ALL INTEREST IN THE VEHICLE DESCRIBED ABOVE. (Financial Institutions – Use unique line stamp when applying for replacement title.)			
AUTHORIZED SIGNATURE RELEASING INTEREST		DATE SIGNED	
X			
795-524 (11-12)		ST17 300168	

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, a POA, 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 such things as vehicle identification numbers, customer numbers, addresses, etc.

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 title clerk cannot use a Form 502 if:

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

An example of the Statement of Error or Erasure of a Name, Form 502, is on the following page.

Example of STATEMENT OF ERROR OR ERASURE OF A NAME, FORM 502
 Actual size 5½" x 8½"

		STATEMENT OF ERROR OR ERASURE OF A NAME	
USE THIS FORM ONLY TO CORRECT AN ERROR OR ERASURE IN A NAME WHEN APPLYING FOR TITLE.			
COMPLETE ALL SECTIONS AS FOLLOWS:			
1. Vehicle plate and identification number. 2. Check the applicable box. 3. Describe the error or erasure, using line number(s) where applicable. 4. Show how the entry should properly read. Make sure the application for title reflects this information by drawing one line through the error and writing in the correct information. 5. Printed name and signature of either: a. Person or firm who made the error or whose name appears in error, or b. Person whose signature appears in error.			
SECTION 1	PLATE REFERENCE NUMBER	VEHICLE IDENTIFICATION NUMBER	
SECTION 2	The name appearing on, or erased from, the: <input type="checkbox"/> Title Application <input type="checkbox"/> Title <input type="checkbox"/> Manufacturer's Certificate of Origin was in error and has no bearing on the ownership of the vehicle described above. The name should not be a part of the ownership record.		
SECTION 3	Describe the error or erasure: ----- ----- ----- -----		
SECTION 4	The entry should properly read as follows (if no entry write "blank"): ----- ----- -----		
I understand it is a crime, under ORS 803.075, to certify the truth of a statement when I know the statement is not true. Such a crime is a Class A misdemeanor punishable by a jail sentence of up to one year, a fine of \$6,250, or both.			
SECTION 5	PRINTED NAME	TITLE	
	SIGNATURE	DATE	
	X		
795-502 (7-09)		USE THIS FORM FOR A NAME ONLY	
		STK# 300160	