**Section 1010.100 Electronic Lien and Title (ELT) Program Provisions**

a) For purposes of this Section, the following definitions shall apply:

1) "Contractor" means a person who, pursuant to this Section, enters into a contract with the Secretary of State to establish, implement, and operate the electronic lien and title system.

2) "Electronic Lien and Title System" or "ELT" means a system to process the perfection, assignment, notification, and release of security interests through electronic file transfers that is established and implemented pursuant to this Section.

3) "ELT Service Provider" means a person or entity who provides lienholders with software to manage electronic lien and title data.

4) *"Lienholder"* means *a person* or entity *holding a security interest in a vehicle* that is normally engaged in the business or practice of financing vehicles. (Section 1-139 of the Illinois Vehicle Code (IVC) [625 ILCS 5])

b) The Secretary of State shall establish a program for an electronic lien and title system (ELT) that will permit a lienholder to perfect, assign, and release a lien in lieu of the issuance and maintenance of paper documents otherwise required by law as authorized under Section 3-100.1 of the IVC. Lienholder participation in the program is voluntary. This program shall not be used to process any lien or title held for a manufactured home.

c) The Secretary shall enter into one or more contracts to establish, implement, and operate the ELT system authorized under this Section. Any contract entered into pursuant to this Section will not require the Secretary to pay any amount to a contractor unless otherwise provided in this Section. Contractors are prohibited from using information concerning vehicle titles for marketing or solicitation purposes and must protect proprietary information contained in the ELT system. A contractor shall not serve as both a contractor and an ELT service provider concurrently.

d) The ELT must allow ELT service providers to participate in the system in accordance with the contract established under this Section. A lienholder may participate in the system through any ELT service provider.

e) ELT service providers shall be required to collect fees from lienholders and their agents for the implementation and administration of the ELT system in accordance with the contract established under this Section. The fee collected by the contractor under this subsection (e) shall be no more than $2.25 per lien transaction. Each ELT service provider may charge an additional fee pursuant to the contract between the contractor and the ELT service provider. The amount of the fee collected by an ELT service provider and paid to a contractor for the establishment and maintenance of the electronic lien and title system shall not be passed on to the consumer.

f) The contractor must acknowledge that:

1) the contractor is required to enter into agreements to exchange electronic lien data with all ELT service providers who offer electronic lien and title services to lienholders doing business in the State of Illinois and who meet the technical standards of the contractor and request to enter into such an agreement with the contractor;

2) the ELT service provider has been approved by the Secretary for participation in the electronic lien and title system pursuant to this Section; and

3) the ELT service provider elects to use the contractor for access to the electronic lien and title system. An ELT service provider must not be required to provide confidential or proprietary information to any other ELT service provider.

g) An ELT service provider shall be considered approved and eligible for participation in the ELT Program so long as the ELT service provider:

1) is registered, in good standing, and authorized to conduct business in the State of Illinois;

2) is in compliance with all applicable laws, regulations, and rules regarding their business operations in Illinois, certificates of title, security interests, and the ELT Program; and

3) has entered into a contract with the contractor.

h) The Secretary may deny, suspend, or terminate approved ELT service providers or lienholders from participation in the ELT if any of the following conditions exist:

1) Misuse of vehicle, title, or owner information.

2) Noncompliance with any security requirements specified by the Secretary of State.

3) Failure to provide requested information or records for the purposes of an audit by the Secretary in accordance with subsection (m).

4) Failure to follow approved procedures for submission of ELT transactions in accordance with the contract established under this Section.

5) Noncompliance with this Section, any agreement entered into pursuant to this Section, or any applicable laws, rules, and regulations regarding certificates of title, security interests, and the ELT Program.

6) Failure to process transactions in accordance with Secretary of State procedures.

7) Failure to be licensed or registered and in good standing in the State of Illinois as a business or as a financial institution with the appropriate regulatory agency.

i) Any requirement that a lien or other information appear on a certificate of title is satisfied by the inclusion of that information in an electronic file maintained in an ELT system created under this Section. The satisfaction of a lien shall be electronically transmitted to the Secretary of State. Upon transmission of the satisfaction of a lien, the Secretary shall print and mail a paper certificate of title to the owner or lienholder in accordance with Section 3-100.2(e) of the IVC. A lien release that is not submitted electronically through the ELT System cannot be used to release an electronic lien. A certificate of title is not required to be issued until the lien is satisfied or the certificate of title otherwise meets the requirements of any legal proceeding or other provision of law. If a vehicle is subject to an electronic lien, the certificate of title shall be deemed to be physically held by the lienholder for the purposes of State or federal law concerning odometer readings and disclosures.

j) A vehicle owner or lienholder may request an update of information in an electronic file maintained in the electronic lien and title system without creating a new title record, unless such update involves correcting the named vehicle owner, changing the lienholder, or changing other pertinent information, including changing the vehicle identification number.

k) A lien shall be removed from the ELT system and the Secretary of State may issue the certificate of title regardless of the satisfaction of the lien being electronically transmitted to the Secretary of State when the Secretary of State determines that:

1) the lien is more than seven years old;

2) the vehicle is more than 10 years old; and

3) the lienholder is out of business according to Secretary of State records or other actions undertaken by the Secretary of State to verify the status of the lienholder.

l) A certified copy of the Secretary's electronic record of a lien is admissible in any civil, criminal, or administrative proceeding in this State as evidence of the existence of the lien. If a certificate of title is maintained electronically in the ELT system, a certified copy of the Secretary's electronic record of the certificate of title is admissible in any civil, criminal, or administrative proceeding in this State as evidence of the existence and contents of the certificate of title. (See Section 3-100.1(e) of the IVC.)

m) Audit. In addition to audit authority set forth in Section 2-124 of the IVC, the Secretary may audit the books and records of ELT service providers or lienholders to ensure compliance with local, State, and federal laws, regulations, and this Section.

(Source: Amended at 49 Ill. Reg. 1590, effective January 22, 2025)