Section 4

Power of Attorney (POA)

When a Secure Power of Attorney Can be Used

A Secure Power of Attorney (SPOA) may be used when the vehicle title is not available for a proper assignment on the date of sale, because it is held by the lienholder or because a duplicate title is needed.

The Department has modified the <u>Form-5086</u> to a single-part secure document. Therefore, it is recommended that you retain a copy for your records. <u>The original secure document must be submitted for processing (copies will not be accepted), as the Federal government requires that the SPOA be on secure <u>paper.</u> The single-part form can be ordered from the Department's website at: http://www.dort.mo.gov/mvdl/formorder/.</u>

The multi-part version of this form will still be available through the Missouri Auto Dealers Association (MADA) at www.madastore.com while supplies last. from the Missouri Automobile Dealer's Association (MADA) by ordering online at www.madastore.com, by calling (573) 761-1020, or by writing to MADA, P.O. Box 1309, Jefferson City. Missouri 65102. Secure Power of Attorney Forms (Form-5086) are \$2.80 per package of 25. Payment may be made by credit card or check.

The Form-5086 may be used as follows:

- 1. Part A of Form-5086:
 - Used when the seller authorizes the purchaser to sign the first title assignment and odometer disclosure on his or her behalf when the title is held by the lienholder or a duplicate title is needed.
 - The date of the POA will become the purchase date on the title assignment.
 - Authorizes the purchaser to <u>apply</u> for a duplicate title on the seller's behalf (Note: The original SPOA must be submitted for processing.)
- 2. Part B of Form-5086:
 - Authorizes the selling dealer to sign on behalf of the purchase on the second assignment when the duplicate title is received, allowing the dealer to sell the vehicle prior to the duplicate title being issued.
 - Part B can only be completed when a duplicate title must be obtained.
- 3. Part C of Form-5086:
 - Must be completed by the selling dealer once the duplicate title is received
 after the dealer inspects the title to ensure the mileage on the duplicate title is
 consistent with what was recorded on the SPOA.
 - The secure, original Form-5086 must be attached to the title;
 - A copy of <u>Form-5086</u> must be submitted with a copy of the front and back of the corresponding title to the Department by the 15th of the month following the month in which the sale occurred (with the dealer's monthly sales report if the report is filed in paper format); and
 - A photocopy of Form-5086 must be retained in the dealership's records.

A regular POA cannot be used in conjunction with a secure POA when:

- Purchaser cannot appoint the lienholder or other third party to execute secure POA by giving them a regular POA.
- Seller cannot appoint the lienholder or other third party to complete Secure POA form.
 - o The secure POA may not be used when a title is being held by a lienholder because of a "floor planning" arrangement. "Floor planning" is when a lienholder holds a title as security for financing without formally filing the lien or recording a security interest on a vehicle offered for sale by a dealer.

General Information Regarding the Secure Power of Attorney

Buying and Selling a Vehicle without a Title

Original secure POA must be given to any subsequent purchasers with the title. Purchasers, other than dealers, should retain the duplicate copy with their records. Dealers should submit the duplicate copy of secure POA form and a copy of front and back of certificate of title with dealer's monthly sales reports. Dealers are required by federal law to let any subsequent purchasers review the secure POA that was previously completed on a vehicle. Dealers must retain a copy for their records. If original secure POA has been lost, the Department will accept a true certified copy from the dealership.

A Missouri motor vehicle dealer may buy and sell a motor vehicle when an out-of-state secure POA accompanies the title. When an out-of-state secure POA is involved, Missouri dealer must obtain the secure POA and certificate of title, but will not be required to submit copies of those documents with dealer's monthly sales report.

Law allows a licensed dealer to buy and sell a motor vehicle without a title if the dealer follows the requirements outlined below. **This only applies if the seller's title has been lost, stolen, mutilated, or destroyed**. The purchase is subject to any liens that are perfected and not released. The dealer must also verify that the seller is the last titled owner.

Purchasing the vehicle without a title:

The dealer must receive from the seller:

- A signed sales contract;
- If mileage is required;
 - The seller and purchasing dealer may complete Section A of the secure POA (<u>Form-5086</u>) which allows the dealer to sign and make the odometer disclosure on behalf of the seller on the first title assignment after the duplicate title is received.
 - If no mileage discloser is required, a notarized POA may be used to both apply for the duplicate title and make the assignments for the seller once the duplicate title is received.
- · Physical delivery of the vehicle.

The purchase is subject to any liens that are perfected and not released. The dealer must also verify that the seller is the last titled owner.

Selling the vehicle without a title:

The dealer <u>must</u> provide the purchaser:

- A signed sales contract:
- Proof the dealer acquired the vehicle from the last **titled** owner in the form of a DOR Internet record look-up screen print, other DOR record search, or a Car Fax search;
- A notarized lien release on the lienholder's letterhead or a *Notice of Lien, Lien Release, or Authorization to Add/Remove Name From Title* (Form-4809) if applicable;
- An internet or other DOR record showing no child support liens on the vehicle (see http://www.dort.mo.gov/mvdl/motorv/childlien/);
- A copy of the duplicate title application in the previous owner's name and the **original** SPOA that the dealer received from the seller.

The selling dealer and the purchaser must complete Section B of the secure POA (<u>Form-5086</u>), if the dealer is selling the motor vehicle prior to receipt of the duplicate title. Section B authorizes the dealer to sign on behalf of the purchaser and make odometer disclosure on the second title assignment of the duplicate title.

The purchaser may make application for title until the dealer provides the assigned duplicate title and secure POA to him/her.

Regular Power of Attorney Form

A regular/durable POA may be used in instances where the person holding POA is not required to complete odometer disclosure on behalf of both seller and purchaser. A regular notarized POA can be used to complete sale of a motor vehicle and *Odometer Disclosure Statement* (Form-3019).

• A regular POA cannot be used in situations where the person signing for buyer and seller is the same person or when different persons sign for buyer and seller but represent work for same entity.

A regular POA can be used to apply for a duplicate title.