

Approved 2-25-92
Date

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Representative Herman G. Dillon at
Chairperson

1:39 a/m./p.m. on February 13, 1992 in room 519-S of the Capitol.

All members were present except:

Representative Lawrence - Excused
Representative Lloyd - Excused Representative Parkinson - Excused
Representative McClure - Excused

Committee staff present:

Hank Avila - Legislative Research
Tom Severn - Legislative Research
Bruce Kinzie - Revisor of Statutes
Jo Copeland - Committee Secretary

Conferees appearing before the committee:

Betty McBride - Director, Division of Vehicles
James S. Maag - Senior Vice-President- The Kansas Bankers Association
Jerel L. Wright - Kansas Credit Union League and Affiliates
William E. Watts - Chief, Office of Management and Budget, KDOT

Testimony - House Bill 2823 - Certificates of title for repossessed vehicles.

Chairman Dillon called on Betty McBride who testified that House Bill 2823 would prevent lenders from obtaining Kansas repossession titles on vehicles that have never been in Kansas, and are titled and registered in another state. She requested that language stricken in the bill be restored (Attachment 1) and that the amendments suggested by the Kansas Bankers Association be adopted.

Chairman Dillon called on James S. Maag who said that House Bill 2823 in its present form would have a devastating impact on the auto lending practices of Kansas banks - particularly those located in border counties. He said that the bill would create undue delays and loss of value due to the time spent securing an out-of-state title. He provided several letters from Kansas bankers expressing their opposition to the measure. Mr. Maag requested a change which would clarify that Kansas financial institutions could still obtain Kansas repossession titles on any vehicle they had originally financed. (Attachment 2)

Jerel L. Wright said that he shared the same concerns of Mr. Maag and expressed support for the measure. He favored the adoption of the amendments proposed by Kansas Bankers Association and the Division of Vehicles.

Testimony - House Bill 2865 - Removing abandoned and disabled vehicles from state highways.

Chairman Dillon called on William Watts who explained that the bill is an effort to improve KDOT's ability to deal with vehicles that are abandoned or left disabled along state highways. He outlined three changes which would improve KDOT's ability to address these matters. (Attachment 3)

Testimony - House Bill 2886 - Vehicle dealers, display of vehicles at a temporary location.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,

room 519-S Statehouse, at 1:39 A/m./p.m. on February 13, 1992

Chairman Dillon called on Betty McBride who testified in support of House Bill 2886. Ms. McBride explained that the bill would allow the Director of Vehicles the authority to issue a permit for new franchised motor vehicle dealers to display their vehicles at a location other than their dealership. She requested that the bill be amended to require a \$15 fee paid with each application for such permits rather than a \$15 annual fee as set forth in the bill. (Attachment 4)

Metro Title Services, Inc., also presented written correspondence from various financial institutions which opposed the proposed legislation. (Attachment 5)

Meeting adjourned at 2:17 P.M.



GUEST LIST

COMMITTEE: House Transportation

Date: 2-13-92

Name (Please Print)	COMPANY ORGANIZATION	ADDRESS
Trudy Racine	KDOT	Topeka
Bill Watts	KDOT	Topeka
Steve Woolington	KDOT	Topeka
Christine Andrade	KDOT	Topeka
Jim Mang	KBA	"
Jill Somers	KNLSI	Topeka
Kathy Targa	KBA	"
Chuck Stones	"	"
Mike Hogan	Int'l Car Dealers Association	Washington, D.C.
Jerel Wright	Ks Credit Un Assn	Topeka
Greg Winkler	KS CU Association	Topeka
Michelle Koster	KBC	Topeka
Dan Somerville	TOPEKA	KS Motor Car Dealers Assn
TERRY J. SCOTT	TOPEKA	RHP
Jim Keele	Boys L. C.	Topeka
Jacquie Oakes	KIADA	TOPEKA
Dennis Heusted	Washburn Nursing	Topeka

STATE OF KANSAS

Betty McBride, Director
Robert B. Docking State Office Building
915 S.W. Harrison St.
Topeka, Kansas 66626-0001



(913) 296-3601
FAX (913) 296-3852

Department of Revenue
Division of Vehicles

To: House Committee on Transportation
From: Betty McBride, Director Division of Vehicles
Kansas Department of Revenue
Date: February 13, 1992
Subject: **House Bill 2823**

Mr. Chairman, Members of the Committee,

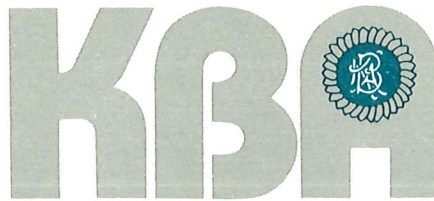
My name is Betty McBride. I am the Director of the Division of Vehicles, and I appear before you on behalf of the Department of Revenue regarding House Bill 2823.

This bill was introduced with the intention of stopping lenders from obtaining Kansas repossession titles on vehicles that have never been in Kansas, and in fact, are titled and registered in another state.

The Division of Vehicles has met with the Kansas Bankers Association and has cooperatively agreed to this bill with certain amendments. I would respectfully request that K.S.A. 8-116a section (b) lines 6 through 10 remain as in the original statute. Other amendments to K.S.A. 8-135 will be presented by James Maag, President Kansas Bankers Association. The Division supports the amendments offered by the association.

I request the members of this committee to pass favorably on this bill. I'll be happy to answer any questions you might have.

House Transportation
2-13-92
ATTACHMENT 1
1-1



The KANSAS BANKERS ASSOCIATION
A Full Service Banking Association

February 13, 1992


TO: House Transportation Committee
RE: HB 2823 - Certificates of title for repossessed vehicles

Thank you for the opportunity to appear before the committee to express our concerns about HB 2823. In its present form, the bill would have a devastating impact on the auto lending practices of Kansas banks - particularly those located in border counties. I have attached to this testimony several letters from Kansas bankers expressing their deep concerns about HB 2823.

The bill would create undue delays and loss of value due to the time spent securing an out-of-state title. In addition, it would force Kansas banks to constantly monitor the repo title laws of other states and very likely force them to use a title service company which would create even higher expenses.

Therefore, we are requesting that the attached language be added to Section 2 of HB 2823 to clarify that Kansas institutions could still obtain a Kansas repo title on any vehicle they had financed. We are also recommending additional language which would apply to special situations where banks purchase pools of vehicle loans from the RTC or the FDIC.

We certainly understand the problems which the Division is currently experiencing with repo titles, but we cannot support legislation which would adversely impact the legitimate repo title needs of Kansas banks. Thus, we would strongly urge the committee to adopt the proposed amendment to make the bill workable for all parties.


James S. Maag
Senior Vice President

Office of Executive Vice President • 1500 Merchants National Building
Eighth and Jackson • Topeka, Kansas 66612 • (913) 232-3444

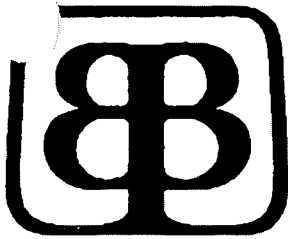
FAX (913) 232-3484

House Transportation

2-13-92
ATTACHMENT 2

2-1





**BROTHERHOOD
BANK & TRUST**

Banking in the Spirit of Brotherhood

February 11, 1992

TO: CHAIRMAN DILLON
ATTN; JO COPELAND

RE: HB 2823 - Title for repossessed vehicles

It is the understanding of Brotherhood Bank & Trust, that house bill #2823 will be heard in the House Transportation Committee today at 1:30 PM. Brotherhood Bank would like to express our opposition to this bill for the following reasons:

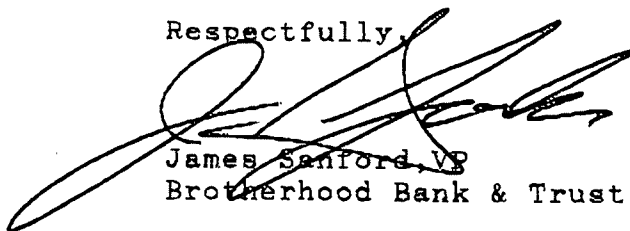
1.) Loss of value/income on depreciating properties because of time that would be spent securing an out of state title on vehicles repossessed by Brotherhood Bank.

2.) Brotherhood Bank is a lender in a border area which services dealerships and customers in Missouri and Kansas. Approximately fifty percent (50%) of our collateral would be located in an adjoining state.

3.) Compliance problems associated with ignorance of other states continuously changing title requirements. This will cause further delay in resolution of a repossessed vehicle and may involve the hiring of an outside title service to expedite title issuance, thus incurring even higher expenses.

As Chairman of the House Transportation Committee, Brotherhood Bank and Trust asks that you convey our concerns to the committee on our behalf.

Respectfully,



James Sanford, VP
Brotherhood Bank & Trust

THE **E** Edwardsville Bank

P.O. Box 13246 • Edwardsville, Kansas 66113 • 913-441-6800

February 11, 1992

Rep. Herman Dillon
Chairman, Kansas Transportation Committee
Topeka, Kansas
RE: HB2823


Dear Rep. Dillon,

I am writing in opposition to the above referenced bill being heard today at 1:30 pm by your Transportation Committee.

In present form, HB 2823 would drastically change our lending practices due to the repossessed title restriction. Our bank is located approximately 20 miles from the Missouri border, and if passed, we would be unable to continue lending on a vehicle which is registered outside Kansas. Please urge your committee to reject this bill, and allow the banks close to another state to continue to serve their customer base.

Thank you for your consideration.

Sincerely,



D. Barton Nill
Senior Vice President

DBN/ej



Representative Herman Dillon
Chairman of Transportation Committee
State Capitol
Topeka, Kansas 66612

February 11, 1992

Re: H.B. 2823

Dear Mr. Chairman

We would like to express our complete opposition to the proposed changes the above referenced bill would make to K.S. K.S.A. 8-116a and 8-135.

As an example of how the changes would adversely effect us a as a lender we would like to submit the following:

We are currently considering bidding on a package of auto loans the RTC is offering. The loans are from failed Savings and Loans in Iowa, Missouri, Oklahoma, Texas and Kansas. As it stands now if we repossessed an automobile it would be very simple to obtain a repossessed title. If the changes are made it would require us to become knowledgeable of all of the various states' procedures and certainly incur additional costs as well as delays in obtaining the repossessed titles.

As the law is written we are very much inclined to bid on the package which we believe would benefit the tax payers. However if the proposed changes were passed we would have to take another look based on the additional problems it would create and factor anticipated increased costs into our bid if indeed we would bid at all.

This is just one scenario and doesn't take into consideration loans made in Kansas to Kansas residents who may have purchased the vehicle in Missouri or another neighboring state who later move to yet another state and then default on the loan.

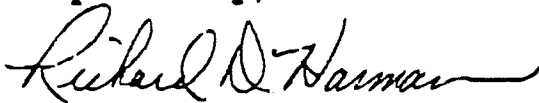
Furthermore, at this point in the economic cycle, the legislature should be looking for ways to facilitate lending, which serves not only to increase sales and the related

FEB 11 02 10E 15400 10W110310N, WELLS BANK TEL NO: 3130715005 #133 102

taxes, but also the banks income and therefore related privilege taxes. Impairing the ability of Kansas banks to easily realize on their collateral will only serve to discourage this type of consumer lending. Also, if it increases the cost of banks loan collection and loan losses it could further contribute to bank failure and increased tax payer costs.

Your consideration of our point of view regarding this matter will be appreciated.

Respectfully,



Richard D. Harman
Vice President

**COMMERCIAL
NATIONAL
BANK**

601 MINNESOTA AVENUE • PO. BOX 17-1427 • KANSAS CITY, KANSAS 66117-0427 • (913) 371-0035

February 10, 1992

Mr. Herman C. Dillon, Chairman
Representative Thirty-Second District
611 S. Coy
Kansas City, KS 66105-2011

To Whom It May Concern:

With regards to House Bill No. 2823 which amends
K.S.A. 8-116a and 8-135 we would like to go on record
as stating that we adamantly oppose this legislation
due to the fact that it is not in our better interest
as a lender located and doing business in the State of
Kansas.

Commercial National Bank
of Kansas City

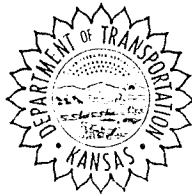
Donald D. Duncan,
Vice President and
Consumer Loan Manager

2-10-92

Date

AMENDMENT TO HB 2823

Amend HB 2823 on page 5, following the period on line 11, by adding the following: "Provided, however, that when a vehicle is registered in another state, but is financed by a financial institution chartered in the state of Kansas or when a financial institution chartered in Kansas purchases a pool of motor vehicle loans from the Resolution Trust Corporation or a federal regulatory agency, and the vehicle is repossessed in another state, such Kansas financial institution shall be entitled to obtain a valid Kansas title or registration.



KANSAS DEPARTMENT OF TRANSPORTATION

Docking State Office Building
Topeka 66612-1568
(913) 296-3566
FAX - (913) 296-1095

Michael L. Johnston
Secretary of Transportation

Joan Finney
Governor of Kansas

**TESTIMONY BEFORE
HOUSE TRANSPORTATION COMMITTEE
REGARDING H.B. 2865:
REMOVING ABANDONED AND DISABLED VEHICLES FROM STATE HIGHWAYS
February 13, 1992**

Mr. Chairman and Committee Members:

The Department of Transportation has proposed H.B. 2865 in an effort to improve our ability to deal with vehicles that are abandoned or left disabled along state highways.

K.S.A. 8-1102 currently provides that when a person abandons or leaves a motor vehicle on a highway or other property open to use by the public for more than 48 hours, the public agency having jurisdiction over that highway or property may remove that vehicle and store it in a safe and convenient place. Providing towing and wrecking services presents several problems for the Department. We do not have the appropriate equipment for this process. Our equipment is purchased for specific road maintenance activities, not towing. We also have to reschedule other work in order to tow a vehicle in for storage.

However, the biggest problem we have is with storing these vehicles. The storage sites we use are our maintenance yards. These maintenance yards used to be located primarily in rural or semi-rural areas. However, in many areas the city has grown up around our locations. Frequently, now, our maintenance yards are in suburban or commercial areas, and the neighbors object strongly when those maintenance yards look like junkyards. We recently had to move our Olathe offices, and the zoning commission specifically required that we not bring abandoned vehicles onto the new site.

The statutory changes we are proposing would incorporate flexibility into this cumbersome process. The needed flexibility appears toward the end of the bill, in Section 2. New language in K.S.A. 8-1102 (a)(3)(c) would provide that whenever a motor vehicle was left unattended for more than 48 hours or interfered with public highway operations, any law enforcement officer would be authorized to move the vehicle or have it moved as provided by K.S.A. 8-1103. (K.S.A. 8-1103 concerns services provided by a wrecker or towing service.) Inserting this provision would make it possible for the Highway Patrol to directly contact a wrecker or towing service to remove abandoned and disabled vehicles, rather than contacting

House Transportation
2-13-92
ATTACHMENT 3. 3-1

us. This would not require any additional work for the Highway Patrol, because they tag the vehicles anyway; it simply would mean that, where agreed upon, they would contact a private firm rather than KDOT.

The Highway Patrol is in agreement with this procedure, and the private firms that have been contacted in Kansas City are almost all willing to participate. In fact, we have been pretesting this procedure in the Kansas City area under authority the Highway Patrol already has under a separate statute, and it is working quite well.

The second change in the statute would remove the specific language that **requires** the public agency to remove the vehicle, and replace it with language that **permits** the public agency to remove and impound the vehicle. We still need that provision, because in some areas of the state there is no alternative available -- there are areas in rural western Kansas where there are few private wrecker or towing services available, or they are too far away to make this procedure economically feasible for them.

The third proposed change would modify the requirements for establishing ownership of the vehicle and make them more workable. K.S.A. 8-1102 (a)(2) currently requires us to obtain information about the registered owner and any lienholders of record from the register of deeds of the county in which the title shows the owner resides. However, county registers of deeds do not have information about lienholders. The proposed amendment would require us to obtain that information from the division of vehicles, which does have information about both owners and lienholders.

STATE OF KANSAS

Betty McBride, Director
Robert B. Docking State Office Building
915 S.W. Harrison St.
Topeka, Kansas 66626-0001



(913) 296-3601
FAX (913) 296-3852

Department of Revenue
Division of Vehicles

To: House Committee on Transportation
From: Betty McBride, Director Division of Vehicles
Kansas Department of Revenue
Date: February 13, 1992
Subject: **House Bill 2886**

Mr. Chairman, Members of the Committee,

My name is Betty McBride. I am the Director of the Kansas Division of Vehicles, and I appear before you on behalf of the Kansas Department of Revenue regarding House Bill 2886.

This bill will allow the Director the authority to issue a permit for new franchised vehicle dealers to display their vehicles at a location other than their dealership. The locations include state and county fairs, fairground exhibitions, and shopping malls. I know this has been done in the past, sometimes with the Directors approval and sometimes without, but there is no statutory authority to allow this practice to continue.

In House Bill 2886, a vehicle dealer may only **display** vehicles at an off-site location, they could not write a sales contract or otherwise engage in the act of actually selling the vehicle. Dealers who violate the provisions of this act are subject to suspension, deny renewal, or revocation of their dealers license.

I respectfully request that this bill be amended to require a \$15 fee paid with each application, rather than a \$15 annual fee stated in the current version of this bill. Dealers may apply for as many permits as they wish, subject to approval by the Director, to display their vehicles for a period of time not to exceed 15 days for each permit.

I ask that this committee pass favorably on this measure.

I'll be happy to answer any questions you might have.

House Transportation
2-13-92
ATTACHMENT 4
41

Metro Title Services, Inc. 

P.O. Box 1194 • Mission, Kansas 66222
913-236-9923

DATE: 2/11/92
of PAGES: 15

ATTN: ~~John C. ...~~
COMPANY: ~~...~~ William ...
ADDRESS: Topeka

RE: HB 2823

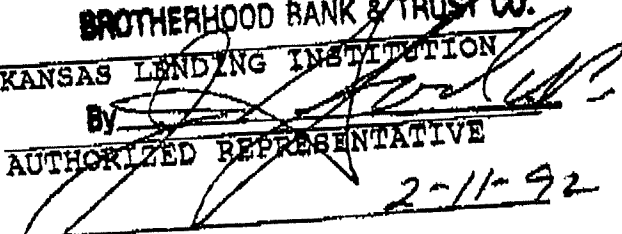
FROM: Rob ... - Metro Title

House Transportation
2-13-92
ATTACHMENT 5

Mr. Herman C. Dillon, Chairman
Representative Thirty-Second District
611 S. Coy
Kansas City, Kansas 66105-2011

TO WHOM IT MAY CONCERN:

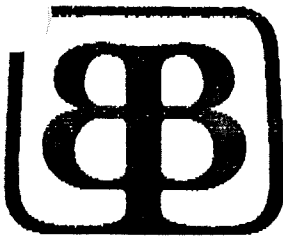
With regards to House Bill No. 2823 which amends
K.S.A. 8-116a and 8-135 we would like to go on
record as stating that we adamantly oppose this
legislation due to the fact that it is not in
our better interest as a lender located and doing
business in the State of Kansas.

BROTHERHOOD BANK & TRUST CO.
KANSAS LENDING INSTITUTION
By 
AUTHORIZED REPRESENTATIVE
DATE 2-11-92

ATTN: LENDERS

**PLEASE NOTE: THIS LETTER MUST BE IN THE HANDS OF
MR. DILLON PRIOR TO THE HEARING SCHEDULED FOR THIS
BILL - - FEBRUARY 11, 1992. THANK YOU!!!!!!!!!!!!

IF YOU WISH TO FAX A COPY TO METRO PLEASE DO SO
FAX #913-236-6018



**BROTHERHOOD
BANK & TRUST**

Banking in the Spirit of Brotherhood

February 11, 1992

TO: ~~CHAIRMAN DILLON~~
ATTN: ~~JO GOPELAND~~

RE: HB 2823 - Title for repossessed vehicles

It is the understanding of Brotherhood Bank & Trust, that house bill #2823 will be heard in the House Transportation Committee today at 1:30 PM. Brotherhood Bank would like to express our opposition to this bill for the following reasons:

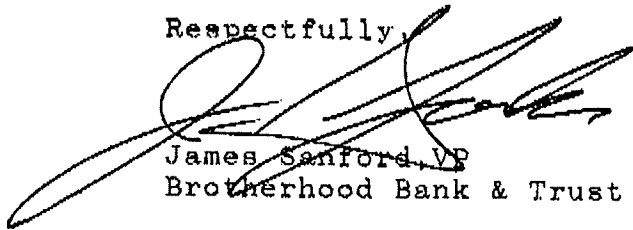
1.) Loss of value/income on depreciating properties because of time that would be spent securing an out of state title on vehicles repossessed by Brotherhood Bank.

2.) Brotherhood Bank is a lender in a border area which services dealerships and customers in Missouri and Kansas. Approximately fifty percent (50%) of our collateral would be located in an adjoining state.

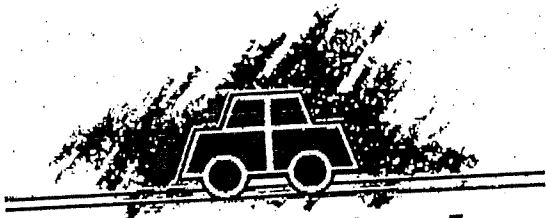
3.) Compliance problems associated with ignorance of other states continuously changing title requirements. This will cause further delay in resolution of a repossessed vehicle and may involve the hiring of an outside title service to expedite title issuance, thus incurring even higher expenses.

As Chairman of the House Transportation Committee, Brotherhood Bank and Trust asks that you convey our concerns to the committee on our behalf.

Respectfully,



James Sanford, VP
Brotherhood Bank & Trust



Metro Title Services, Inc.

(913) 236-9923 • FAX (913) 236-6018
P.O. Box 1194 • Mission, Kansas 66222

February 11, 1992

Mr. Herman Dillon, Chairman
House Transportation Committee
State Capital Building
Topeka, Kansas 66105-2011

Re: HB 2823 - Repossession Titles, State of Kansas

Dear Mr. Dillon:

I am faxing to you the additional responses received from various lending companies with reference to HB 2823.

Additionally, I have prepared a report from my computer which lists the various states and their repo requirements. You will want to pay particular notice to columns "3" and "7" which will indicate whether the lender has the right to attach an affidavit and sell the vehicle without getting a repo title, or whether the lender is allowed to apply for title in that state.

Lastly, we received from Topeka a memo entitled Repossession Titles which would lead me to believe HB 2823 is already being enforced. How is this possible??

I am leaving Shawnee Mission to attend the meetings in Topeka, and intend to be present at 1:30, room 519 South.

Very truly,

Deborah H. Shigouri, Pres.
Metro Title Services, Inc.

FAX COPIES TO FOLLOW

DHS/ss



February 10, 1992

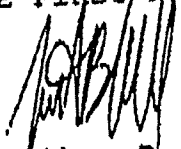
Mr. Herman C. Dillon, Chairman
Representative Thirty-Second District
611 S. Coy
Kansas City, Kansas 66105-2011

Dear Mr. Dillon:

With regards to House Bill No. 2823 which amends K.S.A. 8-116a and 8-135 we wish to go on record as stating that we adamantly oppose this legislation due to the fact that it is not in our best interest as a lender located and doing business in the State of Kansas.

Sincerely,

THE FIRST NATIONAL BANK OF OLATHE



Jonathan B. Campbell
Vice President

913 236 6018

FEB 11 '92 11:49 913/236-6018 METRO TB

United Kansas Bank and Trust

800 Shawnee Mission Parkway
P. O. Box 638
Shawnee Mission, Kansas 66201
(913) 362-5500 / FAX (913) 362-9189
Member FDIC

DATE FEB 10 92 TO: 2
DEBORAH SHIGOL
236-6018
TO: METRO TITLE SERVICES
FROM: Ken FOX
SUBJECT: LETTER

3 PAGES, INCLUDING THIS COVER SHEET ARE BEING TRANSMITTED. IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CONTACT ME IMMEDIATELY AT 913-362-5500.

THANK YOU.

Charlotte Covington
TRANSMITTER

Note:
Original letter mailed
this date.

913 236 6018
 FEB 11 '92 11:49 913/236-6018 METRO TB

United Kansas Bank and Trust

4600 Shawnee Mission Parkway
 P. O. Box 638
 Shawnee Mission, Kansas 66201
 (913) 362-5500 / FAX (913) 362-9389
 Member FDIC

February 10, 1992

The Honorable Herman C. Dillon,
 Chairman,
 House Committee on Transportation
 611 South Coy
 Kansas City, Kansas 66105-2011

Dear Representative Dillon:

It is our understanding that Betty McBride, Director, Division of Vehicles, Kansas Department of Revenue, proposes a legislative package known as House Bill No. 2823, which amends K.S.A. 8-116a and 8-135.

As an active lender in the consumer goods area as well as lending to commercial business for the purchase of vehicles used in their business, we must oftentimes look to our collateral for repayment of debt. On the one hand, congress expects lenders to use every means available to underwrite loans in all areas of our trade area as regulated through the Community Reinvestment Act; while on the other hand, the economy is such that many of our borrowers find it difficult to repay their loans at a time when unemployment is high.

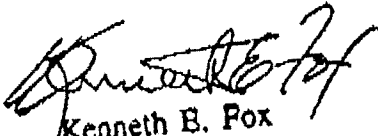
The State of Kansas obviously looks to tax revenues from the sale and ownership of vehicles; therefore, the State relies on local lenders to provide the funds for ownership. If legislation is passed which removes the ability of lending institutions to realize on their collateral because a borrower removes the vehicle to a state which makes a repossession title difficult at best, and impossible at worst, I submit that such legislation could result in a tightening of credit standards to the extent that many consumers and small businesses may find it very difficult to obtain financing on such a vehicle.

The Honorable Herman C. Dillon
February 10, 1992
Page 2

You and your colleagues are aware of the importance the financing of consumer goods, including vehicles, plays in the potential recovery process of our economy. Now would not be the time to enact legislation that could prove counterproductive to such a process.

Thank you.

Sincerely,



Kenneth B. Fox
President/CEO

KEF:cc

Mr. Herman C. Dillon, Chairman
 Representative Thirty-Second District
 611 S. Coy
 Kansas City, Kansas 66105-2011

TO WHOM IT MAY CONCERN:

With regards to House Bill No. 2823 which amends
 K.S.A. 8-116a and 8-135 we would like to go on
 record as stating that we adamantly oppose this
 legislation due to the fact that it is not in
 our better interest as a lender located and doing
 business in the State of Kansas.

~~State Bank of Spring Hill~~
 KANSAS LENDING INSTITUTION

Steve Smith EVP
 AUTHORIZED REPRESENTATIVE

February 10, 1992
 DATE

This bill is especially harmful to banks like ourselves located
 in proximity to a state line.



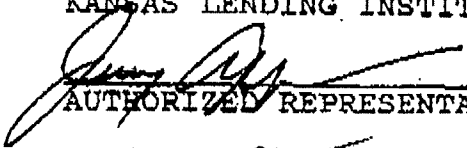
5200 West 110th Street
Overland Park, Kansas 66211
800/321-9328
913/491-0020

Mr. Herman C. Dillon, Chairman
Representative Thirty-Second District
611 S. Coy
Kansas City, Kansas 66105-2011

TO WHOM IT MAY CONCERN:

With regards to House Bill No. 2823 which amends K.S.A. 8-116a and 8-135 we would like to go on record as stating that we adamantly oppose this legislation due to the fact that it is not in our better interest as a lender located and doing business in the State of Kansas.

Yellow Freight Employees Credit Union conducts business nationally from our office in Overland Park, Kansas. The proposed amendments would, therefore, impair our ability to conduct business and properly service our membership.

YELLOW FREIGHT E.C.U.
KANSAS LENDING INSTITUTION

AUTHORIZED REPRESENTATIVE
2-10-92
DATE

Mr. Herman C. Dillon, Chairman
Representative Thirty-Second District
611 S. Coy
Kansas City Kansas 66105-2011

TO WHOM IT MAY CONCERN:

With regards to House Bill No. 2823 which ammds K.S.A. 8-116a and 8-135 we would like to go on record as stating that we adamantly oppose this legislation due to the fact that it is not in our better interest as a lender located and doing business in the State of Kansas.

Midwest Finance Corporation of Ks., Inc

Marilyn K. Hines
Authorized Representative

2/10/92
Date

P.10/15

STATE	1	3	NORMAL TURNAROUND	NORMAL	RUSH	7
AK	ALASKA TITLE		INSTANTLY	\$5.00		SEE FOLDER--MUST BE ALASKA RESIDENT THEY DON'T LIKE TO ACCEPT APPLICATIONS THRU THE MAIL.
AL	MVT 15-1	ATTACH AFF. & SELL.		\$15.00		AL WILL NOT SELL TAGS, OR TITLE TO NON-RESIDENT OR OUT OF STATE LIEN-HOLDER.
AR	OD STMT	ATTACH AFF. & SELL	2-4 WEEKS	\$5.00		PAY BACK TAXES IF DUE
AZ	CERT. OF REPO (CA)	MUST BE AZ LIENHOLDER	7-10 WORK DAYS	\$4.00		(WATCH 15 DAY LIMIT?) NOTARIZED AFF. OF REPO STATING HAS COMPLIED WITH APPLICABLE STATUTE.
CA	TITLE/ CA REPO CERT.	*IF VEN. IN CA, ATTACH REPO CERT. & RELEASE LIEN ON TITLE TO SELL.	3-4 DAYS	\$9.00	\$15.00	PER VICTORIA 10-17-90 RETURN ALL CA TITLE WORK SINCE NMAC HAS ANOTHER SERVICE TO DO THEIR CA TITLES. (SEND ATTN: 72-HR. SPECIAL UNIT) MAY DO REPO/DUP SIMULTANEOUSLY.
CO	TITLE	ATTACH DR2412 & SELL	4-6 WEEKS	\$5.50		CONTACT COUNTY BEFORE SENDING PAPERWORK.
CT	TITLE/ P.O.A.	ATTACH Q-1 FORM & SELL.	6-8 WEEKS	\$16.00		DO REPO IF BUYER REQUIRES TITLE IN NMAC NAME.
DC	TITLE			\$10.00		MAKE CHECK PAYABLE TO DISTRICT OF COLUMBIA TREASURER
DE	TITLE	ATTACH MV-195 & SELL.-VEHICLE DOESN'T HAVE TO BE LOCATED IN DE TO SELL.	5 DAYS	\$4.00		
FL	P.O.A./ OD STMT			\$29.25	\$7.00	FL STREET ADDRESS IS MANDATORY! ALWAYS SEND RUSH (TO STATE); OTHERWISE, FEES ARE DIFFERENT. TYPE "FAST

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21-5

P.11/15

STATE	1	3	NORMAL TURNAROUND	NORMAL	RUSH	7
						TITLE SERVICE" ON ENVELOPE
GA	TITLE / ODOM STMT		12-14 WORK DAYS	\$5.00		
HI	TITLE	PAY BACK TAXES IF DUE	2-8 WEEKS	\$3.00		ODOMETER PORTION OF HI FORMS MUST BE COMPLETED.
IA	REG/PLATE FEES	PAY BACK TAXES IF DUE *NEED TITLE IF AVAILABLE	1-4 DAYS	\$10.00		*FOR VEH. NOT BEING RETURNED TO IA & OUT-OF-STATE LH, GET \$3.00 TRANSIT PERMIT (+TITLE FEE) AND GET T.O.;LH MUST REGISTER/BUY TAGS IF VEH. LOCATED IN OR BEING SOLD TO IA RESIDENT.
ID	TITLE	ATTACH REPO AFF. & SELL	8-12 DAYS	\$8.00	\$15.00 (EXTRA)	
IL	TITLE OR ORIG MSO	IF NO TITLE, FILL OUT BOTTOM PORTION OF REPO AFF.	15-20 WORK DAYS	\$5.00	FED-X	*SEE FOLDER INSTRUCTIONS. MAKE PAYABLE TO SECRETARY OF STATE
IN	TITLE OR COPY OF MSO		10 DAYS	\$5.00	\$20.00	\$10.00 PENALTY IF OVER 21 DAYS FROM REPO. PERSONAL CHECK UNACCEPTED--SEND M.O. OR COMPANY CHECK PAYABLE TO BUREAU OF MOTOR VEHICLES. DO NOT RELEASE LIEN! USE MTS PO BOX FOR LIENHOLDER.
KS	TITLE IF AVAILABLE		7-10 WORK DAYS	25.00 METRO	40.00 METRO	IF NO SUPPORTING DOCUMENTS, OBTAIN A VERIF. AS OF 1-1-91, IF MSO COPY OR LIEN COPY, WE MUST OBTAIN DISCLAIMERS.
KY	LIEN RELEASE/OD STMT	IF HAVE FILE#,PUT ON LIEN RELEASE.	10 WORK DAYS	\$6.00		IF HAVE FILE#, PUT ON LIEN RELEASE(TERMINATION STMT). ALWAYS USE MTS ADDRESS FOR LIENHOLDER IN ORDER TO RECEIVE TITLE.
LA	REPO AFF./ OD STMT		8-10 DAYS	\$33.00		IF SENDING OUT-OF-STATE TITLE, RENT ONLY \$29.00. APPLICATIONS MUST BE

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21-5

STATE	1	3	NORMAL TURNAROUND	NORMAL	RUSH	7
						NOTARIZED.
MA	TITLE	ATTACH RMV-T-C-17 & SELL.	6 WEEKS	\$50.00		
MD	TITLE OR NSIF		3-4 WEEKS	\$12.00		ISSUE SEPARATE CHECKS FOR DUPS/REPOS & FED-X SEPARATELY ALSO. DEBBIE SIGNS ALL FORMS!
ME	TITLE	ATTACH MVT-16 & SELL	7-10 DAYS	\$10.00	INDICATE REASON	
MI	TITLE IF AVAILABLE		6-8 WEEKS	\$11.00	\$5.00	OD STMT IS ALREADY ON REPO CERTIFICATE.
MN	TITLE	ATTACH MN AFF. & SELL (DON'T RELEASE LIEN) MUST BE LOCATED IN MN TO SELL W/ AFFIDAVIT	3 DAYS	\$5.50		DON'T RELEASE LIEN.
MO	TITLE OR LH COPY		21-30 DAYS	\$10.00	\$5.00	IF LH COPY, NEED AFF. OF NON-POSSESSION. IF OUT-OF-STATE TITLE, NEED AFF. DECLARING VEH. EXEMPT FROM INSPECTION, OTHERWISE NEED ID/OD.
MS	TITLE	ATTACH 65-022 & SELL		\$5.00		MS WILL NOT ISSUE REPOSSESSION TITLES, NOR WILL MS ISSUE TITLE TO AN OUT-OF-STATE ADDRESS.
MT	OD STMT	NOTICE OF LIEN FILING, IF AVAILABLE	2-3 WEEKS	\$5.00		"ATTN: SUSAN, PLEASE RUSH!" IF NOTICE OF LIEN FILING IS SENT, USE IT SINCE BOTH REPO AFF. & LIEN RELEASE ARE ON THE FORM.
NC	TITLE		2 WEEKS	\$50.00	\$40.00	
ND	TITLE		10 DAYS	\$5.00		
NE	TITLE/ AP. ON TITLE		7-10 DAYS	\$6.00	FED-X	CAN SEND NE REGULAR MAIL WITH REPLY TIME 3-4 DAYS. SIGN

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71-5

STATE	1	3	NORMAL TURNAROUND	NORMAL	RUSH	7
						BOTH PLACES ON OD STMT IN ORDER FOR NEW TITLE TO READ "ACTUAL" MILEAGE.
NH	TITLE OR MSO	ATTACH AFF. TO TITLE, RELEASE LIEN, & SELL	15-20 DAYS	\$20.00		SEND REGULAR MAIL
NJ	VEH. LOCATION/ AP.	MSO OR TITLE, IF AVAILABLE	2-4 WEEKS	\$5.00		MUST BE NJ LIENHOLDER IN ORDER TO GET REPO!!!!!! IF WE DON'T HAVE MSO COPY OR TITLE, SIGN LOWER PORTION OF SS-57.
NM	TITLE/ LIEN RELEASE	IF SOLD IN NM, ATTACH AFF./BILL OF SALE & SELL. NEED ORIGINAL TITLE-RELEASE LIEN	4-6 WEEKS	\$5.45		IF VEHICLE IS BEING SOLD IN NEW MEXICO, MAY ATTACH REPO AFF. & BILL OF SALE (OR SELLER'S AFF.) & SELL.
NV	TITLE	NEED INSPECTION ON VEHICLE PREVIOUSLY TITLE OUT OF STATE.	3-4 WEEKS	\$10.00	FED-X	SEND REPO TO CARSON CITY ONLY.
NY	REPO NOTICE TO OWNER	IF HAVE TITLE, ATTACH "BILL OF SALE" & SELL.	7-10 DAYS	\$5.00		SEND SEPARATE CHECKS FOR EACH AP. IF NO TITLE, USE NON-POSSESSION AFF.
OH	TITLE		VARIES, 7-10	\$3.00		SIGN OFF LIEN ON FRONT OF TITLE. FOR FRANKLIN CO., USE THEIR OD STMT & SEND CERTIFIED OR MONEY ORDERS.
OK	#3 & #4 LIEN COPIES	PAY BACK TAXES IF DUE	10-12 WORK DAYS	\$12.00		PENALTY IF APPLIED OVER 5 DAYS AFTER REPOSSESSION SO MAKE SURE ALL DATES MATCH.
OR	TITLE		4-6 WEEKS	\$9.00		MAY USE AP ON TITLE
PA	DEBTOR'S REPO NOTICE	PAY BACK TAXES IF DUE	6-9 WORK DAYS	\$15.00		
RI	TITLE OR MSO	ATTACH AFF. & SELL	2-4 WEEKS(MAIL)	\$10.00	FED-X	IF HAVE MSO, NEED REPO AFF., AP., \$5.00. IF HAVE ONLY COPY, SEE FOLDER FOR DETAILS.
SC	TITLE/ SC SALES TAX#	MUST BE A SC LIENHOLDER	5 WORK DAYS	\$5.00	FED-X	GO THRU NC WHEN POSSIBLE

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STATE	1	3	NORMAL TURNAROUND	NORMAL	RUSH	7
SD	SD TITLE/AP. NV608	IF NO TITLE, NEED AFF. OF REASON WHY.		\$5.00		
TN	TITLE	ATTACH AFF. TO TITLE & SELL		\$6.50		DO NOT NEED SEC. AGREEMENT
TX	TITLE	ATTACH AFF. TO TITLE & SELL.	6-8 WEEKS	\$10.00	\$10.00	PAY BACK TAXES IF DUE. PLUS \$2.50 IF VEHICLE CURRENTLY REGISTERED. CASHIER'S CHECK FOR RUSH FEES.
UT	TITLE/ BILL OF SALE		2 WEEKS	\$2.00	FED-X	DO NOT NEED SEC. AGR.
VA	TITLE		5 DAYS	\$10.00	FED-X	HIGHLIGHT ALL "MAIL-TO'S" ON APP. AND P.O.A.
VT	TITLE	VT DOESN'T ISSUE REPO TITLES; ATTACH AFF. & SELL. VEHICLE DOESN'T HAVE TO BE LOCATED IN VT.				
WA	TITLE	STATE PATROL INSPECTIONS ARE REQUIRED ON ALL VEHICLES PREVIOUSLY TITLED OUT OF STATE. LIENHOLDER DOESN'T HAVE TO BE IN WA.	3-4 WEEKS	\$4.25	FED-X	SEE FOLDER ABOUT USE TAX WAIVER. MAY APPLY FOR DUP/REPO SIMULTANEOUSLY. THEY ONLY DO RUSH IN EXTREME CASES.
WI	MV2117 AP.		2-4 WEEKS	\$5.00	\$4.00	WISCONSIN TITLED VEHICLES ONLY! NO TITLE NEEDED.
WV	TITLE	IF NO TITLE, NEED DMV-1-B-TR INSPECTION.	7-10 DAYS	\$5.00		FED-X 1 WAY OR REG. MAIL IF FRI.
WY	REPO AFF		3 DAYS	\$6.00	FED-X	CONTACT COUNTY FOR INFO BEFORE SUBMITTING. NEED TITLE# IF AVAILABLE.

5-16

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P.14/15

REPOSSESSION TITLES

1 - Repossession Applications will be processed when:

- The vehicle is in the possession of the lienholder, with at least one of the below:
 - The verification indicates a Kansas owner, &/or
 - The verification indicates a Kansas lienholder.
- All additional repossession requirements have been met (Repo affidavit, certified copy of security agreement, etc.).
- Letters of Recourse will only be recognized for transferring the security agreement from a lienholder in one KS county into another KS county (or from an out-of-state lienholder to a Kansas company, only if there is a Kansas owner or title involved), as long as the lienholders are the same company.

EXAMPLE: GMAC in SG County gives a letter of recourse to GMAC in SN County.

2 - Repossession Applications WILL NOT be processed if:

- The vehicle has been titled out-of-state, with an out-of-state lienholder and an out-of-state owner.

EXAMPLES: 1) Texas title, Texas owner, Texas lienholder, or 2) Texas title, Texas owner, Missouri lienholder.

- The Division of Vehicles will not recognize letters of recourse signing the security agreement to a Kansas interest from an out-of-state lienholder. (IF there is a Kansas owner or Kansas title involved, refer to #1 above.)

EXAMPLES: 1) GMAC in Dallas, TX gives a letter of recourse to GMAC in SN County, Kansas, or 2) GMAC in Dallas gives a letter of recourse to Sonny Hill Chevy in DG County.

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Mr. Herman C. Dillon, Chairman
Representative Thirty-Second District
611 S. Coy
Kansas City, Kansas 66105-2011

TO WHOM IT MAY CONCERN:

With regards to House Bill No. 2823 which amends
K.S.A. 8-115a and 8-135 we would like to go on
record as stating that we adamantly oppose this
legislation due to the fact that it is not in
our better interest as a lender located and doing
business in the State of Kansas.

First Continental Bank & Trust.
KANSAS LENDING INSTITUTION

Charles L. ...
AUTHORIZED REPRESENTATIVE

2-10-92
DATE



Metro Title Services, Inc.

(913) 236-9923 • FAX (913) 236-6018
P.O. Box 1194 • Mission, Kansas 66222

February 10, 1992

Mr. Herman Dillon, Chairman
House Transportation Committee
State Capital Building
Topeka, Kansas 66105-2011

Re: HB 2823 - Repossession Titles, State of Kansas

Dear Mr. Dillon:

As acting Power of Attorney for several lending companies located in Kansas, I am concerned by the proposed amendment to K.S.A. 8-116a and 8-135, House Bill #2823.

Our company will process the paperwork necessary to attain repossession titles for 75-100 lenders of Kansas. It is my feeling that these lenders would not be pleased by the enormous paperwork involved, not to mention the various state regulations the Kansas lenders would need to become familiar with should they be forced to attain their repossession titles in the state where the vehicle is registered. I have drafted a letter to the lenders citing a few scenarios which I feel are worth your consideration.

Beginning in 1989 our company expanded its services to offer attaining repossession titles nationwide. Speaking from experience, it is a nightmare to stay abreast of the changing regulations, to supply the necessary out-of-state forms, and wait the endless months to either receive your application back, rejected, or eventually receive your title.

Another important issue to the lender is the expenses involved, not only in the fluctuation of title fees, but also the storage expenses as they wait for the paperwork to go through, sometimes up to six weeks depending upon the state.



Metro Title Services, Inc.

(913) 236-9923 · FAX (913) 236-6018
P.O. Box 1194 · Mission, Kansas 66222

Mr. Herman Dillon, Chairman
House Transportation Committee
February 10, 1992
Page #2

Time has been short since we became aware of this proposed bill, yet we have tried to alert our clients and ask their assistance in fighting this bill. We hand-delivered approximately 79 letters to area banks on Friday, February 7. Today I am receiving letters of opposition faxed to Metro Title. I intend to continue to fax these copies to your office until the hearing deadline, as well as personally attend the hearing in Topeka.

Please take these issues into consideration when discussing HB#2823 Tuesday, February 11.

Thank you for your time.

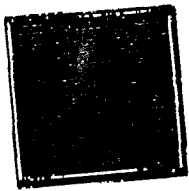
Very truly,

A handwritten signature in cursive script, appearing to read "Deborah H. Shigouri".

Deborah H. Shigouri, Pres.
Metro Title Services, Inc.

FAX COPIES TO FOLLOW

DHS/ss



**COMMERCIAL
NATIONAL
BANK**

601 MINNESOTA AVENUE • P.O. BOX 17-1427 • KANSAS CITY, KANSAS 66117-0427 • (913) 371-0035

February 10, 1992

Mr. Herman C. Dillon, Chairman
Representative Thirty-Second District
611 S. Coy
Kansas City, KS 66105-2011

To Whom It May Concern:

With regards to House Bill No. 2823 which amends
K.S.A. 8-116a and 8-135 we would like to go on record
as stating that we adamantly oppose this legislation
due to the fact that it is not in our better interest
as a lender located and doing business in the State of
Kansas.

Commercial National Bank
of Kansas City

Donald D. Duncan,
Vice President and
Consumer Loan Manager

2-10-92
Date



Ford Motor Credit Company

940 North Tyler, Suite 101
P.O. Box 7709
Wichita, Kansas 67212

February 7, 1992

To whom it may concern,

With regards to House Bill No. 2823 which amends K. S. A. 8-116a and 8-135 we would like to go on record as stating that we adamantly oppose this legislation due to the fact that it is not in our better interest as a lender located and doing business in the State of Kansas.

FORD MOTOR CREDIT COMPANY
Wichita Branch

Mark Schebler
Branch Operations Manager



Ford Motor Credit Company

8001 College Boulevard
Overland Park, Kansas 66210

TO WHOM IT MAY CONCERN:

With regards to House Bill No. 2823 which amends K.S.A. 8-116a and 8-135 we would like to go on record as stating that we adamantly oppose this legislation due to the fact that it is not in our better interest as a lender located and doing business in the State of Kansas.

FORD MOTOR CREDIT CO
KANSAS LENDING INSTITUTION

JMBle BRANCH OPERATIONS MGR
AUTHORIZED REPRESENTATIVE

FEBRUARY 6, 1992
DATE

ATTENTION ALL LENDERS
JANUARY 31, 1992
PAGE #3

Hearings should be held in approximately 3 weeks,
therefore, time is short. Please act immediately
in the interest of all Kansas lenders.

Thank you, very much, for your support.

Sincerely,



Deborah H. Shigouri, Pres.
Metro Title Services, Inc.

ATTACHMENTS

DHS/ss

Metro Title Services, Inc.



P.O. Box 1194 • Mission, Kansas 66222
913-236-9923

January 31, 1992

URGENT: RE: REPO TITLES

ATTENTION ALL LENDERS:

Metro Title Services, Inc. learned of a bill which has been introduced by the House Committee on Transportation which, IF PASSED, would restrict Kansas lenders from attaining Kansas repossession titles in some instances.

House Bill No. 2823 amends K.S.A. 8-116a and 8-135 by eliminating the MVE-1 inspection requirement and adding the following paragraph:

"When a vehicle is registered in another state and is repossessed in another state, the owner of such vehicle SHALL NOT BE ENTITLED TO OBTAIN A VALID KANSAS TITLE OR REGISTRATION."

In essence, this means that any Kansas lender loaning money on a vehicle and later repossessing the vehicle is subjected to the laws of the state where their borrower was last registered to attain a repossession title.

Metro Title feels this will drastically hurt the Kansas lenders in such cases, not only by requiring the lenders to become knowledgeable of all states' procedures, but by additional expenses incurred while waiting for paperwork processing.

Study these scenarios:

- 1) Kansas lender, Oklahoma resident. Did you know that prior to attaining a repossession title in Oklahoma you must be certain all taxes are paid to date? Any delinquent taxes owed by the borrower must first be paid, prior to attaining a repo title.
- 2) Kansas lender, South Carolina resident. Unless the lienholder also resides in South Carolina you are unable to attain repo title.

ATTENTION ALL LENDERS
JANUARY 31, 1992
PAGE #2

- 3) Kansas lienholder, New Jersey resident. Unless the lienholder is also a resident of New Jersey, you are unable to attain a repo title.
- 4) Kansas lienholder, Iowa title. You may attain a repo title by applying for title through the COUNTY of residence, the newly issued title will be noted "valid for 30 days from issuance." Unless title is transferred to a new owner and reregistered within 30 days of the date the title was printed, the title is null and void.
- 5) Kansas lienholder, Texas title. Prior to attaining a repo title the vehicle must be inspected in Texas. No other verification of ID# will be accepted.
- 6) Kansas lienholder, Connecticut title. To attain a repo title you must present your application in person, no applications received by mail.

These are just a sampling of what we feel you may experience should this proposed Bill No. 2823 be passed. While some of you may seldom lend money to an out-of-state resident, who is to say that your Kansas resident may not move out-of-state during the course of his loan? More realistically, Kansas lenders loaning to Missouri residents (as most Johnson County lenders may) will be subjected to applying for Missouri repo titles which take twice as long to attain, and are twice as costly.

We would like to have your support in stopping this proposal. We suggest that if you are a member of the Kansas Banker's Association, or the Kansas Motor Car Dealers' Association you contact your association representative asking that they lobby against this amendment to the current bill. If you are not a member of an association presently employing a lobbyist, we ask that you contact Metro Title if you wish to join us in fighting this proposal.

We would like to have letters of objection from every lender and have drafted a sample letter which you may retype on your own letterhead, then return to us.



METCALF STATE BANK

P.O. Box 4249 / Overland Park, KS 66204

(813) 848-4540

Member FDIC

Mr. Herman C. Dillon, Chairman
Representative Thirty-Second District
611 S. Coy
Kansas City, KS 66105-2011

TO WHOM IT MAY CONCERN:

With regards to House Bill No. 2823 which amends K.S.A. 8-116a and 8-135 we would like to go on record as stating that we adamantly oppose this legislation due to the fact that it is not in our better interest as a lender located and doing business in the State of Kansas.

METCALF STATE BANK
KANSAS LENDING INSTITUTION

JIM JAKLEVIC A.V.P.
AUTHORIZED REPRESENTATIVE

2.10.92
DATE

TOYOTA MOTOR CREDIT CORPORATION

8101 College Boulevard
Suite 230
P.O. Box 29131
Shawnee Mission, Kansas 66201-9131
(913) 661-6800

February 7, 1992

TO WHOM IT MAY CONCERN:

With regards to House Bill No. 2823 which amends K.S.A. 8-116a and 8-135 we would like to go on record as stating that we adamantly oppose this legislation due to the fact that it is not in our better interest as a lender located and doing business in the State of Kansas.

Toyota Motor Credit Corp.
KANSAS LENDING INSTITUTION

S. McJ...
AUTHORIZED REPRESENTATIVE

2-7-92
DATE


THE SHAWNEE STATE BANK

February 10, 1992

Mr. Herman C. Dillon, Chairman
Representative Thirty-Second District
611 S. Coy
Kansas City, Kansas 66105-2011

TO WHOM IT MAY CONCERN:

With regards to House Bill No. 2823 which amends K.S.A. 8-116a and 8-135 we would like to go on record as stating that we adamantly oppose this legislation due to the fact that it is not in our better interest as a lender located and doing business in the State of Kansas.

Shawnee State Bank

By: 

W.F. Daniels, Sr. Vice President