

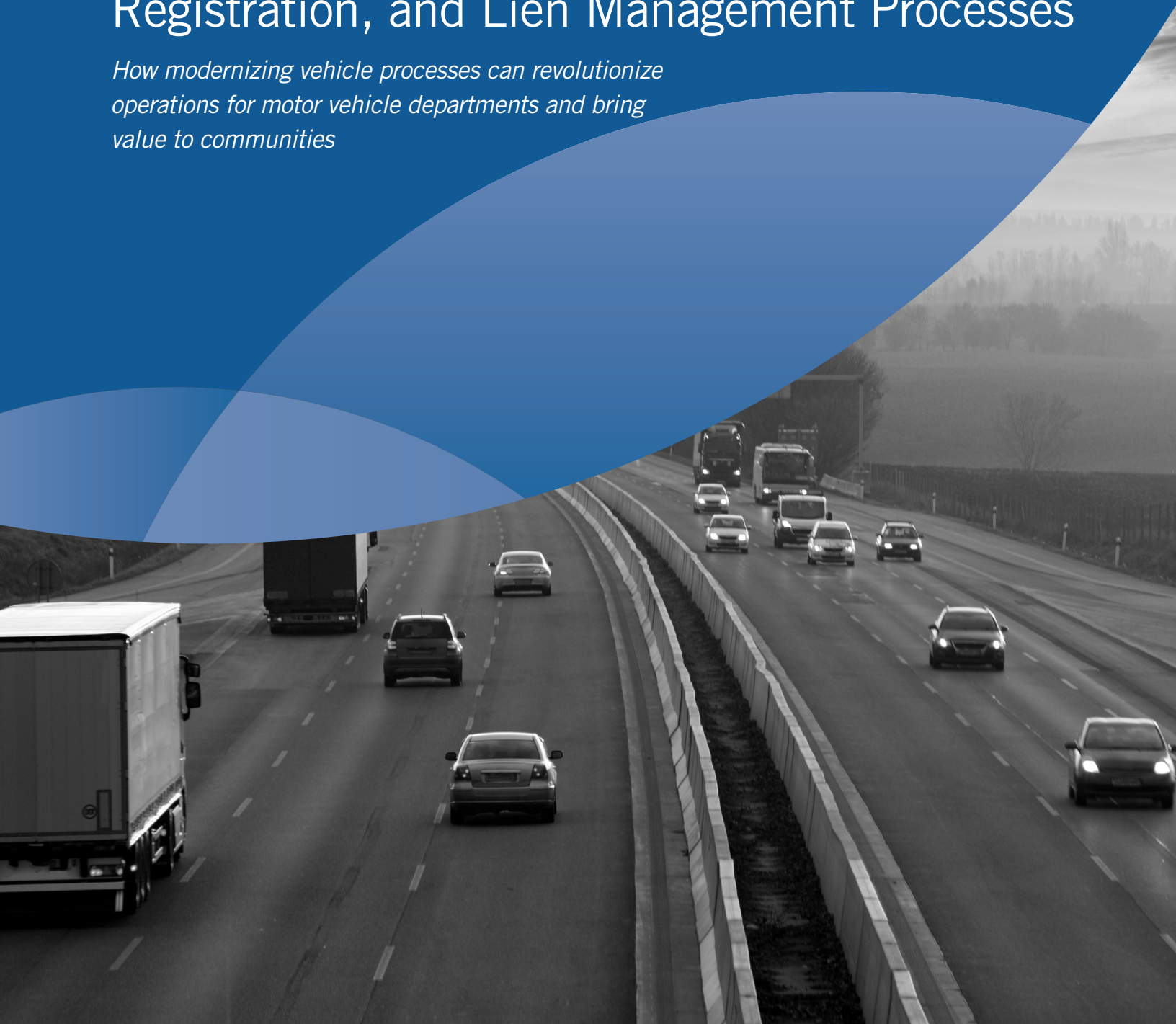
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WHITE PAPER

The Benefits of Digitizing Vehicle Titling, Registration, and Lien Management Processes

How modernizing vehicle processes can revolutionize operations for motor vehicle departments and bring value to communities



The Benefits of Digitizing Vehicle Titling and Registration Management

How modernizing vehicle-related processes can revolutionize operations for DMVs and bring value to communities

A Digital Platform that Streamlines and Simplifies

With more than 20 years of experience serving the public sector, Tyler Technologies is partnering with Champ Titles, a title process knowledge and technology company, to introduce a revolutionary new approach to digital titling, registration and lien management that changes the way vehicle titles are created, managed and transferred. Together, Tyler and Champ Titles are enhancing existing, tried-and-true DMV services used by citizens, dealers, and businesses to work with a completely modernized management system, the Champ Titles Digital Title and Registration Suite (DTRS).

While many states have supported the electronic transmission of title and registration data for more than a decade, this new solution facilitates a fully-digital process, enabling online, mobile, and contactless services for vehicle retailers, lenders, insurance carriers, and citizens. DTRS offers an opportunity to bring all channels where titling, registration, and lien management-related work is conducted, including dealers, banks, insurers, and citizens, into a common ecosystem to streamline these processes.

The title, registration, and lien management platform brings enormous efficiencies to state DMVs while providing first-rate conveniences to citizens and businesses. The solution is flexible and modular and can be configured to fit within any DMV's existing digital infrastructure. When used in conjunction with citizen portals, the titling platform enables citizens to conduct all title- and registration-related transactions remotely. This modernization to DMV processes maximizes efficiency, improves data security, reduces costs, enhances the citizen experience, and simplifies title and registration operations for all stakeholders involved.

Enhancing Processes and Outcomes for DMVs

According to the Bureau of Transportation Statistics, there were more than 275 million registered highway vehicles in the US in 2020.¹ Retiring legacy paper processes in favor of the new digital titling, registration, and lien solution offered by Tyler and Champ Titles can transform operations for motor vehicle departments across the US, contributing to significant time and cost savings. The web-based — or software-as-a-service (SaaS) — platform is also flexible and modular, built with government in mind: it can be configured to fit within any DMV's existing digital infrastructure and can work with all channels already utilized for registration renewals, including in-person, kiosks, and online. More specifically, DMVs can expect to reap the following benefits and efficiencies upon digitizing their vehicle titling and registration processes:

- **Paperless Process = Significant Cost Savings.** As the first to implement fully-digital vehicle titling processes, West Virginia estimates that its launch of the DTRS platform will reduce the number of pieces of paper its DMV currently uses by five million per year. Without the need for printing and mailing of paper titles, digital titling and registration contributes to increased efficiency and significant cost savings for DMVs. In addition, DMV internal title processing touchpoints dropped from seven to one per application.
- **Time Savings.** Paper-based titling and registration processes are inherently very slow: printing, handling, and mailing paper documents like title applications, error notices, and secure paper titles means long turnaround times for all stakeholders involved. Digital processes, however, enable instant title and registration access and eliminate these time-delay issues related to legacy paper processes.

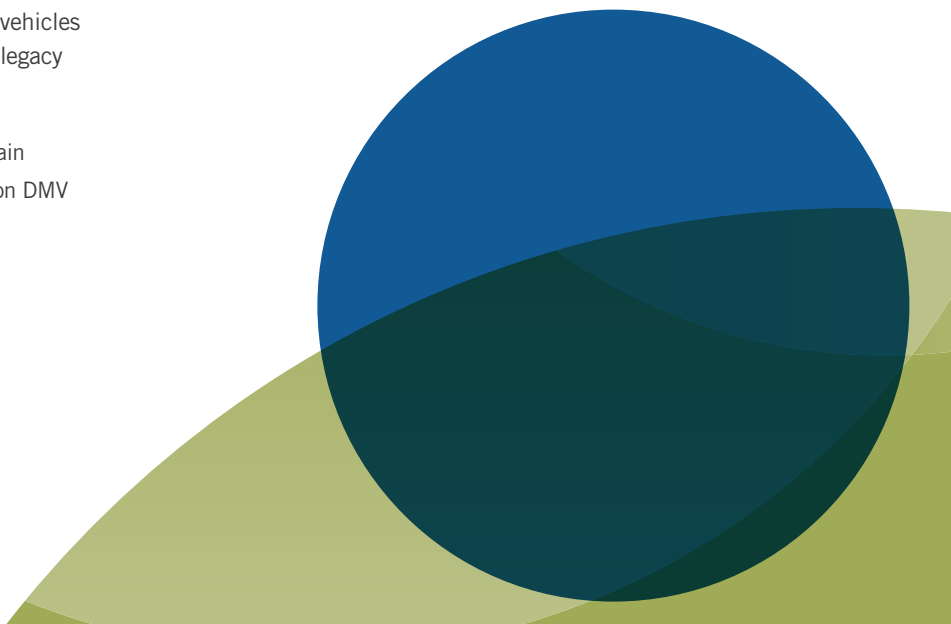
- **Reduced Risk.** Taking advantage of Tyler's existing systems and integrations with DMV systems greatly reduces cybersecurity concerns, optimizes data quality, and leverages NSA and Department of Defense Security controls to provide the highest level of information security.
- **Decreased Foot Traffic.** Allowing all motor vehicle transactions to take place digitally and remotely reduces the number of transactions that must be handled in a DMV office. This, in turn, enables DMV staff to handle the remaining in-person transactions much more efficiently, improving daily operations for DMVs, and facilitating increased customer satisfaction.
- **Improved Recordkeeping.** Digitizing the titling and registration process, implementing data validation during and after form completion, and improving real-time capabilities offered at the DMV reduce the potential for data entry errors, resulting in improved titling and registration recordkeeping.
- **Familiar Funding Model.** Under Tyler's familiar model, revenue is not realized until the service has been delivered and successful transactions begin flowing, reducing risk to state DMVs. Because it can be funded predominately by transaction fees paid by the end user, this solution is incredibly cost effective. This flexible funding model avoids the cost borne by individual DMVs when compared to traditional approaches, which can cost between \$35 million and \$300 million or more.
- **Quick Issue Resolution.** If citizens forget to sign a document or include required paperwork, they no longer need to wait for weeks on paper-based, mail-dependent processes to obtain their title: with instant digital access, forgotten documents or needed signatures can be quickly addressed and resubmitted for processing.
- **Instant Access.** Citizens are recognized and empowered as an important stakeholder in the titling process, ensuring information is correct and up to date. Change of address and other updates can be conducted instantly, and beginning in late 2023, citizens will be able to securely access their digital vehicle title right on their smartphones. They will even be able to add it to their digital wallet for easy access anytime, anywhere.
- **Simple Remote Sales.** A vehicle can be conveniently sold from one citizen to another through a fully-secure and electronic process, with no need for either citizen to visit a DMV office, yet without a loss of fees to the DMV. West Virginia, which has already adopted this fully-digital solution, estimates that this capability can reduce foot traffic in regional DMV offices by 430,000 annually.

In West Virginia, where the digital titling platform has already been launched, these benefits to citizens are already being realized. Governor Jim Justice of West Virginia stated, "I am proud of the services our DMV has developed during my tenure and really excited to adopt a digital solution like this, one that really revolutionizes the process of vehicle titling for West Virginians. It is more secure, much faster, good for the environment, and it puts our citizens first, getting them out of line at the DMV."

Prioritizing Citizens

A comprehensive digital ecosystem for vehicle titling and registration not only saves time and money for DMVs — it also simplifies and accelerates processes for citizens. The transformational solution offered by Tyler and Champ Titles places citizens at the center of the motor vehicles environment, providing numerous benefits over legacy paper processes:

- **Easy, Touchless Transactions.** Citizens can obtain titles online — no paper, long lines, or in-person DMV visits required.



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Increasing Efficiency for Dealers and Lenders

A significant differentiator of this fully digital titling, registration and lien platform is that it doesn't operate solely within the silo of the DMV. Rather, it pulls all titling, registration and lien management-related activity into one ecosystem, ensuring that DMVs, dealers, lenders, insurance companies and citizens can all take advantage of the seamless communications and operations that this modernized solution provides.

For dealers, this means no more waiting for the DMV to issue and print a paper title in order to sell inventory waiting on the lot. It also means that instead of dealership runners getting stuck in an endless cycle of shuffling paperwork and waiting in line for hours each week to obtain a physical title, dealers can submit titles to the DMV digitally anytime a sale is made. Already in West Virginia, the time it takes for a title application to be submitted by the dealership and approved and finalized by the DMV has dropped from three to five weeks to less than one day with the adoption of ler

Tyler and Champ Titles' digital titling solution. Because digital titles are instant, they resolve the true issues associated with titling time delays, improving customer satisfaction in the process.

From the lending perspective, if a buyer needs a loan to purchase a vehicle, the bank must endure similar inefficiencies: after waiting for the DMV to print and mail the paper title to the bank, the bank must keep it safe until the loan is paid, when they must in turn mail it to the vehicle owner. If the vehicle owner later chooses to sell that vehicle, they must visit a DMV office and obtain a duplicate "clean" title without the lien shown.

With the solution provided by Tyler and Champ Titles, however, liens can be released electronically as soon as the loan is paid — no more waiting on mail or in

lines. This not only eliminates costs related to postage, handling, and loss of paper titles; it also reduces fraud that can result from duplicate titles. In addition, data quality and control are optimized, as the digital approach enables immediate, electronic corrections to title information.

The DTRS platform makes it easier for dealers and lenders to perform in-house operations and improves interagency interactions as well. For both dealers and lenders, digitizing the titling, registration and lien management ecosystem will significantly reduce title processing and turnaround times, elevate the overall customer experience and improve data security across the board.

With Digital Titling, Everyone Wins

According to the latest President's Management Agenda, "Understanding existing barriers to public services is a crucial part of [government] work."² Between current US mail service delays, catastrophic paper shortages and an increased demand for seamless, digital services, the existing barriers are manifold when it comes to maintaining legacy paper processes. Tyler and Champ Titles' affordable, flexible and fully digital solution offers a valuable opportunity to improve operations and outcomes at every level of the titling, registration and lien management process.

West Virginia already knows this to be true: "We are proud to be the first state to allow this transformational technology to be a reality for all members of our community," said Everett Frazier, Commissioner of West Virginia's Division of Motor Vehicles. "We believe that fully digital vehicle titling will offer significant benefits for our auto dealers, lenders, insurance companies, all of their service providers, and most importantly, our citizens."

In its more than two decades providing technology solutions to the public sector, Tyler Technologies knows how important it is to meet communities where they are to help strengthen the connection between government and citizens. Tyler's work in government began with motor vehicle and driver services, and today, NIC remains the most proven and widely deployed digital government solution provider to state Departments of Transportation, Departments of Motor Vehicles and similar organizations for payment processing, consumer engagement and partner management. This new solution offered in partnership with Champ Titles provides an exciting opportunity for DMVs to revolutionize titling, registration, and lien management operations with all stakeholders in mind.

Sources:

1. "Number of U.S. Aircraft, Vehicles, Vessels, and Other Conveyances," Bureau of Transportation Statistics, <https://www.bts.gov/content/number-us-aircraft-vehicles-vessels-and-other-conveyances>.
2. "The Biden-Harris Management Agenda Vision," [performance.gov/pma](https://www.performance.gov/pma).



About Tyler Technologies

Tyler Technologies (NYSE: TYL) provides integrated software and technology services to the public sector. Tyler's end-to-end solutions empower local, state, and federal government entities to operate efficiently and transparently with residents and each other. By connecting data and processes across disparate systems, Tyler's solutions transform how clients turn actionable insights into opportunities and solutions for their communities. Tyler has more than 40,000 successful installations across nearly 13,000 locations, with clients in all 50 states, Canada, the Caribbean, Australia, and other international locations. Tyler has been recognized numerous times for growth and innovation, including Government Technology's GovTech 100 list. More information about Tyler Technologies, an S&P 500 company headquartered in Plano, Texas, can be found at tylertech.com.

About Champ Titles

Through the application of its secure, patented SaaS technology, Champ Titles digitizes the process of vehicle titling between state government, insurance carriers, financial institutions, vehicle sellers, consumers and others. Champ Titles, founded in 2018, is focused on creating efficiencies and benefits for all vehicle title ecosystem members. Champ Titles has developed several solutions, all of which are built on a shared platform that serves different industry verticals. This common chassis has allowed the company to adapt its technology for insurance carriers and state governments, resulting in lower costs, increased security and the easy transfer of ownership, benefiting all members of the vehicle title ecosystem. To learn more about the Champ Titles platform, please visit champtitles.com or contact info@champtitles.com.