



MEMORANDUM OF UNDERSTANDING
BETWEEN KANSAS DEPARTMENT OF REVENUE
AND BUSINESS PARTNERS/USERS OF THE KANSAS
E-LIEN SYSTEM.

1.0 MEMORANDUM OF UNDERSTANDING

1.1 This Memorandum of Understanding (MOU) is between the Kansas Department of Revenue (KDOR), Division of Vehicles (DOV) and

Business Name _____

Business Mailing Address _____

City _____ State _____ Zip _____

Hereinafter referred to as Business Partner.

2.0 PURPOSE OF MEMORANDUM OF UNDERSTANDING

2.1 The purpose of this MOU is to establish the parameters for the user of the KDOR Electronic Lien Filing and Release program, herein after referred to as Elien, the Business Partner and KDOR. Both parties agree the successful outcome of this program is of economic benefit to both parties and therefore agree to be bound by the terms and conditions set forth herein.

2.2 This MOU includes and incorporates all terms, conditions, and definitions made between KDOR and the Business Partner for this program.

3.0 AMENDING OR MODIFYING THE MEMORANDUM OF UNDERSTANDING

3.1 Any amendments or modifications to this MOU shall be in writing duly executed by each party's authorized official, which shall become effective at a time mutually agreed upon by the parties.



3.2 No alteration or variation of the terms of this MOU shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or MOU not incorporated herein shall be binding on either party.

4.0 **EFFECTIVE DATE**

4.1 This MOU shall become effective on the date of execution and shall continue in force until modified, amended or terminated.

5.0 **KANSAS LEGISLATURE**

5.1 This MOU is subject to any restrictions, limitations, or conditions enacted by the Kansas Legislature, which may affect any or all terms or provisions of this MOU in any manner. The Business Partner agrees that upon written notice from KDOR of any such restrictions, limitations or conditions as may be enacted by the Kansas Legislature will constitute a modification or amendment to this MOU until such time as they are put in writing and duly executed by each party's authorized official as required in article 3.1 of this MOU.

5.2 KDOR will advise the Business Partner of any such actions taken by the Kansas Legislature as soon as possible. Lack of notification by KDOR does not negate the legal requirement to comply with all applicable provisions of the law.

5.3 The Business Partner may immediately terminate as provided in article 6.1 and 6.2 of this MOU, if it decides not to comply with the modifications or amendments to this MOU.

6.0 **TERMINATION OF MEMORANDUM OF UNDERSTANDING**

6.1 This MOU is subject to the rights of either party to terminate the MOU at any time without cause by giving the other party at least thirty (30) calendar days prior written notice of such termination. Notice is effective for the date sent by facsimile (FAX) transmission or, if served by mail, five (5) days from the date of mailing by certified mail. Termination



initiated by the Business Partner must be directed to the attention of the DOV at the following address:

Kansas Department of Revenue
Director of Vehicles
915 SW Harrison
Topeka, Kansas 66626-0001

Fax: (855) 492-8351

6.2 Termination initiated by KDOR must be directed to the attention of:

Business Name _____

Attention _____

Business Mailing Address _____

City _____ State _____ Zip _____

Fax: _____

7.0 **REASSIGNING MEMORANDUM OF UNDERSTANDING**

7.1 This MOU is not assignable by the Business Partner either in whole or part, without the written consent of KDOR.

8.0 **KEEPING VEHICLE INFORMATION CONFIDENTIAL**

8.1 The Business Partner agrees that this MOU is subject to the Kansas Open Records Act and the Federal Driver Privacy Protection Act and that all personal information and vehicle information which is considered privileged and confidential under Kansas statute and is contained in any title information forwarded to the Business Partner under this MOU will not be released by the Business Partner to any individual or other legal entity who would not otherwise have access to such information.

8.2 Any release of information by the Business Partner to any unauthorized individual or other legal entity will result in KDOR terminating this MOU and the Business Partner will hold KDOR harmless for any resulting damages or loss.

- 8.3 Any request by either KDOR or the Business partner for treatment of information as confidential shall be resolved by application of the provisions of the Kansas Open Records Act (KORA). KSA 45-215 et seq.
- 8.4 Notwithstanding any other time limits herein, KDOR may terminate this MOU for such unauthorized use of disclosure by written notice to the Business Partner. Written notice to be effective upon facsimile (FAX) transmission to the Business Partner or five (5) days from the date of mailing of such notice.

9.0 CONTACTING KDOR INFORMATION SERVICE

- 9.1 The Business Partner agrees to contact KDOR's Elien help desk at (785)296-3621, option 5 immediately upon discovering that KDOR has sent to the Business Partner by electronic or any other means Elien data or records intended to be sent to another entity.
- 9.2 Notwithstanding any other time limits set forth herein, KDOR may terminate this MOU by written notice to the Business Partner for failure to immediately report such error to us. Written notice to be effective upon facsimile (FAX) transmission to Business Partner or five (5) days from the date of mailing of such notice.

10.0 STATE OF KANSAS SECURITY

- 10.1 Business Partners will be assigned a login username and passphrase upon registration and signing of the appropriate applications.
- 10.2 Business Partners will be prompted to change the passphrase every ninety (90) days. Passphrase must be in place for seven (7) days before it can be changed. Previously used passphrases will be remembered and cannot be reused within 12 months.
- 10.3 Passphrases must be at least 12 characters, although more than 12 characters are recommended.
- 10.4 Passphrases must contain 3 of the following:
 - 10.4.1 Uppercase letters (ABCD...Z)

- 10.4.2** Lowercase letters (abcd...z)
- 10.4.3** Base 10 numbers (from 0 through 9)
- 10.4.4** Symbol(s) or special characters from this list:
~ ! @ # \$ % ^ & * _ - + = ` | \ () { } [] ; ' < > , . ? /

- 10.5** Passphrase must not contain:
 - 10.5.1** Common phrases found in literature or music
 - 10.5.2** Complete words that can be found in a dictionary
 - 10.5.3** Your user name, real name or company name
- 10.6** Batch participants must contact KDOR's IS, as covered in article 9.1 of this MOU, concerning batch processing.
- 10.7** Business Partner will immediately report to KDOR any breach or suspected breach of security. The latter include but are not limited to those actions recited in article 10 of this MOU.
- 10.8** Business Partner will release, indemnify, defend and hold harmless KDOR from all liabilities, claims, damages, costs and expenses, including reasonable attorney's fees and expenses relating to or arising out of this agreement or the breach of Business Partners warranties, representations and obligations under this agreement.
- 10.9** All notices, demands, requests, approvals, reports, instructions, consents or other communications which may be required or desired to be given shall be in writing and addressed to the contacts listed in article 6 of this MOU.
- 10.10** Transaction records related to the use of this online service that are subjected to this agreement shall be retained and maintained for a period of at least five (5) years. The records shall be secured pursuant to standards that are commercially reasonable within the industry. They shall be maintained in the form of paper based documents or retrievable computer-based documents. They shall be indexed, stored, preserved and reproduced so that they are accurate, complete and accessible for audit by KDOR.
- 10.11** Each party shall comply with all applicable federal, state and local laws, regulations, ordinances and codes in connection with its performance under this agreement.
- 10.12** Any privileges used in association with the KS Elien system are not transferrable.
- 10.13** Notwithstanding any other time limits herein, KDOR may terminate this MOU for such unauthorized use or disclosure by written notice to the Business Partner.



Written notice to be effective upon facsimile (FAX) transmission to Business Partner or five (5) days from the date of mailing of such notice.

11.0 AUTOMATED CLEARING HOUSE TRANSACTION

- 11.1 The Business Partner must sign authorization form, Supplement 2 of the MOU, allowing an Automated Clear House (ACH) transaction against the account being used to process transaction fees submitted by the Business Partner.
- 11.2 It will be the Business Partner's responsibility to inform KDOR of any changes that may affect an ACH transaction at least 10 days before the change.
- 11.3 Notwithstanding any other time limits set forth herein, KDOR may terminate this MOU by written notice to the Business Partner for failure to report changes in ACH as required in article 11.2 of this MOU. Written notice to be effective upon facsimile (FAX) transmission to Business Partner or five (5) days from the date of mailing of such notice.
- 11.4 The Business Partner will not be able to access the Elien system if NSI applications have been accepted and the fees have not been collected.

12.0 MAILING INFORMATION FOR DELIVERY OF TITLE

- 12.1 The Business Partner must adhere to Kansas Administrative Regulation, KAR 92-51-24 regarding the mailing of a printed title.

13.0 PIN AND ACCOUNT NUMBER

- 13.1 KDOR will issue the business Partner an account number. The account number will be part of the business Partner's access key into the Elien system.
- 13.2 KDOR will issue the Business Partner a PIN number of each individual listed on the Application to Join the Kansas Elien System, Supplement #1 to this MOU. The PIN number will be part of the Business Partner's access key into the Elien system.
- 13.3 The Business Partner is responsible for the security of the account and PIN numbers assigned to them.
- 13.4 It will be the Business Partner's responsibility to inform KDOR of any changes that affect the account and/or PIN number assignment at least 10 days before the change.



13.5 Notwithstanding any other time limits set forth herein, KDOR may terminate this MOU by written notice to the Business Partner for failure to comply with any articles.

13.6 Written notice to be effective upon facsimile (FAX) transmission to Business Partner or five (5) days from the date of mailing of such notice.

14.0 BUSINESS PARTNER'S E-MAIL ADDRESS AND FAX NUMBER

14.1 The Business Partner must provide KDOR an e-mail address for their business.

14.2 This e-mail address will be used by KDOR to send electronic information to the Business Partner.

14.3 The Business Partner must provide KDOR a phone number for a fax machine which KDOR can use to contact the Business Partner.

14.4 The Business Partner must provide KDOR an office phone number which KDOR can use to contact the Business Partner.

15.0 BUSINESS PARTNER'S TECHNICAL CONTACTS

15.1 The Business Partner will provide the name and a phone number for a contact person to KDOR concerning the Elien system.

Contact Person's Name _____

Phone Number _____

16.0 CERTIFICATION BY BORROWER OF EXECUTION OF NSI

16.1 The Business Partner that files the Elien will be required to certify on the screen that the purchaser/borrower agrees to the execution of the NSI.

17.0 NUMBER OF ELIEN APPLICATIONS THAT MAY BE SUBMITTED

17.1 There is no limit on the number of Elien applications that can be processed during one work day.

18.0 ELECTRONIC MAILBOX

18.1 The Business Partner may use the electronic mailbox to complete the following transactions:

- 18.1.1 Filing Elien for a newly acquired vehicle.
 - 18.1.2 Canceling Elien for a newly acquired vehicle when the sale was not completed or no funds were loaned by the institution shown as lien holder on the Elien.
 - 18.1.3 Inquiry into the title application status for the vehicle which the Elien was filed.
 - 18.1.4 Releasing lien and complete Special Mailing Order (SMO) for first lien only. Paper title will be issued.
 - 18.1.5 Declare there is no security interest in the vehicle. This will release the business Partner security interest in the vehicle.
- 18.2 To access the electronic mailing the Business Partner will need the vehicle's VIN and the confirmation number or the Business Partner's special routing number.

19.0 SYSTEM AUTOMATIC LOG OFF AND SAVE

- 19.1 The Elien system will be logged off when it has been sitting idle for fifteen (15) minutes.
- 19.2 The Elien system will continue an automatic save function. The system will retain the record and notify the Business Partner upon sign-on if transactions are pending and payment is still outstanding from the last time they were signed on.
- 19.3 Records retained as a result of the automatic save function will not be processed until the transactions are completed and appropriate fees have been submitted.

20.0 ELECTRONIC LIEN RELEASE

- 20.1 When an electronic lien release is sent to KDOR, the Business Partner assumes full responsibility for its accuracy and KDOR is held harmless for any damages or loss, if any, from issuing a title based upon such electronic lien release.

21.0 COST OF PARTICIPATION

- 21.1 All costs incurred by the Business Partner to participate in the Elien program will be their sole responsibility.

22.0 NOTIFICATION OF RECEIPT OF ELIEN FILING AND STATUS



- 22.1** Business Partner will have the ability to view the status of any Elien filings through the reports function or via a real time inquiry to the MVS system.

23.0 LIEN SATISFACTION AND MAILING INSTRUCTIONS

23.1.1 If the Business Partner is a lien holder, when the lien holder whose name appears on the title record has been paid in full and within 10 days will produce and send electronically to KDOR a notice that their security interest has been satisfied and is released. Release of lien requirements are part of KSA 8-135(c)(6) and amendments thereto.

23.1.2 The Business Partner must enter the mailing address for which the paper title is to be delivered.

23.1.3 KDOR will be held harmless by the Business Partner for any resulting damages or loss due to the Business Partner's failure to notify KDOR of the correct mailing address, or not having permission granted by the owner to mail the paper title to anyone other than the registered owner.

24.0 CHANGES IN STATUTE

- 24.1** If the Kansas Legislature amends the statutes to eliminate or modify the Elien and/or E-Title concept, all Eliens and/or E-Titles shall be processed in accordance to the amended statutes.

25.0 BUSINESS PARTNER TERMINATES PARTICIPATION

25.1 If the business Partner decides to terminate their participation in this MOU, KDOR will deactivate the Business Partner's account number and PIN number(s).

25.2 The Business Partner will not have electronic access to any Elien information through KDOR after the effective date of the termination.

25.3 KDOR will provide paper records for any Elien or Etitle records held electronically by KDOR showing the Business Partner as lien holder that were transacted during the term of the MOU upon payment of a verification fee for each record.

25.4 KDOR will be held harmless by the Business Partner for any resulting damages or loss due to the Business Partner's termination of this MOU.

26.0 BUSINESS PARTNER MERGES OR TRANSFERS INTEREST TO ANOTHER FINANCIAL INSTITUTION



- 26.1** If the Business Partner sells or otherwise transfers Elien and/or Etitle security interest to another financial institution, the transaction must comply with provisions of the Kansas Statutes that are applicable.
- 26.2** The Business Partner must submit to KDOR all information concerning the new or revised name of the Business Partner and other information that will affect this MOU.
- 26.3** Any financial institution that acquires an interest in a Business Partner and currently does not have a MOU with KDOR will be bound by the MOU for the original Business Partner for a period up to and including 90 days from the effective date of the merger, transfer or acquisition.
- 26.4** If the new financial institution does not enter into a MOU with KDOR before the 91st day from the effective date of the acquisition, KDOR may terminate this MOU by written notice to the new institution for failure to sign a new MOU. Written notice to be effective upon facsimile (FAX) transmission to new financial institution or five (5) days from the date of mailing of such notice.
- 26.5** KDOR will be held harmless by the Business Partner and/or the new financial institution for any resulting damages or loss due to the enactment of article 26.4 of this MOU.
- 27.0** **HOLD HARMLESS**
- 27.1** The Business Partner agrees to indemnify and hold harmless KDOR and its officers, agents and associates from any and all claims, actions, damages or losses which may be brought or alleged against KDOR, its associates or agents for unauthorized disclosure of information, error or omissions, or delays, or from equipment, software or communication failures, except such failure due to *force majeure* arising from the activities performed as described in this MOU.
- 28.0** **SERVICE BUREAU OR SOFTWARE PROVIDER**
- 28.1** Any service bureau or software provider (“Provider”) utilized by the Business Partner for the purpose of performance of this MOU must be pre-approved in writing by KDOR.
- 28.2** If the Business Partner will be using a Provider for the performance of this MOU, the Business Partner agrees to assume full responsibility and liability for the actions of the service bureau or software provider for lack of actions pursuant to the MOU.



28.3 The Business Partner agrees to enter into an MOU with any Provider in which the Provider will agree to be bound by the terms of this MOU, including but not limited to Article 8 of this MOU.

28.4 If a Provider violates any conditions of this MOU, KDOR may terminate this MOU by written notice to the Business Partner. Written notice to be effective upon facsimile (FAX) transmission to Business Partner or five (5) days from the date of mailing of such notice.

29.0 ERRONEOUS RELEASE OR SATISFACTION LIEN

29.1 KDOR shall not be responsible for any error or transmission of inaccurate information by the Business Partner or any Provider for the Business Partner resulting in erroneous release or satisfaction of lien by KDOR. The Business Partner agrees to indemnify and hold harmless KDOR for any damages or losses, if any, sustained by KDOR or any other party.

30.0 DECLARATION OF BUSINESS PARTNER

30.1 The Business Partner must declare their business type. This declaration is to be made by completing article 30.2 and 30.3 of this MOU.

30.2 Check the space which indicates the type of business (entity):

- | | | |
|----------------------------------|------------------------------|----------------|
| Sole Proprietor | Partnership | Corporation ** |
| Limited Liability Co. ** | | LTD Company ** |
| National Financial Institution | | |
| Limited Liability Partnership ** | Date Inc./Reg. & State _____ | |
| Other | | |

**** Must include a copy of Secretary of State's registration papers. Information on how to obtain a copy of these can be found at <https://www.kssos.org>. In lieu of providing such registration documentation, the owner may provide a valid FDIC number, OCC number or credit union charter number, if the owner has one. # _____**

For obtaining more information about your business entity status in Kansas, Please use <https://www.kansas.gov/bess/flow/main?execution-e1s2> and choose Business Entity Database, then choose By business entity name.

30.3 Complete the below information for each owner of the business. NOTE: A corporation or partnership may list: 1) A corporate officer (i.e. President, Vice-President, Secretary, or Treasurer, etc.); 2) Managing Partner of a Partnership;



3) Kansas Resident Agent of the business entity (see link above); or 4) an Officer, or equivalent, of the National Financial Institution.

THE BELOW OWNER/CORPORATE OFFICER OR RESIDENT AGENT INFORMATION IS REQUIRED.

Please Print Legibly

Name (Complete Legal Name)	Business Address	Business Phone #	Birth Year

If you wish to list additional officers or owners, please attach an additional page.

31.0 GOVERNING PROVISIONS

31.1 This MOU is entered into the State of Kansas and is governed by the provisions of the statutes of the State of Kansas.

31.2 If any provision of this MOU, or the application thereof is for any reason and to any extent found to be invalid or unenforceable, the remainder of this MOU and the application of the invalid or unenforceable provision to other persons or circumstances shall not be affected by such finding of invalidity or unenforceability, and shall be interpreted in a manner that shall reasonably carry out the intent of the MOU.

31.3 Any party wishing to challenge any or all conditions of this MOU must do so in a court located within the City of Topeka, State of Kansas.

32.0 FORCE MAJEURE EVENT



32.1 Except for payment and indemnity obligations hereunder, neither party shall be deemed in default hereunder, nor shall it hold the other party responsible for, any cessation, interruption or delay in the performance of its obligations hereunder due to earthquake, flood, fire, storm, natural disaster, act of God, war, armed conflict, terrorist action, labor strike, lockout, boycott, provided that the party relying upon this paragraph: (a) shall have given the other party written notice thereof promptly and, in any event, within five (5) days of discovery thereof and, (b) shall take all reasonable steps reasonably necessary under the circumstances to mitigate the effects of the force majeure event upon which such notice is based; provided further, that in the event the force majeure event described in this paragraph extends for a period in excess of thirty (30) days in aggregate, the other party immediately may terminate this agreement.

33.0 RESTRICTIONS ON THE EXPORT FROM THE UNITED STATES OF AMERICA

33.1 This MOU expressly is made subject to any laws, regulations, orders or other restrictions on the export from the United States of America of software, hardware, or technical information, which may be imposed from time to time by the government of the United States of America. Regardless of any disclosure made by subscriber to KDOR of an ultimate destination of the software, hardware, or technical information and, notwithstanding anything contained in this agreement to the contrary, subscriber will not modify, export, or re-export, either directly or indirectly, any software, hardware, or technical information, or portion thereof, without first obtaining any and all necessary licenses from the United States government or agencies or any other country for which such government or any agency thereof requires an export license or other governmental approval at the time of modification, export or re-export.



34.0 EXECUTION

34.1 In witness whereof, the undersigned have caused the MOU to be executed by their authorized officials as of the date first written below.

Business Partner

Signature

Date

Printed Name

Title

FEIN # (Federal Employee Identification Number): _____

Signature of Authorized Agent
Kansas Department of Revenue
Division of Vehicles, Central Office Operations

Printed Name

Date

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