

# What to Expect During a Private Party Purchase

Important information for buyers and sellers



## The Basics

Buying a used vehicle may seem overwhelming, but knowing what to expect is the first step to a seamless process. Each party has their own set of responsibilities throughout the **6-10 week process** and when it's done, everyone walks away happy.

Farm Bureau Bank is not responsible for additional costs or penalty fees associated with state DMV delays, requirements in title transfers/title perfection, vehicle registrations, lien release from prior lienholder, or release of electronic liens.

Here is some information that will be required to complete a purchase from a private party:

- Copy of Driver's License (all borrowers)
- Insurance information
- Confirmation of collateral to purchase
- Amount needed for taxes and registration if fees will be included
- Seller's name, address, and phone number
  - Purchase with lien
    - Lien holder name
    - Payoff amount with good-thru date (20-day payoff and per diem)
    - Payoff address
    - Account number
  - Purchase with clear title
    - Front and back copy of title in seller(s) name
    - If collateral is not required to be titled, provide a copy (front and back) of Manufacturer's State of Origin (MSO)/Certificate of Origin (CO) or a copy of the registration



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## Private Party Purchase with a Lien

- Sign and complete the required documents:
  - Loan Agreement
  - Bill of Sale
  - Power of Attorney (borrower and seller)
  - Title Release Authorization
- Return documents as instructed in the *Private Purchase Cover Letter (L)*.
- Once all documents are received and verified, the payoff check to the lien holder will be sent via certified US mail to the seller's lien holder.
- Additional disbursements
  - If applicable, second and third disbursement checks will be issued for the seller's proceeds, and the borrower's taxes and/or registration fees.
  - Checks will be mailed to the borrower once the payoff check is accepted by the seller's lien holder.
- Title transfer and registration
  - The title will be released to Farm Bureau Bank typically within 7 to 25 days after the payoff check is cashed.
    - In some cases, the title may be inadvertently released to the seller. In this situation, please ensure the title is forwarded to Farm Bureau Bank in order to continue the title transfer process.
  - Once we have received the title, we will mail the title work to the borrower's nearest DMV/Tag office.
    - Farm Bureau Bank will contact the borrower to verify the county/parish in which to send the title work.
    - If a call is not received within 30 days, please call us at 210.637.4800 x1066 as some information may be missing before we can proceed with the title transfer.
  - The borrower is required to complete the title transfer at the DMV/Tag office.
    - Taxes and registration fees will be paid there.



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## Private Party Purchase with a Clear Title

- Sign and complete the required documents:
  - Loan Agreement
  - Bill of Sale
  - Power of Attorney (borrower and seller)
- Return documents as instructed in the *Private Purchase Cover Letter*.
- The Funding Form will be used for the seller's payment.
  - Complete and return as instructed for an ACH option.
    - Funds will be sent to the specified account within 24-48 business hours, and are typically received within 3 business days.
- Additional disbursements
  - If applicable, an additional check for taxes and registration fees will be mailed once payment to the seller is accepted.
- Title transfer and registration
  - Borrower is required to complete the title transfer at the DMV/Tag office.
  - Borrower is responsible for getting the title and the collateral from the seller when funds are provided to the seller.
  - Borrower(s) is responsible to complete title transfer at the DMV/Tag office
    - Owner's name must match the names in the Loan Agreement
    - Taxes and registration fees will be paid there
    - Add lien information as follows:
      - Farm Bureau Bank
      - PO Box 33427
      - San Antonio, TX 78265-3427



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