



# DIMINISHED VALUE OF GEORGIA

## Salvage Title Washing

### What is a Salvage Title?

When a vehicle is declared a total loss by an insurance company, the vehicle owner is required to return their otherwise “clean” title to the Motor Vehicle Division where a salvage title is issued instead. Many states do not allow salvage vehicles to be granted license plates.

### What is Salvage Title Washing?

Salvage Title Washing is the process of converting a salvage or branded title to another that unencumbered. This is usually done by registering the salvage vehicle in a state with more lenient laws and converting a salvage title to a salvage/rebuilt or rebuilt title.

### Why are Salvage Titles Washed?

Some states, Georgia for example, require a salvage inspection before allowing the vehicle on the road as a “rebuilt”. If the vehicle cannot pass the inspection or if the vehicle owner doesn’t want to repair it, then they must register it in another state in order to obtain a license plate.

### Is Salvage Title Washing Illegal?

It depends. If the purpose of washing the title is to defraud a potential buyer, then the act itself would fall under the fraud statutes. However, if a vehicle owner registers his own vehicle in another state and complies with their rules and regulations, then no violation is committed.

### Can a Washed Title be Re-Registered in the State Where it was Issued?

No. If the state that issued the salvage title requires an inspection, the newly issued out of state title will not serve as an inspection. Most states require their own salvage inspection, often times vehicle owners relocating from one state to another need another salvage inspection in order to register their vehicle.

### Q: How do I Know if the Title is Washed?

Often times, the “washed” title will continue to have the rebuilt designation on it. Otherwise, it is always wise to look up the VIN number of the vehicle in the NMVTIS database or ask the seller for a vehicle history report.

### Q: How Much Less Should I pay for a Salvage/Rebuilt Vehicle?

This depends on the type and severity of damage that caused the vehicle to be totaled in the first place, however, as a general rule of thumb, a salvage rebuilt vehicle is worth 30% to 50% less than an undamaged clean title vehicle. This percentage is lower on commercial vehicles or motorcycles.

