

- 1) Motor Vehicle/Vessel Title Bond form (VT-020) is to be completed by your insurance company. Both sides of the form must be completed.
- 2) You must make every reasonable attempt to obtain the previous title issued to the vehicle/vessel. If you show by letters from the issuing State that the title, or a replacement, is not available, the department will consider an application for the title on bond.
- 3) The value of the bond must be one and one-half times the NADA average trade-in value of the vehicle/vessel being bonded.
- 4) If the completed bond form contains any erasures, alterations, or whiteouts, it will be rejected.
- 5) The bond form (with both sides completed) must be returned to the Department of Motor Vehicle with the following documents:
 - a. Vermont Registration, Tax and Title Form completed
 - b. Verification of VIN (VT-010) completed
 - c. Any title documentation such as bill of sale, old registration certificates or the title itself.
 - d. Fees due for registration, tax, and title.
- 6) The completed bond form, along with your reason for needing a bond, will be reviewed by the department. If your request is rejected, you will be notified in writing as to the reason the bond was found to be unacceptable.

23 V.S.A. § 2020

As a condition of issuing a certificate of title, require the applicant to file with the Commissioner a bond in the form prescribed by the Commissioner and executed by the applicant, and either accompanied by the deposit of cash with the Commissioner or also executed by a person authorized to conduct a surety business in this State. The bond shall be in an amount equal to one and one-half times the value of the vehicle as determined by the Commissioner and conditioned to indemnify any prior owner and lienholder and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, by reason of the issuance of the certificate of title of the vehicle or on account of any defect in or undisclosed security interest upon the right, title, and interest of the applicant in and to the vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond, and any deposit accompanying it, shall be returned at the end of three years or earlier if the vehicle is no longer registered in this State and the currently valid certificate of title is surrendered to the Commissioner, unless the Commissioner has been notified of the pendency of an action to recover on the bond.

23 V.S.A. § 3813

As a condition of issuing a certificate of title, require the applicant to file with the Commissioner a bond in the form prescribed by the Commissioner and executed by the applicant, and either accompanied by the deposit of cash with the Commissioner or also executed by a person authorized to conduct a surety business in this State. The bond shall be in an amount equal to one and one-half times the value of the vessel, snowmobile, or all-terrain vehicle as determined by the Commissioner and conditioned to indemnify any prior owner and lienholder and any subsequent purchaser of the vessel, snowmobile, or all-terrain vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, by reason of the issuance of the certificate of title of the vessel, snowmobile, or all-terrain vehicle or on account of any defect in or undisclosed security interest upon the right, title, and interest of the applicant in and to the vessel, snowmobile, or all-terrain vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond, and any deposit accompanying it, shall be returned at the end of three years or earlier if the vessel, snowmobile, or all-terrain vehicle is no longer registered in this State and the currently valid certificate of title is surrendered to the Commissioner, unless the Commissioner has been notified of the pendency of an action to recover on the bond.