



## How to Sell a Used Car

### **Selling Your Car**

If you want to sell your car, there are things you can do to avoid problems later. Problems like getting tickets that aren't yours or getting sued for accidents you weren't a part of. Try to do the things in this fact sheet to keep yourself safe.

### **Write out an agreement**

Always write out an agreement. This way you can make sure that you and the person buying your car agree on the price and the condition of the car. Both of you should sign the written agreement and keep a copy. The agreement should have:

- your name as seller
- the name of the person buying the car
- the car's Vehicle Identification Number (VIN)
- the license plate number
- how much you're selling the car for
- the condition of the car – usually you sell a car "as-is"
- the date of sale
- who pays for the motor vehicle transfer fees and taxes



### **Don't give the buyer a warranty**

A "warranty" is a promise about the condition of the car on the day it is sold. If you don't want to be responsible for repairs or problems with the car later, tell the buyer you are selling it "as-is." Put this in the written agreement too.

### **Don't give the title to the buyer until you have the money**

Ask the buyer to pay you all of the money in cash, money order or a cashier's check from the bank. Don't hand over the title or give them the keys until you have the money. Don't take a personal check because it could bounce, or they could cancel the check before you get the money.

## What about a payment plan?

Don't take someone's word that they promise to pay for the car by making monthly or periodic payments. If you agree to accept a payment plan from the buyer, get the payment plan in writing. Make sure the agreement says what happens to the car and the money already paid if the buyer doesn't make all the payments. Even with an agreement, it can be hard, expensive, and time consuming to take someone to court to try to get money they owe you if they don't pay. Many people who win cases in court are never able to collect the money. Read our fact sheet [Making an I.O.U. Legal: Promissory Notes](#) for more information.

## Transferring the Title ... Safely

Most people get the money, sign the title over and tear off and send in the "Notice of Sale" strip on the bottom of the title. This means you are leaving the actual transfer up to the buyer. This can be ok if everyone does what they are supposed to do. **BUT many times, they don't! And you end up with fines or legal problems or more.**

**Tearing off the Notice of Sale is not a transfer of title.** If you want to be completely safe and sure that everything is right, you and the buyer should go to a Driver and Vehicle Services (DVS) location together and do the transfer there in person. It is worth making the extra effort to go in-person and avoid legal and other problems later, like fines or getting sued.

You can find DVS [office locations](#) and hours online at [onlineservices.dps.mn.gov](http://onlineservices.dps.mn.gov).

- In the "DVS Information" box, click on "Find Office Locations"
- Type in the information they ask for

You can also call (651) 297-2126 to find offices.



If you lost the original title, you have to apply for a duplicate title before it can be transferred to a new owner. Find out from your DVS office how long this might take. If you do it in person, it might only take a day or two.

## At the DVS Office

Once you are at the DVS office, you need to sign over the original title to the buyer and fill out the other needed information. You and the buyer also need to fill out an [Application to Title and Register a Motor Vehicle form](#). You can find the form online or get it at the office. You may need to know the car's odometer reading so write that down before going in. You might also need to write down any damage done to the car. If a lien is listed on the title for the car, you have to have a lien release card or notarized lien release in order to transfer title to the buyer.

Submit all the papers and fees together. This way you can be sure that it is done.

## How much does it cost to transfer the title?

You or the buyer have to pay fees and taxes when transferring title. Make sure it is clear who has to pay for these. Typical fees and taxes may include:

- Title Fee: \$8.25 (plus \$2.00 for each lien release)
- Transfer Tax: \$10.00
- Public Safety Vehicle Fee: \$3.50
- Technology Surcharge: \$2.25
- Filing Fee: \$12.00
- Motor Vehicle Sales Tax. This tax is decided by a few factors, like value of the car, age etc.



## A Note about Reporting the Sale of your Car

Reporting the sale of a car is not the same thing as transferring the title. If you transfer the title in person, you are also automatically reporting the sale of the car. If you give the title to the buyer and don't go to DVS to do the paperwork, you need to report the sale of the car within 10 days. **Note:** If you sell to a dealership you don't have to report the sale.

There are 2 ways to report the sale:

**Online:** You can report it online at <https://onlineservices.dps.mn.gov/>. Under "Vehicle Services" click on "Mark Vehicle as Sold/Donated/Removed from State"

**By Mail:** Fill out the "Notice of Sale" strip at the bottom of your title. Make sure you write in the buyer's name, address, and driver's license number, if any, and the date of sale. Tear it off, and mail it to DVS at:

Driver and Vehicle Services – Central Office  
Town Square Building  
445 Minnesota Street, Suite 1950  
Saint Paul, MN 55101-5168

If the car is donated or junked, also report that to DVS.

**Fact Sheets are legal information NOT legal advice. See a lawyer for advice.**

*Don't use this fact sheet if it is more than 1 year old. Ask us for updates, a fact sheet list, or alternate formats.*

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