§ 2121. Release of security interest. (a) Upon the satisfaction of a security interest in a vehicle the lienholder shall immediately upon clearance of payment execute a release of his security interest in a manner prescribed by the commissioner and mail or deliver the release to the owner or any person who delivers to the lienholder an authorization from the owner to receive the certificate. Payment sufficient to satisfy the security interest by an insurer of the owner shall be deemed an authorization by the owner for the delivery of the release of the security interest to the insurer. If the payment in satisfaction of the security interest is in cash, certified check, intra-bank transfer of funds or an uncertified check or draft issued by an insurance company authorized to do business in this state, the payment shall be deemed to be cleared immediately upon receipt. The owner, other than a dealer holding the vehicle for resale, may cause the certificate and release to be mailed or delivered to the commissioner, who shall release the lienholder's rights on the certificate or issue a new certificate.

(b) A dealer who receives a motor vehicle for the purposes of resale and who arranges for the satisfaction of any security interest in such vehicle, and for which a release of security interest has not been issued, may submit to the commissioner sufficient evidence to demonstrate that such security interest has been satisfied and shall provide notice to the lienholder two weeks prior to submission to the commissioner. The commissioner shall, upon receipt of such evidence, a proper application and the appropriate fee pursuant to section twenty-one hundred twenty-five of this article, promptly issue, within no more than fifteen business days of receipt by the department of all required information and fees, either a duplicate certificate without such lien included thereon, or a certificate without such lien included thereon. Evidence that a security interest has been satisfied shall include: (i) evidence that an interbank or electronic transfer of funds has been made; or (ii) evidence that a copy of a cashier's or bank check has been delivered; or (iii) other evidence as determined to be satisfactory by the commissioner; and (iv) evidence that the amount delivered to the lienholder is equal to the amount which has been represented to the dealer by the lienholder as sufficient to satisfy such lien. Such evidence shall be accepted by the commissioner as sufficient. Any evidence submitted to the commissioner pursuant to this

subdivision may, subject to approval of the commissioner, be submitted in electronic form. In addition to the penalties imposed by section twenty-one hundred thirty of this article, any dealer who alters or forges evidence of payment, or fails to make a payment, shall be liable to any party for any damages resulting from the issuance of a new certificate by the commissioner, plus attorney's fees and costs incurred in recovering such damages, provided however no subsequent purchaser of a vehicle where the security interest was removed by the commissioner under the provisions of this subdivision shall be liable for any errors in the removal of such security interest, and any dealer who so applied for the removal of such security interest on such vehicle shall indemnify any such purchaser and lienholder. The commissioner is authorized to adopt and enforce reasonable rules and regulations necessary to carry out the provisions of this subdivision.