



U.S. Department
of Transportation
**Federal Aviation
Administration**

Mike Monroney
Aeronautical Center

P.O. Box 25082
Oklahoma City, Oklahoma 73125

October 16, 1987

Ms. Rebecca Clauson
Central Bank
1450 Treat Blvd.
P.O. Box 8050
Walnut Creek, California 94596-8050

Dear Ms. Clauson:

N61DW; Clear Title After Repossession

Your letter of October 6, 1987, accurately reflects the vexing problem of the continuing existence in the aircraft records of an extinguished junior lien after a repossession. We agree that junior liens are "discharged" under the statutory language of the Uniform Commercial Code, Section 9-504 (UCC Section 9504 in California), and that our Form 8050-4 Certificate of Repossession, deals with it.

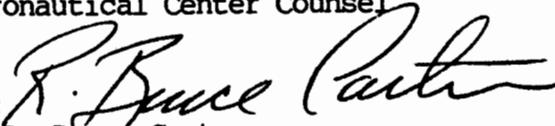
However, this discharge occurs by operation of law, and the title search companies are reluctant to omit a discharged lien from the list of operative instruments since they do not perform the function of title attorneys. The FAA Aircraft Registry does not remove any instruments from the record, since by policy and practice, others, such as title search companies, also have copies of the records, and question the removal of instruments. Over the long term, we have found that the better practice is to add instruments that release, explain, or otherwise cancel the effectiveness of recorded documents, such as Certificate of Repossession, or court order.

We regret that the prospective purchaser has asked for a title report that does not show the extinguished lien of Mr. Moss. We believe the more accurate request would be for an opinion of counsel as to what the legal effect of the title search actually is; that is, that it was extinguished by operation of law, and is no longer to be considered a cloud on the title. The FAA does not consider the Moss instrument a cloud, and would disregard it if requested to cancel registration for export, which cancellation can only be done if there are no outstanding liens on the aircraft.

If there are any questions, please feel free to call at (405) 686-2296, or have the attorney for the prospective purchaser call, if you think it is appropriate.

Sincerely,

Joseph R. Standell
Aeronautical Center Counsel

By: 
R. Bruce Carter
Attorney Adviser