

April 22, 1985

Mr. Darrell Knight, Chairman of the  
Board  
Security State Bank  
P. O. Box 267  
Abilene, TX 79604

Re: Repossession of N49422; Removal of Second Lien

Dear Mr. Knight:

Your letter of March 11, 1985, to the FAA Aircraft Registry, has been referred to this office for reply. You have asked that we remove the second lien on this aircraft after your repossession, since the second lienholder, Keystone Insurance Agency, declined to protect its position by buying the rights in the aircraft in response to your notice of intent to repossess and sell.

The FAA Aircraft Registry, mindful of its duty to maintain aircraft records in accordance with the requirements of 49 U.S.C. 1401 and 1403, has consistently declined to remove instruments from the record, choosing instead to add documents to the record that release, explain or otherwise order away such interest as may be shown. In this case, the second lien of Keystone is removed by operation of law by effect of the repossession and Keystone's declination to protect its position. We believe this is in accord with the Uniform Commercial Code, Section 9-503, and is effective by operation of law without physical removal of their lien.

Accordingly, we respectfully decline to remove the asserted lien of Keystone, but will honor your transfer to Mr. Bryson, and register the aircraft to him in accordance with your request and his Application.

Sincerely,

Joseph R. Standell  
Aeronautical Center Counsel

R. BRUCE CARTER

By:

R. Bruce Carter  
Attorney Advisor

cc:  
AAC-252