

AUG 9 1962

Mr. J. E. Hartranft, Jr., President  
Aircraft Owners and Pilots Association  
4630 East-West Highway  
Washington 14, D. C.

Dear Mr. Hartranft:

I have your letter of August 7, 1962 requesting an opinion as to whether a Certificate of Repossession nullifies the chattel mortgage under which an aircraft is repossessed.

The legal effect of repossession on the mortgage depends upon State law. The result under the law of a particular State will be determined by, among other things, the terms of the mortgage, the situation which is alleged to have justified repossession, and the actions of the reposessor after he has physical control of the aircraft. As a general legal rule, the mere act of repossession does not constitute a release of the mortgage debt.

Since repossession after default is a recognized method of assuming ownership control of property, we have provided by regulation for a change in registration based on a repossession. [Section 501.4(b)(iii) Regulations of the Administrator] A statement from the reposessor that he has lawfully repossessed an aircraft is sufficient under our regulation to allow the aircraft to be registered in his name.

However, our act of accepting the Certificate of Repossession for recordation, and registration based on the Certificate, does not constitute a binding legal determination of ownership. The Federal Aviation Act of 1938 specifically provides at Section 501(f) that registration is not evidence of ownership in a proceeding where ownership is in issue. The person who is interested in the title to the aircraft must determine from his own examination of the documents of record who has title to the aircraft and the legal status of encumbrances, if any.

I hope that this serves to explain the effect of recording Certificates of Repossession with FAA. If you have any further questions, please do not hesitate to call on us.

Very truly yours,

(Signed) James M. Dikeman

for ROBERT P. BOYLE  
Associate General Counsel  
General Legal Services

DSchneider:jar:GC-10;Ext.2313  
8-8-62

cc: GC-1 (grid) FS-870  
Col. Hentzer  
Day file  
Mr. Schneider