

There may be an encumbrance
on the aircraft you may not
know about. A title search is
recommended when a used
plane is involved—it might
save some headaches later

Make Sure Your Plane Is Yours

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■ Cruising along on top at 7,000 feet, my friend Woody turned the controls of his newly acquired *Aztec* over to the VOR couplers, and we both settled back to taste the beauty of the billowy cloud deck below us.

After our hunger for that never-tiring sight was satisfied, the conversation began. It soon got around to flying.

We both expounded confidently for a few minutes on our prowess as instrument pilots and, in turn, told the usual number of well-aimed lies to prove it. Woody finished a story about his recent 200-foot, quarter-mile approach to Detroit City at night, in the rain, and then took on a serious expression.

"Hey, Dick! I was talking to an old boy in Detroit that night who really bent my ear with a first-class sob story. He said he bought a used *Skyhawk* about six months ago, and darned if some bank didn't come along and repossess it because the guy who sold it to him had a \$6,000 mortgage on the bird."

As I listened to Woody explain the details of the situation, I became aware that I was hearing a repeat of a tale I have heard several times in my years of nosing around the aviation business. Not necessarily the same story, but similar in one important respect—that being that the buyer didn't really know what was necessary to take title to an airplane.

There are certain problems involved in buying an airplane, and they need to be pointed out and understood if airplane ownership is to be the completely gratifying experience the buyer expects it to be.

Upon my return home from the trip with Woody, I started to put together some facts that I feel will tend to make the act of purchasing your general aviation airplane a much simpler and happier chore. In the next few paragraphs we will discuss *perfecting a clear and clean title*.

If you already own your airplane, you may be quite surprised to note that (1) you may not really own it at all, or (2) there is a mortgage or lien against it that you know nothing about.

But what about that "old boy in Detroit"?

Aha! This is a case where the buyer got nailed because of an unpaid mortgage against the seller.

How could it happen? Simple! You must bear in mind that there is no negotiable title to an aircraft where the FAA registration is concerned. Title is transferred by execution of a Bill of Sale and an Application for Registration. FAA, at its records and registration facility in Oklahoma City, will make a transfer of title, if provided with proper documentation, no matter what clouds may exist on that title. There can be 10 liens totaling \$20,000 on a 1946 Aeronca 7AC, and FAA will still switch title to the new owner.

Why? Because they have neither the time, the people, nor the legislation to make any exceptions. The responsibility for a clear title falls squarely upon the shoulders of the buyer and the seller. You, as the buyer, must protect yourself.

Some states title aircraft just as they do cars and boats, but the FAA registration is the only one that really matters. Sure, you may have a "fraud" action against the seller, but if he's that kind of seller, what good will a legal advantage do you?

A good example of the problem involved a man in Cincinnati who bought an older-model *Bonanza* from a private owner who had just "busted" his FAA medical and had to give up the sport. The new buyer drove his Beech around for almost two years before he discovered that he didn't own it. How could it happen? Well, when the buyer took delivery, the seller simply signed the back side of the FAA registration certificate that is kept in the plane, and exchanged it for the buyer's check. Our new airplane owner didn't know that there was more to it than that and took off merrily for home.

When he attempted to trade the

Bonanza for a light twin, the title search made by the dealer revealed not only that the aircraft wasn't in the owner's name, but that it also had a mortgage of almost \$11,000 still in existence on the FAA's records.

To make matters worse, the seller was no longer with us. He had died about a year after the sale. You might imagine the veritable nightmare the buyer had getting title from the estate.

Fortunately it was all an innocent error, and the seller had indeed paid off the loan. But the bank had never issued a proper release to FAA.

About five sentences back, we mentioned two pretty important words: *title search*.

FAA retains a file, or "pouch," on every aircraft that is registered in our country. That pouch contains almost every bit of information important to "old Betsy" since the day she was test-flown by the manufacturer. It contains facts about damage, major structural changes, weight and balance information, major equipment additions, and a "chain" of title information and mortgage and lien statistics.

When you find an airplane you want to buy, it is almost imperative that you order a title search. All you need is the "N" number and a telephone.

Don't call FAA! They have enough work to do in keeping the tons of paperwork current. AOPA maintains a well-staffed office at Will Rogers Field in Oklahoma City, just for the purpose of title searches and other documental requirements of its membership. The number is (405) 681-4609. Call them and you'll be amazed at the services you get for the small charge involved.

The search will involve three things that are very important to you:

1. *The present registered owner.* You need to know just how the airplane is presently titled so you can be sure the Bill of Sale is properly signed.

2. *The mortgage or lien status.* There may be a bank or other lender who must be paid at the time of the sale.

3. *The previous owner.* You may want to check with him, too, for some information about the condition of the airplane at the time he sold or traded it.

A Bill of Sale form is among those pictured on page 33. This document, when accompanied by the Application for Registration and a \$5 fee, will order FAA to transfer title from the present owner to you.

If there is a mortgage or lien (and very few owners have their airplanes paid for), the lender will give you an FAA Release of Lien (also pictured) when he is paid in full. Provided with this release, the FAA will clear the encumbrance from its records.

In addition to loans, there are other types of liens.

A man in Indiana purchased a *Twin Beech* to add to his stable of freight-haulers. About three months later, he landed at a distant airport in the Midwest. While he was dutifully unloading his customer's cargo, he was served with papers by the local authorities that enforced a "Mechanic's Lien" that had

