

86B.885 OWNER-CREATED SECURITY INTEREST.

Paragraphs (a) to (d) apply if an owner creates a security interest in a titled watercraft.

(a) The owner shall immediately execute the application in the space provided on the certificate of title or on a separate form prescribed by the commissioner, show the name and address of the secured party on the certificate, and have the certificate, application, and required fee delivered to the secured party.

(b) The secured party shall immediately have the certificate, application, and required fee mailed or delivered to the commissioner.

(c) Upon request of the owner or subordinate secured party, a secured party in possession of the certificate of title shall either (1) mail or deliver the certificate to the subordinate secured party for delivery to the commissioner, or (2) upon receiving from the subordinate secured party the owner's application and the required fee, mail or deliver them to the commissioner with the certificate. The delivery of the certificate does not affect the rights of the first secured party under the security agreement.

(d) Upon receiving the certificate of title, application, and required fee, the commissioner shall either endorse on the certificate or issue a new certificate containing the name and address of the new secured party, and mail or deliver the certificate to the first secured party named on it.

History: 1989 c 335 art 1 s 235; 1990 c 391 art 10 s 3