

**168A.20 SATISFACTION OF SECURITY INTEREST.**

Subdivision 1. **Certificate with latest secured party; release.** Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the secured party, the secured party shall within 15 days, or seven days if satisfied by a dealer licensed under section 168.27, subdivision 2, 3, or 4, execute a release of security interest in the space provided therefor on the certificate or as the department prescribes, and mail or deliver the certificate and release to the next secured party named therein, or if none, to the owner or any person who delivers to the secured party an authorization from the owner to receive the certificate. The owner, other than a dealer holding the vehicle for resale, shall promptly cause the certificate and release, together with the required fees and taxes, to be mailed or delivered to the department, which shall release the secured party's rights on the certificate or issue a new certificate.

Subd. 1a. **Title issued before July 1, 1990.** For titles issued to the secured party before July 1, 1990, the secured party shall hold the certificate of title until the security interest is satisfied.

Subd. 2. **Certificate with prior secured party; release.** Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of a prior secured party, the secured party whose security interest is satisfied shall within 15 days, or seven days if satisfied by a dealer licensed under section 168.27, subdivision 2, 3, or 4, execute a release in the format the department prescribes and deliver the release to the owner or any person who delivers to the secured party an authorization from the owner to receive it. The secured party in possession of the certificate of title shall either deliver the certificate to the owner, or the person authorized by the owner, for delivery to the department, or upon receipt of the release, mail or deliver it with the certificate to the department, which shall release the subordinate secured party's rights on the certificate or issue a new certificate.

Subd. 3. **Certificate with owner.** Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the owner, the secured party shall within 15 days, or seven days if satisfied by a dealer licensed under section 168.27, subdivision 2, 3, or 4, execute a release of security interest in the format prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the secured party an authorization from the owner to receive the release. The secured party may notify the registrar of the satisfaction of lien in a manner prescribed by the department.

Subd. 4. **Satisfaction of lien for child support; release.** If the secured party is a public authority or a child support or maintenance obligee with a lien under section 168A.05, subdivision 8, upon either the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the owner, or the execution by the owner of a written payment agreement determined to be acceptable by the court, a child support magistrate, the public authority, or the obligee, within 15 days, or seven days if satisfied by a dealer licensed under section 168.27, subdivision 2, 3, or 4, the secured party shall execute a release of security interest in the format prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the secured party an authorization from the owner to receive the release.

Subd. 5. **Satisfaction of automobile lien seven years old; release.** A security interest perfected under this chapter may be canceled seven years from the perfection date for a passenger automobile, as defined in section 168.002, subdivision 24, upon the request of the owner of the passenger automobile, if the owner has paid the lien in full and is unable to locate the lienholder to obtain a lien release. At a minimum, the owner must send a letter to the lienholder by certified

mail, return receipt requested, requesting a lien release. If the owner is unable to obtain a lien release by sending a letter by certified mail, then the owner must present to the department or its agent the returned letter as evidence of the attempted contact. This subdivision applies only to vehicle owners who are individuals.

**History:** *1971 c 162 s 20; 1978 c 655 s 1; 1980 c 369 s 1; 1986 c 444; 1989 c 148 s 12-14; 1995 c 257 art 1 s 7; 1999 c 131 s 1; 1999 c 196 art 2 s 2; 2002 c 371 art 1 s 26-28; 1Sp2005 c 6 art 3 s 35; 2006 c 228 s 2*