

MICHIGAN VEHICLE CODE (EXCERPT)
Act 300 of 1949

257.236a Termination of owner's interest by enforcement of security agreement; application for new certificate; certification; holding vehicle for resale; termination of owner's interest by sale pursuant to court process; issuance and contents of new certificate; outstanding certificate.

Sec. 236a. (1) If the interest of the owner in a vehicle is terminated by the enforcement of a security agreement, the transferee of the owner's interest shall promptly mail or deliver to the secretary of state the last certificate of title if the transferee has possession of the certificate; the application for a new certificate in the form prescribed by the secretary of state; and a certification made by or on behalf of the holder of the security interest so enforced that the vehicle was repossessed, that the interest of the owner was lawfully terminated by enforcement of the security agreement, and whether the owner has delivered the last certificate of title to the transferee of the owner's interest, naming the transferee, or if not, the reason for not naming the transferee, and the location of the certificate of title as known to the owner. If the holder of the security interest succeeds to the interest of the owner and holds the vehicle for resale, the holder need not secure a new certificate of title but, upon transfer to another person, shall promptly mail or deliver to the transferee or to the secretary of state the certificate, if in the holder's possession, a certification, and other documents required to be sent to the secretary of state by the transferee.

(2) If the interest of the owner in a vehicle is terminated by sale pursuant to a levy of execution, attachment, or by other process of a court, the transferee of the owner's interest shall promptly mail or deliver to the secretary of state the last certificate of title, if the transferee has possession of the certificate, the application for a new certificate of title in the form prescribed by the secretary of state, and a certification upon a form prescribed by the secretary of state, made by the officer of the court who conducted the sale, setting forth the date of the sale, the name of the purchaser, and whether the officer of the court has delivered the certificate of title to the purchaser and if not, the reason for nondelivery and the location of the certificate of title so far as known to the officer of the court.

(3) A person holding a certificate of title in which the interest of the owner named on the certificate has been terminated in the manner provided by subsection (1) or (2), shall mail or deliver the certificate to the secretary of state upon request. The delivery of the certificate pursuant to the request of the secretary of state does not affect the rights of the person surrendering the certificate, and the action of the secretary of state in issuing a new certificate of title as provided in this act is not conclusive upon the rights of an owner or holder of a security interest named in the old certificate.

(4) The secretary of state, upon receipt of an application for a new certificate of title by a transferee in the manner provided by subsection (1) or (2), with proof of the transfer, the required fee, and other documents required by law, shall issue a new certificate of title in the name of the transferee as owner, setting forth all security interests noted on the last certificate of title as having priority over the security agreement so enforced and shall mail or deliver the certificate to the owner. If the outstanding certificate of title is not delivered to the secretary of state, the secretary of state shall make demand for the outstanding certificate of title from the holder.

History: Add. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1968, Act 66, Eff. Aug. 1, 1968;—Am. 1980, Act 398, Eff. Mar. 31, 1981.