

Repairman's Lien Process

This is a guide that show the requirement needed for a repair lien on a motor vehicle in accordance with NDCC 35-13

1. Request for Vehicle Information.

Complete and submit [SFN 51269 Request for Vehicle Information](#) with the \$3 processing fee to determine/verify the current registered owner's name, address, and any lienholder information.

If no record is found within the state of North Dakota, you must contact the state in which the vehicle was last titled to obtain a repair lien, if applicable.

2. Notice to existing lienholders if the repair costs exceed \$6,000 or 30% of the value of the property or \$15,000 or 30% of the value of the property for agricultural or construction purposes. A registered or certified letter must be mailed to the lienholders of record.

- The registered or certified letter must include the following:

1. A list of the proposed repairs
2. Estimated cost of repairs
3. The estimated value of the property in its repaired condition.

** Any associated storage fees may not begin to accrue until 15 days after the owner is requested to take possession of the property.*

Please note: If repair costs do not exceed \$6000 or 30% (\$15,000 or 30% on agricultural or construction) of the value of the property, and a lienholder is on record, the repair facility will be added as a second lienholder. A certified letter to the lienholder would not be required.

3. Adding repair business as a lienholder on the title.

Submit the following documentation to the North Dakota Motor Vehicle Division to be added as a lienholder on the title.

- A copy of [SFN 51269 Request for Vehicle Information](#), stamped as processed and a copy of the registered owner information provided at the time the request was processed.
- [SFN 60662 Indemnifying Affidavit](#) completed and signed by the repair business releasing the State of North Dakota and its agencies from any and all liability. The Indemnifying Affidavit must be very specific on how the person presenting the affidavit had consent of the registered owner of the vehicle to repair the vehicle. Need to state that they will be added as second lienholder if they don't meet repair costs to be listed as priority lienholder.
- A copy of the certified letter or registered letter given to any lienholders of record, the original certified or registered mail form (to verify ship date), and the original return receipt (to verify receipt date/date returned as undeliverable).
 - If letter is returned as undeliverable, submit the entire letter/envelope with the title work.
- [SFN 2872 Application for Certificate of Title and Registration of a Motor Vehicle](#) completed and signed.
- Proof of legal name for the repair facility as required by NDCC 39-05-05 Subsection 1(f). Requirement may be satisfied by:
 - Print out of most recent Secretary of State filing.
 - Copy of the top section of the most recent state or federal tax return filed in the name of the repair facility name.
- Applicable fees.
 - \$5 title fee

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• Any other documentation The Division may require, per N.D.C.C. 39-05-05 Subsection 1(h). Ex: If the copy of the contract submitted is an invoice from the repair facility, etc. where the customer refused to sign off on the invoice, the company would need to notate that on the invoice.

Please note: Step One of the Foreclosure Process (listed below), **must** be completed and all certified or registered mailed documents provided **before** a title can be issued adding the repair facility as a lienholder. Step two of the Foreclosure process may be completed at the same time if they have all the necessary documents for the sale.

The title will be recalled from the current lienholder, and the title will be sent to the repairman if they qualify to have a priority lien, based on the value of the repair, over the current lienholder. If the repairman is listed as a secondary lienholder, they will need to work with the priority lienholder to proceed with the foreclosure process. Ex: Obtain a lien release from the priority lienholder.

“Notice before foreclosure,” section 35-13-05 to foreclose on the vehicle. This process is provided below.

Step One – (must be completed with step 3 above to receive title added as lienholder)

Send a registered or certified letter to both the owner and the lienholder on record, notifying the intent to foreclose on the property. The letter shall give a 10-day notice to the parties of the intent to sell the vehicle. The letter must include the following:

- The date/time frame by which the outstanding balance must be paid.
 - You must allow a minimum of 30 days from the date the certified letter was received or returned as undeliverable.
 - The certified letter notice to the lienholder must include:
 1. A description of the property subject to the lien
 2. The grounds for the lien
 3. The name, address, and telephone number of the lienholder
 4. The amount owed
 5. The date after which the property subject to the lien will be offered for sale;and
 6. A statement that the lienholder of record or property owner may reclaim the property subject to the lien before the property is offered for sale by paying the amount owed

Step Two

The sale can now take place and the new buyer will need to submit the following documentation to the Motor Vehicle division:

1. Title for the vehicle, (if applicable) or will need to issue title with repair facility as lienholder.
2. If applicable, documentation showing proof that all parties were notified of the foreclosure sale. This should include the letter, and the registered or certified mailing confirmations.
3. If the repair lienholder purchases the vehicle at sale excise tax is owed and must be paid prior to putting the title into the name of the repair business as owner.
4. If selling vehicle to private party we will need: [SFN 2876 Release of Lien by Legal Owner](#), Current title reassigned or [SFN 2877 Part 1 Assignment and Warranty of Title](#) (repair lien facility is eligible to sign off as seller), and Bill of Sale from the repair lien facility.

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