

MAINE STATE LEGISLATURE

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October 29, 1974

Charles E. Wyman, Director

Motor Vehicle Division

Leon V. Walker, Jr., Asst.

Attorney General

Definition of "Lienholder" as applied to the Maine Motor Vehicle Certificate of Title and Anti-theft Act.

In your memorandum of September 5, 1975, you wish to know in substance the answer to the following question:

Is a dealer a "lienholder" under 29 M.R.S.A. § 2364 when he sells a motor vehicle to a buyer and receives full payment therefor from a lending institution which finances the purchase of the vehicle for the buyer?

The answer is No.

REASON: 29 M.R.S.A., sub-§3, defines a lienholder to mean "a person holding a security interest in a vehicle." The dealer in the above situation has retained no interest whatever in the vehicle. It is the lending institution which is the lienholder. This is the so-called indirect loan.

There are two other lending situations. One is the direct loan by the lending institution to the buyer prior to sale by the dealer. Here also the lending institution is the lienholder.

The other is the direct financing of the vehicle by the dealer, in which it is the dealer who is the lienholder.

LWJr/mf