

July 25, 2006

TO: AASP-MN Members

FROM: Judell Anderson, Executive Director

RE: **New Requirement to Notify Secured Parties/Lienholders When Storage Charges are Accruing**

During the 2006 Session, Minnesota's Credit Unions proposed legislation requiring repair shops to notify lienholders when storage charges were accruing on repaired vehicles or vehicles awaiting repairs. **Effective August 1, 2006, shops will be able to charge no more than 15 days storage charges unless they have notified secured parties who appear on a vehicle's Certificate of Title.**

The legislation initially proposed that the accrual of days for which storage fees could be charged be limited to five days. AASP-MN was able to have the timeframe amended to 15 days.

The process for identifying parties who have security interests which appear on a vehicle's Certificate of Title is not especially time consuming – nor is it particularly expensive.

In order to obtain information from Driver and Vehicle Services (DVS) regarding secured parties, a shop must establish a business partner records access agreement with the DVS and identify those employees who will be authorized to conduct the searches. AASP-MN can assist members in securing and filling out the form to establish your account with the division of Driver and Vehicle Services.

For additional information regarding this new statutory requirement or to seek AASP-MN's assistance in conducting a search, please contact the association office at (612) 623-1110.

Date

Secured Creditor
(Credit Union or Bank)

Re: Notice of Accrual of Storage Charges on Vehicle on Which Your Institution Holds a Security Interest

Dear _____ (or To Whom It May Concern):

The (make/model) with a Vehicle Identification Number of _____ has been at our repair shop since _____ (insert date).

Minn. Stat. § 514.19 requires that secured creditors listed on vehicle Certificates of Title be notified when storage charges for a period of greater than 15 days are accruing on a vehicle. This letter, transmitted by certified mail, constitutes notice that storage charges are accruing on the above-referenced vehicle at a rate of \$_____ per day. Storage charges in the amount of \$_____ have accrued to date.

The owner of the vehicle has not clearly communicated their intentions with respect to (authority to proceed with repairs) – (their intention to make payment for repairs which have been made) and removal of the vehicle from our repair facility.

Please let us know of your intentions with respect to this vehicle. We can be contacted at _____ (insert phone number) or by e-mail at _____ (insert e-mail address).

Sincerely,