

New Rules Will Aid in Identifying Aircraft Assets

By Larry Ross

Cheated out of significant resources? Despairing of ever collecting from the debtor? Don't give up without checking aircraft ownership. Because they represent major value, it is worth including aircraft in any asset search investigative plan. The rewards, if successful, are momentous. And new federal regulations that will make this line of inquiry easier in the future.

The titling of aircraft is an anomaly. State or county records are searched to determine ownership of movable assets like cars and boats. For aircraft though, title is issued by the U.S. Federal Aviation Administration (FAA). In accordance with the Convention on International Civil Aviation, all aircraft must be registered with a national authority. In the United States, the registration authority is the FAA.

By federal law, ownership (title) of U.S. registered aircraft is evidenced by filings with the Civil Aviation Registry in Oklahoma City, OK. Unlike a car or boat title, an aircraft "title" is not a single piece of paper but a complete folder kept in the vaults of the FAA Aircraft Registry. Each time a Bill of Sale, a lien, or a Form 337¹ is submitted to the FAA it is reviewed for completeness and accuracy, and then added to the folder.²

Today, there is a major problem with researching aircraft at the federal level. The FAA itself estimates that approximately one-third of the 357,000 registered aircraft records it maintains are inaccurate. Fortunately, though, help is on the way. The FAA has announced sweeping new rules. Over a three year period each aircraft will be required to be re-registered in order to retain U.S. civil aircraft status. The new rules also establish an

ongoing system that requires that all U.S. registered aircraft be renewed every three years.³

While waiting for the FAA to update its records, aircraft research can be supplemented by searching aircraft ownership in state public records. State registration of aircraft is required in approximately 60 percent of the states. Currently, state records are likely to be more current than FAA records because states ordinarily require an annual filing, while the FAA has not required any filing after the initial registration. The State of Washington even provides a handy portal to aircraft regulation by its sister states.⁴

Please note that vendor descriptions of databases can be somewhat misleading. Aircraft registration is no exception. For instance, LexisNexis states that its database contains aircraft registrations “from the Federal Aviation Administration for all 50 states.” Be aware that this database only contains data retrieved from the FAA, and does not include the state registrations mentioned above.⁵

One more caveat: When it comes to aircraft registrations, be prepared for the unexpected. Depending on the requirements of state law, it is quite possible that an aircraft owner could register an aircraft in one state and live in another state.

Difficult? Yes! But a successful aircraft asset search could save the day.

¹ Required whenever an aircraft undergoes a major repair or alteration

² 49 U.S.C. 44101-44104

³ http://www.faa.gov/licenses_certificates/aircraft_certification/aircraft_registry/reregistration

⁴ <http://www.wsdot.wa.gov/aviation/InfoClearinghouse/StateAviationWebsites.htm>

⁵ http://www.lexisnexis.com/documents/pdf/20090501112528_large.pdf