

Missouri Repairman's Lien



What is a lien?	This is your right to keep, repossess, and/or sell repaired equipment to make sure you get paid for repair work you do for the customer.
When is a lien needed?	When you repair equipment but the customer doesn't pay you when the work is finished.
How do I get a lien?	Keep the equipment until you get paid. You have the right to do this.
How do I lose the lien?	You lose your lien if you <u>release</u> the equipment.
How do I get paid?	<i>In general</i> , you can sue the customer for damages and you may also be able to seek a court order permitting you to sell the equipment.
	If the equipment sits on your lot for a while, you <i>might</i> be able to acquire title to it by arguing that it has been "abandoned" by the customer. If you can prove that the customer has abandoned the equipment, you can keep it as your own. You can prove abandonment by sending a <u>personally delivered (with receipt) or certified letter</u> to the customer that gives the customer 30 days to tell you that the customer intends to retain ownership of the equipment. If the customer does not respond, you can treat the equipment as yours, sell it and keep all of the proceeds. If the customer does respond and says he owns the equipment, you can still keep the equipment, but cannot sell it. For a sample abandonment letter, please click here . Please note that if the equipment is collateral for a loan to your customer, the lender may still argue that it has an interest in the property.
	Another option is to require the customer to give you a written security interest in the equipment when he authorizes the repairs. You will want your attorney's help preparing the security agreement. If the customer does not pay, then you will have the right to sell the equipment by following the Uniform Commercial Code procedures. However, if the customer has also used the equipment as collateral with a lender, you will likely have to pay the sale proceeds over to the lenders first to pay off related loan amount. This means that you will only collect money to apply to your repair bill if the sale price is higher than the amount owed to the lender.
	Please note that different rules apply to self-propelled vehicles that are <u>not farm tractors</u> and may permit you to sell the equipment and retain the proceeds to pay your repair bill.

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	These materials are intended to be general summaries only. Contact your attorney for your specific situation.
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