



For Massachusetts Automobile Dealers Only
Lease Buyout Advisory
 Questions and Answers (Q&As)

Question	Answer
Scenario #1: The customer is leasing the vehicle and will be buying out the lease and, as the new owner, registering the vehicle in their name. Title is signed over from the leasing company to dealer; the Title is then signed from dealer to customer.	
Is there any way to undertake the Lease Buyout transaction in a manner where the current lessee never loses the use of the currently leased vehicle?	From the RMV's perspective, the answer is yes, and it is largely dependent on both the dealer and lessor managing the transaction by allowing sufficient time for the vehicle payoff and delivery of the Title to the dealer prior to the end of the lease. Once the dealer has the Title, they can then process the "sale" and "delivery" to the lessee within a single day utilizing the RMV's rules on eSignatures and the RMV's Vehicle Owner's Limited Power of Attorney Form . This transaction may be accomplished without the presence of the customer. In short, with sufficient notice and timely decisions from the lessee, there is no reason that the lessee has to be in a position where they are without the vehicle.
May the Customer (lessee), at the conclusion of the lease, still legally drive the vehicle with the current active Registration that is in the lessor's name?	No, not unless the lessor extends the lease.
May the Customer (lessee) continue to operate the vehicle once the Title has been signed over to and is in the dealership's name?	No, the dealer is the vehicle owner and has no relationship to the existing Registration. However, if the dealer has a POA from the Lessor, they can wait and sign the title over to the purchaser (former lessee) and process the registration transaction at the same time.
Since the Title has been signed over to the dealer and the vehicle "sold" to the dealer, does the vehicle need to be re-registered in the customer's name before they can operate the vehicle?	Yes. For additional details regarding Title requirements for dealer sales, review MA Legislature: General Laws .

Given the above, how would the RMV recommend this transaction be undertaken?	<p>There are several options that are somewhat dependent on whether or not the lessor has provided the dealer with a Power of Attorney (POA) to sign on their behalf. In our experience, the dealer has this ability to consummate the lease, thus it is reasonable to assume the same authority exists at the conclusion of the lease. In this case, the process is:</p> <ol style="list-style-type: none"> 1. Lessor delivers the Title to the dealer (assuming payment for the vehicle has been made). 2. Dealer fills out the Title just like any other sale, prepares the RTA Form and obtains the insurance certification. The dealer can obtain the necessary customer signatures either electronically or using the RMV's Vehicle Owner's Limited Power of Attorney Form. 3. The dealer arranges a specific day with the customer, presumably on or near the end of the lease, to process the new Registration and Title transaction.
<p>Scenario #2: The customer is leasing the vehicle and will be buying out the lease to register it in their name as the new owner. Title is signed over from the leasing company directly to the lessee. This may be accomplished by the lessor providing the dealer with a Power of Attorney (POA).</p> <p>NOTE: Any Power of Attorney (POA) can be used, including the RMV's Vehicle Owner's Limited Power of Attorney Form, provided it meets the legal requirements for a POA.</p>	
May the customer (lessee) still legally drive the vehicle with the current active Registration that is still in the lessor's name?	If the Registration is still active and the customer has maintained insurance, the lessee can continue to operate the vehicle. If the plate has been cancelled (which is what the lessor or their representative should do as soon as they sign the Title over to the lessee), all operation must cease until the vehicle is registered.
Or, since the Title has been signed over does the customer have to immediately register the vehicle in their name?	Yes, by statute, the customer has ten (10) days from the date they acquired the vehicle to register and request a Title.
Is the vehicle required to undergo a new Vehicle Inspection?	<p>Yes. Vehicles must be inspected within seven (7) calendar days of the registration date (transfer of the Title from the lessor to the customer). Inspection details are found at Mass.gov/Vehicle-Inspections.</p> <p>For additional details regarding additional inspections required to comply with Lemon Laws, review the following: New Leased Car Lemon Law Consumer Protections: Lemon Laws</p>