

## Buying a Used Boat? Avoid the Paperwork Pitfalls

ALEXANDRIA, Va., March 23, 2010 -- In recreational boating today it's a buyers market and used boats represent great value. "Finding your dreamboat is easy," said BoatU.S. Vice President of Boat Finance Charm Addington, who heads the association's Settlement Service <<http://www.BoatUS.com/boatloans/service>> . "It's harder, however, to walk away from a boat that pulls at your heart strings -- but may have skeletons hiding in the closet such as a cloudy title or other issues. Transactions between private buyers and sellers are where we see the majority of potentially costly paperwork issues," she added.

By following these simple seven tips, boat buyers can avoid most of the paperwork pitfalls when buying a pre-owned vessel:

### The Seven Paperwork Pitfalls to Avoid:

- 1. Registration:** It should be current. Also be aware that a boat that is not located in the state it is registered is one indicator that it may have tax issues that could haunt a new owner.
- 2. Title:** The information on the title should match the registration. A title will also usually list any liens on the vessel, such as a bank loan that will need to be paid off in order to transfer the title. It's important to include a statement in the purchase agreement that requires the seller to pay off the loan within a very limited amount of time after the sale. Any other liens should be cleared up by the seller before any sale occurs.
- 3. Hull Trace the HIN:** Take a pencil and paper to get a rubbing of the boat's 12-character serial number known as the HIN (hull identification number) and ensure it matches registration and title. If it does not, the seller should correct the problem.
- 4. Taxes:** It's advisable to get a statement from the buyer stating that any state or local taxes on the vessel have been paid. This can also be easily included in the purchase agreement.
- 5. Purchase Agreement:** It's smart -- and a widely acceptable practice -- to include contingencies for the buyer such as securing financing and receiving an acceptable survey and sea trial.
- 6. Bill of Sale:** Prepare this document with the seller's name as it appears exactly on the title and registration.
- 7. Payment:** A cashier's check is the best way to consummate the deal, but the name on the check must match the name on the title and registration.

The BoatU.S. Settlement Service gives buyers and sellers the information and guidance they need so there are no surprises at closing. It coordinates transactions between buyer, seller, or the bank and can be especially helpful when there is no broker or dealer involved. Services include purchase agreement forms, lien searches, confirming and handling loan payoffs, as well as verification and transfers of ownership. A U.S. Coast Guard Documentation Service is also available through BoatU.S.

For more information on BoatU.S. Settlement Services, Documentation Services and boat loans, go to [www.BoatUS.com/boatloans](http://www.BoatUS.com/boatloans) <<http://www.BoatUS.com/boatloans>> .

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About BoatU.S.:

BoatU.S. - Boat Owners Association of The United States - is the nation's leading advocate for recreational boaters providing over half a million members with government representation, programs and money saving services. For membership information visit [www.BoatUS.com](http://www.BoatUS.com) <<http://www.BoatUS.com>> or call 800-395-2628.

## BOAT BUYER/SELLER PURCHASE AGREEMENT

Date: \_\_\_\_\_

### 1. Purchaser & Co-Purchaser

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_

### 2. Seller & Co-Seller

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_

### 3. Broker (if applicable)

Firm name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ Zip \_\_\_\_\_

Salesman \_\_\_\_\_

Phone (h) \_\_\_\_\_

Phone (o) \_\_\_\_\_

### 4. Description of boat (manufacturer, model, year, length, HIN, state registration)

\_\_\_\_\_

\_\_\_\_\_

### 5. Location of boat

Name of marina \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ Zip \_\_\_\_\_

6. Selling price \$ \_\_\_\_\_

7. Deposit received \$ \_\_\_\_\_

Date deposit received \_\_\_\_\_

8. Closing date \_\_\_\_\_

**9. Liens or Encumbrances**

This boat is sold free and clear of any liens, bills or encumbrances of any nature whatsoever except as stated below. The Owner warrants and will defend that he has good and marketable title and the lawful right to sell the boat and will deliver all necessary documents for the transfer of title or recordable U.S. Coast Guard bill of sale to the Purchaser or, at the Purchaser's request, to his agent.

**10 Additional Optional Provisions**

- (a) Transaction is subject to acceptable survey, sea trials and financing (if applicable).
- (b) The boat must be insurable.
- (c) The deposit is refundable in full to the purchaser if any of the above items are unsatisfactory.
- (d) The following equipment is part of this transaction:

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Co-Seller

\_\_\_\_\_  
Co-Purchaser

\*\* Copies of current state title & registration and current Certificate of Documentation (if applicable) should be attached to this agreement.