

## Buying The Boat Is Just The Beginning



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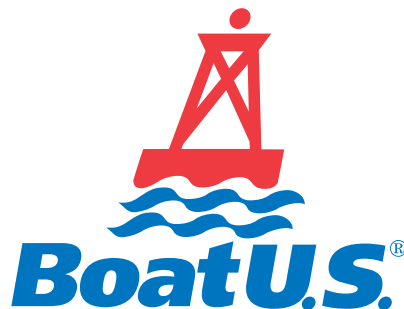
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# Buying & Selling A Boat



## A BoatU.S. Consumer Guide



## **Introduction**

Buying or selling a boat is a lot like purchasing a home. The monies involved are substantial and your emotional tie to a boat could affect your judgement. The process can be made easier if you take some time now to review the information contained in this booklet.

***The BoatU.S. Guide To Buying and Selling A Boat...*** will help the novice navigate unfamiliar waters and remind the seasoned boat owner of landmarks to steer by and shoals to avoid when “trading up” or selling. In the Guide, you will find sources for information about defects and recalls, advice on working with dealers, brokers and manufacturers, pointers for writing consumer-friendly sales contracts — and lots more.

Being a smart consumer can save you money when buying a boat and protect your interests when it comes time to sell your pride and joy.

## **HOW TO USE THE GUIDE**

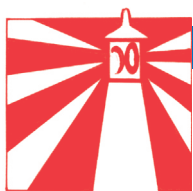
*Buying & Selling A Boat*, prepared by the BoatU.S. Consumer Protection Bureau, contains separate sections for the buyer and the seller, including a Boat Condition Checklist, information about Coast Guard equipment requirements, registration and boating safety practices. The easy-to-use checklist format makes the Guide the perfect companion when shopping for a new or used vessel.

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***Boat Owners Association of The United States***  
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## Buying Guide

# Boat Buyer's Guide

### ✓ *Finding the Boat That Fits*

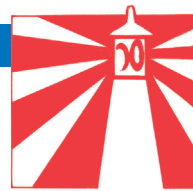
Standing in a dealer's showroom or strolling the aisles at a boat show, with fully-loaded display boats at every turn, can be overwhelming if you are not prepared.

Before you buy, make sure that the boat you're considering will serve your purposes. Where will you be boating? Some boats are designed for ocean use, while others are more suitable for a quiet lake.

- ✓ What are your family's interests? Do you want to water-ski, fish, or simply go cruising?
- ✓ Will you be happy with a large boat kept in one homeport? Or, do you want the freedom to explore different boating areas with a small trailerable boat?
- ✓ Where will your boat be stored? Will you be allowed to park your trailered boat at home?
- ✓ Does your previous boating experience match the skills needed to operate the boat you want to buy?
- ✓ Finally, don't rush the buying process, especially if you're a novice boater. Boating involves much more than simply turning on the key and pulling away from the dock. It's a different environment and the more time and effort you put into the proper selection of a boat, the more you will get out of it.

## Buying Guide

# New or Used?



Personal finances are often a key factor in the decision to buy a new or used boat. However, other factors should be considered.

### ✓ *After-sale service — or lack of it.*

The retail cost of a new boat includes the cost of providing warranty service. When a used boat is sold "as is," the only thing that's guaranteed is that the buyer will pay to fix any problem that crops up.

### ✓ *Financing.*

New and used boats are treated equally in terms of interest rates and down payments. However, expect some extra financing hurdles if you're buying a boat over 15 years old or one that requires a lot of repairs.

### ✓ *Depreciation.*

Depreciation on new boats is at its highest during the first season of use. However, depreciation on a used boat kept in good condition should level out with proper maintenance and equipment improvements.

### ✓ *Beauty may be only skin deep.*

Cosmetic flaws caused by age and wear are hard to hide when a boat hasn't been properly cared for, but structural defects and mechanical problems are harder to detect. Ask the owner's mechanic for the repair history. Have the boat surveyed (see page 7). Similarly, the owner of a new boat could also be testing uncharted waters. Dealers say an average of a dozen problems, both big and small, crop up on every new boat they sell.



## Pricing

### ✓ **Boat show "specials"**

Boat shows are great places to find low prices, but show "specials" may be no bargain if the dealer doesn't maintain a service shop or is located hundreds of miles away when repairs are needed. Try getting a good deal on a new boat after the boat show season, but also look for good deals on new "leftover" models sitting unsold on dealers' lots from previous years.

### ✓ **The profit margin**

When it comes to bargaining, keep in mind that, although mark-up rates vary according to dealer volume, commissions on new boats are generally 10-20% over factory cost. After-market equipment installed by the dealer is marked up roughly 40% and labor about 25%. The going dealer commission rate on used boats is 10%, so buying directly from an owner can reduce costs.

### ✓ **How do you know it's a fair price?**

BUC, NADA and ABOS used-boat price guides found at libraries, in dealer showrooms and marine stores give high and low retail prices for each model year. In addition, they give price adjustments for physical condition, engine options and geographical location. But, classified ads may be better indicators of boat prices in your area. Monitor prices over a one- or two-month period to get an accurate picture. Finally, have your boat inspected before purchase. A marine surveyor will give a valuation as part of a written report.

BoatU.S. Value Check  
[BoatUS.com/buyer](http://BoatUS.com/buyer)

## The Cost Of Owning A Boat



Your boat's price tag and the interest on your boat loan, if you have one, are foreseeable, obvious costs of ownership. It's the not-so-obvious costs that can take the wind out of your sails if you have not budgeted for them. These include one-time fees, like sales tax, or recurring ones, like storage, personal property taxes, slip rental, maintenance and insurance.

Keep in mind that the yearly cost of operating, maintaining and repairing or replacing equipment averages could cost as much as 10% of your boat's value. Age, use (racing, rather than daytrips, for example), hull material and quality of construction all affect annual expenses.

## Consumer Complaints, Boat Defects and Manufacturers' Recalls

✓ Contact the **U.S. Coast Guard** at 1-800-368-5647, or [www.uscgboating.org](http://www.uscgboating.org) for information about manufacturers' recalls or to report a possible defect.

✓ As a Member of BoatU.S., access information on specific model boats, consumer complaints and safety problems using our Consumer Protection Bureau's Complaint Database:

Online: **BoatUS.com/consumer**  
Phone: **703-461-2856**  
Email: **[consumerprotection@boatus.com](mailto:consumerprotection@boatus.com)**

For more information about the Bureau, see pages 33-34.



## Surveys & Sea Trials

The buyer's best friend when it comes to inspecting and evaluating the condition and seaworthiness of a boat is a competent marine surveyor, well versed in boat construction, as well as safety and manufacturing laws, requirements and practices.

Hire your own surveyor to be sure the inspection is done with your interests in mind. BoatU.S. Members can call 800-283-2883 or go to [Boatus.com/surveyors](http://Boatus.com/surveyors) for a referral. Don't use a surveyor recommended by the seller or rely upon a survey report provided by the owner. It could pre-date existing conditions that need repair or gloss over problems that are expensive to fix, even downright dangerous.

Boats should be surveyed both in and out of the water. Haul-out and other fees are at the buyer's expense. Engines should also be inspected by an independent marine mechanic.

Follow up the survey inspection with a sea trial to see how the boat handles underway. Are there performance problems that make the boat unstable? Does all the gear work properly? All electronic equipment should be tested for accuracy.

Surveys and sea trials that turn up flaws or problems can either allow you to back out of the contract without penalty (see page 11-12) or can be used to renegotiate the purchase price of the boat. A survey costs an average of \$15-\$20 per foot, depending upon the size of the boat, but are not a guarantee against latent or undetected defects.

## Boat Manufacturing Standards



Most recreational boats sold in the U.S. must meet the following minimal federal manufacturing standards, some of which don't apply to canoes, kayaks and inflatables, sailboats without gas engines, or to diesel-powered boats.

✓ **Hull Identification Number (HIN).**

Identifies builder, model and year. Cannot be altered, aids in identifying lost and stolen boats.

✓ **Maximum Passenger, Weight and Horsepower Capacities.** Applies to boats under 20 ft. Exceeding these capacities will make the boat unsafe to operate.

✓ **Flotation Standards.** Ensure that a swamped/capsized boat under 20 ft. will remain partially afloat.

✓ **Fuel Systems.** For fuel tanks, hoses, pumps and fills, to decrease risk of fire/explosion on gas-powered boats.

✓ **Electrical Systems.** For electrical components, wires and conductors, to decrease risk of shock, fire and explosion on gas-powered boats.

✓ **Ventilation Systems.** Requires powered and natural venting to decrease risk of fire/explosion on gas-powered boats, including outboards with installed fuel tanks.

Call the U.S. Coast Guard at 800-368-5647 or visit their website at [www.usgboating.org](http://www.usgboating.org) for more information. In addition, industry advisory groups like the American Boat & Yacht Council have established more far-reaching voluntary standards incorporated in the NMMA certification program.



## Written Warranties

It might not have the appeal of bright chrome and shiny gel coat or have the exhilarating kick of a high-horsepower engine, but the manufacturer's written warranty can make or break the new boat experience faster than a fish-finder can spot a school of blues.

Simply put, the warranty is the manufacturer's promise to stand behind its products by providing service and repairs after purchase.

Since marine warranties vary widely in their coverage, comparison shop before you buy.

Look for multi-year warranties for hull structures and engines, as well as coverage for osmotic blistering, a common, but expensive-to-fix problem on fiberglass boats. Check also to see whether the warranty transfers to subsequent owners — a strong selling point when it comes to used boats.

### Remember:

- ✓ Written warranties must be made available to you before you buy. Call the manufacturer for a copy if the dealer won't provide one.
- ✓ The limited warranties on most boats and engines mean that you may end up paying for some part of the repair costs. Read the fine print to avoid surprises later on.
- ✓ New boats come with separate warranty coverage from the engine and boat manufacturers, as well as the makers of other major components.
- ✓ Fill out and return warranty cards to be sure you'll get service when you need it.

## Boat Loans & Marine Insurance



Financing a new or used boat is a fairly straightforward process if you've got a good credit history and the 15-25% down payment. You may even want to pre-qualify for a loan before you go boat shopping to give yourself some extra leverage when it comes to negotiating prices with dealers.

On a new boat, the Manufacturer's Statement of Origin certifies that it has had no other retail owner. With used boats, lenders check for a clear title or record of ownership. In addition, information about pending liens or unpaid debts may be recorded in the county court where the boat is kept or where the owner resides.

For larger boats, lenders usually require **marine insurance** coverage and **federal documentation** (see page 31) as conditions for loans.

Basic marine insurance includes **Hull Coverage** for damages to the boat whether it is on land or in the water and **Protection and Indemnity Coverage** (also called P&I coverage or personal liability insurance) for property damage claims and claims for injuries to your crew or those on a boat you may have damaged.

Insurance costs are affected by length of boating season, area of navigation, previous insurance claims and boating experience. Expect to pay more if you own a "muscle" boat, a wooden boat or if you live aboard or cruise offshore.



## Buying Guide

# Sales Agreements & Contracts

Whether you buy a brand new boat from a dealer or a used boat directly from the owner, outlining the terms of the sale in writing is the best way to protect your interests, since oral agreements are good only as long as both parties agree.

A written agreement will eliminate or minimize questions and problems that could later turn a sweet deal at the dock into a sour one in court. By spelling out the obligations of both the buyer and the seller, as well as the time frame in which the sale is to take place, you have a legally binding, written document of the parties' intentions.

It's not necessary to have a lawyer write the contract, although this should be considered, especially if you are buying a high-ticket boat or are having one custom-built for you.

Most dealers use contracts printed with their name and address, but "fill-in-the-blanks" contract forms found in stationery stores will suffice. A handwritten agreement will also serve the purpose. Regardless of the form, both parties must sign the contract. If the sales agreement requires the signature of both the salesperson and an officer of the dealership, make sure both spaces are signed.

✓ **For other tips see pages 29-30**



## Buying Guide

# Basic Contract Terms

Sales agreements or contracts should include the following minimum information:

- ✓ Complete names and addresses of buyer and seller.
- ✓ Complete description of boat and engine, including make, model, year and Hull Identification Number and engine serial number(s). A complete equipment list is a must.
- ✓ The purchase price, including a description of any deposits (see page 13) paid by buyer and how the balance will be paid (for example, certified check, etc.). It should also describe the trade-in boat, if any, and its exact value.
- ✓ A firm delivery date describing when and where the boat will be delivered and the deal finalized.
- ✓ The boat's condition at the time of delivery, including a complete list of the accessories and items that convey with the boat.
- ✓ A full description of any warranty from the dealer or manufacturer. When boats are sold in "as is" condition, recourse may be impossible if problems arise.
- ✓ Buyer's contingencies: Spell out that the sale hinges on a satisfactory survey and sea trial and the ability to obtain acceptable financing and marine insurance.
- ✓ A statement that the boat is free of all liens and encumbrances. The seller should also assume all responsibility for debts incurred during his ownership.





## Buying Guide

# Deposits & Trade-Ins

### Deposits

Most brokers and dealers require a 10% cash payment on a new boat but a nominal deposit is enough to get the dealer to write a contract. Often, the deposit is placed in an escrow account, but this is less common with private party sales.

The seller may have a right to keep all or a portion of the deposit if the buyer backs out of the deal without cause. As a buyer, you should include as many contingencies as necessary to protect your interests, including satisfactory survey and sea trial, clear title, and ability to obtain financing and insurance. On new boats, a written delivery date is crucial.

### Trade-Ins

Dealers are often willing to apply the value of trade-in boats against the cost of a new boat, but be aware that you will probably not get top dollar on the price, since dealers stick close to the maxim "buy low, sell high." In addition, dealers may scrutinize your old boat far more critically than a private buyer, since part of their profit margin will be based on how easy a trade-in boat is to sell.

With this in mind, have your boat in top condition when you bring it to the dealer.

In some states, a benefit of a trade-in arrangement is that you pay sales tax only on the price of the new boat, less the amount of the trade-in. Check with your state's boat registration agency.

# Anything Less Could Cost You



Choosing an insurance company based on price alone may not be such a bargain when it comes to filing a claim. With BoatU.S. Marine Insurance you get what you pay for. As a company that has been insuring boats and only boats for four decades, we've got the knowledge and expertise you'll want when it comes to protecting your boat.

- **Broad Coverage for all boat types — Yachts to PWC's**
- **Experienced Claims Handling**
- **24 Hour Immediate Dispatch**
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## 800-283-2883

**or online at BoatU.S.com**

Subject to policy limits and exclusions.







## Buying Guide

# Transferring Ownership

You've found the boat of your dreams, the price is right and you've paid the seller, so the boat is yours free and clear — or is it? Well, it isn't until the seller signs over the title or provides other legal proof of ownership. In states that don't require titling, ask to see the seller's bill of sale from his seller. Other documents that help confirm ownership are insurance policies and boat registration cards. Crosscheck the boat's Hull Identification Number (HIN) against the numbers listed on the seller's records to make sure it's the same boat.

Search the boat's title and registration with the state in which the boat is registered. If the boat is documented, call the U.S. Coast Guard's documentation division, 800-799-8362, to see if any liens have been recorded.

Vessel documentation is a national form of registration. To be documented, a boat must measure at least five net tons — most boats over 27 feet long will meet this criteria — and must be owned by a U.S. citizen. If the boat you want is documented, ask the seller to complete a U.S. Coast Guard Bill of Sale (CG-1340), a copy of which must be submitted with an application for Documentation (CG-1258). Information about documentation is available at the Coast Guard's web site, [www.uscgbobating.org](http://www.uscgbobating.org), or by calling 800-799-8362.

A nationwide Vessel Identification System (VIS) is in the works, but at present there is no national clearinghouse for state title and boat registration information. This makes it difficult to track boats that cross state lines when owners move or when thieves "launder" stolen boats from another state.

## Buying Guide

# Manufacturer's Statement of Origin



The Manufacturer's Statement (or Certificate) of Origin (MSO or MCO) that comes with each new boat contains the boat's HIN and engine serial number(s). It shows when the boat was built and transferred to the retail dealer for resale purposes. You will need the MSO when you register or document your new boat. If the boat is financed with a loan, the MSO will be transferred to the lender, otherwise it will be included in the boat's papers given to you at the time of purchase.

You or your loan company should receive the MSO when you take delivery. If not, contact the boat manufacturer at once. Without the MSO you may be unable to register the boat and may have trouble meeting insurance requirements.

## Post It Where Millions of Boaters Can See – Free!



It's not very often you get something for nothing, but with BoatU.S. Classified Ads, members can list a boat for sale with our Basic Web Ad (including one photo) and it won't cost a thing! Plus, for just \$35 more, you can have your boat listed in boating's most widely read publication — *BoatU.S. Magazine*.



### WANT TO SEE YOUR AD IN THE CLASSIFIED ADS NEWSLETTER?

Place both a magazine and a web ad with a photo, and we'll feature your ad in the weekly e-mailed Classified Ads Newsletter.

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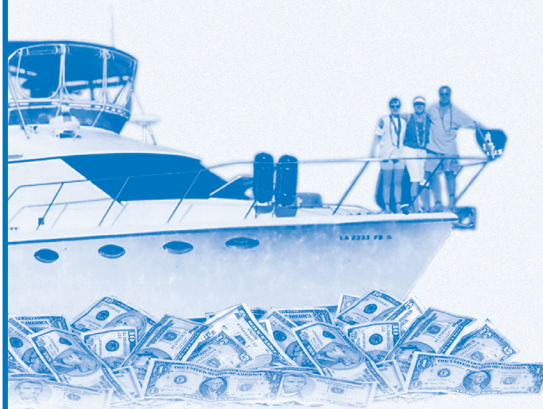
or online at **BoatUS.com**



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**800-365-5636**

# U.S. Coast Guard Minimum Equipment Requirements

EQUIPMENT	BOATS LESS THAN 16 FT.	16 FT. TO LESS THAN 26 FT.	26 FT TO LESS THAN 40 FT.	40 FT. TO LESS THAN 65 FT.
<b>Personal Flotation Devices</b> (Life Jackets)	Recreational boats must carry Coast Guard approved Personal Flotation Devices, in good and serviceable condition, and of appropriate size for the intended user. Wearable PFDs must be readily accessible, not stowed in bags, locked or closed compartments or have other gear stowed on top of them. Throwable devices must be immediately available for use. There must be one Type I, II, III or V PFD for each person on board or being towed on water skis, etc., PLUS one Type IV throwable device. Throwable, Type IV PFDs may no longer be substituted for wearable types on boats less than 16 feet. State laws on mandatory PFD wear may vary.			
<b>Fire Extinguishers</b> (Must be Coast Guard- approved)	At least one B-1 type Coast Guard-approved hand portable fire extinguisher. Not required on outboard motorboats less than 26 ft. long and not carrying passengers for hire if the construction of such motorboats will not permit the entrapment of explosive or flammable gases or vapors, and if fuel tanks are not permanently installed.		At least two B-1 type approved portable fire extinguishers; OR at least one B-2 type.	At least three B-1 type approved portable fire extinguishers; OR at least one B-1 type PLUS one B-2 type.
<b>Visual Distress Signals</b>	Must carry approved visual distress signals for night-time use.	Must carry approved visual distress signals approved for day and night-time use. For pyrotechnic devices (handheld or aerial red flares, floating or handheld orange smoke, and launchers for aerial red meteors or parachute flares) a minimum of 3 required, in any combination that totals 3 for daytime and 3 for nighttime use. Three day/night devices will suffice. Devices must be in serviceable condition, dates not expired and stowed accessibly. Exceptions are open sailboats less than 26 feet long and not equipped with propulsion machinery, and manually propelled boats; both required to carry only night signals.		
<b>Bell, Whistle</b>	Every vessel less than 12m (39.4 ft.) must carry an efficient sound-producing device.		Every vessel 12m long, but less than 20m (65.6 ft.) must carry a whistle and a bell. The whistle must be audible for 1/2 naut. mi. The mouth of the bell must be at least 200mm (7.87 in.) diam.	
<b>Ventilation</b> (Boats built before 8/80)	At least 2 ventilator ducts fitted with cowls or their equivalent for the purpose of efficiently ventilating the bilges of every closed engine and fuel tank compartment of boats constructed or decked over after April 25, 1940, using gasoline as fuel or other fuels having a flashpoint of 110° F or less.			
<b>Ventilation</b> (Boats built after 8/80)	At least 2 ventilator ducts for the purpose of efficiently ventilating every closed compartment that contains a gasoline engine and fuel, every closed compartment containing a gasoline tank, except those having permanently installed tanks vented outside the boat and containing no unprotected electrical devices. Also, engine compartments containing a gasoline engine with a cranking motor must contain power-operated exhaust blowers controllable from the instrument panel.			
<b>Backfire Flame Arrester</b>	One approved device on each carburetor of all gasoline engines installed after April 25, 1940, except outboard motors. Device must be marked to show compliance with SAE J-1928 or UL 1111 Standards.			
<b>Placards</b>			Every vessel 26' or larger must display oil and garbage placards.	

The U.S. Coast Guard's free pamphlet, "Federal Requirements for Recreational Boats," gives more complete details on how many and what types of equipment you must have aboard your boat. Call the Coast Guard, 1-800-368-5647 or visits their website at [www.uscgboating.org](http://www.uscgboating.org) to obtain a copy. Many state requirements go beyond Coast Guard requirements. Call your state boating office for information on local safety requirements.

## It Pays to Be a Member with West Advantage Plus Rewards!



West Advantage Plus Rewards™, the highest level of shopping rewards, spend just like money at over 400 BoatU.S. and West Marine stores, online and through either catalog. When your equipment purchases add up to \$300, you'll automatically receive a \$15 certificate by mail. Just be sure to show your Membership card when checking out...because West Advantage Plus Rewards are just for BoatU.S. Members.

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Visit BoatUS.com to find a Marine Center location near you. For your West Advantage Rewards Plus Rewards balance, call 877-937-8283.

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**Choosing A Style May Be  
The Hardest Part**



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or call **800-937-3300**



# GET MORE OUT OF BOATING!

BoatU.S. has so many ways to make your boating easier, less costly and more fun. This means getting more for your money on everything from equipment and marina purchases to insurance and towing. Membership benefits include:

- **On-the-Water Towing** — Provided by TowBoatU.S. or Vessel Assist. We offer different towing levels to meet all your boating needs.
- **24-Hour Towing Dispatch** — 7-days a week, 365 days a year, from one of three BoatU.S. National Dispatch Centers.
- **Discounts at Marinas** — Discounts on fuel, overnight slips and boat repairs at over 825 marinas nationwide.
- **Group-rate Marine Insurance** — Group rates, broad coverage and fast claims service for boats and personal watercraft.

*Getting more out of boating also means spending less time on the "business" of owning a boat — and more time relaxing, fishing and so much more on the water! Call us today or go to BoatUS.com to find out more about all 26 benefits and service so you too can — GET MORE OUT OF BOATING!*



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Be sure to include your Special Offer Code HQ102T when joining online.





## Stuck at The Ramp? Get Help Fast!

**It happens more often than you know.**  
A couple of feet too far and you're off the ramp, stuck and embarrassed with unhappy boaters piling up behind you. Fortunately, Trailer Assist & Tow includes towing when you're stuck at the ramp — a service not offered by other companies.

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- 24 Hour Dispatch
- Flat tire service
- Fuel delivery
- Lock-out service
- Jumpstarts
- Trailering magazine

**Trailer Assist & Tow will get you back on track in no time!  
Call today for worry-free trailering all year.**

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All Towing Services are subject to the limits and conditions of the Trailer Assist & Tow service agreement. For details, visit us online at [BoatUS.com/trailerclub](http://BoatUS.com/trailerclub) or call 800-888-4869.

## What is your boat worth?

If you're in the market to buy or sell a boat and want to know its retail price, log-on to [BoatUS.com/buyer](http://BoatUS.com/buyer) and click on our site "Value Check". Our specialists will calculate the fair market value of your boat and we'll send you an e-mail with the estimate—at no cost!



**BoatUS.com/buyer**

## Selling Guide

# Boat Seller's Guide

# FOR SALE

# SOLD

Like fishing, there are two approaches to selling a boat. A blind optimism that a "big one" will take the bait in time for supper is risky business. Careful consideration of just what kind of bait and lure will work usually pans out best.

Since success depends not only on price, but also on appearance, condition and seaworthiness, take a long, critical look at your boat and be honest about the things that need to be spruced up or fixed.

*The BoatU.S. Boat Checklist for Buyers and Sellers* on pages 25-26 will help pinpoint major areas to inspect. Decide whether to make repairs or reduce the price accordingly. For fair market values, contact BoatU.S. Value Check at [BoatUS.com/buyer](http://BoatUS.com/buyer).

Check classified ad listings to see what similar boats are selling for. And check BUC, NADA and ABOS used boat price guides found at boat dealerships and in the reference section of some libraries.

A marine mechanic or surveyor can help you put a price tag on repairs.

Based on loan pay-off amount, if any, and improvements you may have made, establish a minimum price you are willing to accept for your boat.

Many sellers set the asking price 10-15% higher than rock bottom so there's room for negotiation, but be prepared for the "hard-bargain" buyer who offers half what you're asking. And, keep in mind that when it comes to used boats, some boats hold their value better than others.

# BoatU.S. Boat Checklist for Buyers & Sellers

**FOR  
SALE  
SOLD**

**E**valuating a boat's condition before purchase makes it easier for the prospective owner to say "good buy" or "good bye" to a deal. Likewise, an objective eye for problems that need to be corrected makes it easier to prepare a boat for sale.

Use this checklist to make a preliminary evaluation. We suggest using a scale of 1 to 5, where 1 = poor and 5 = excellent. Take a good hard look at what shape the boat is in. Is it clean? Are there signs of rust, hull blisters, peeling paint or varnish, previous repairs, cracks or

corrosion? Don't forget to check operating gear like winches, steering systems, running and standing rigging on sailboats, lights, head and galley equipment, electronics and instrumentation. Start up the engine and take a sea trial. Check for compliance with U.S. Coast Guard safety equipment requirements listed on pages 19-20.

*This checklist is NOT a substitute for inspections by a competent marine surveyor and a marine engine mechanic. For information about pre-purchase inspections, see page 7.*

<b>EXTERIOR</b>	<b>1-5</b>	<b>INTERIOR</b>	<b>1-5</b>
Bottom surface		Water Tightness	
Hull Finish		Cabin Security	
Deck/Cabin		Upholstery	
Helm Station		Molding/Trim	
Hull-to-Deck Joint		Locker Space	
Molding, Trim		Galley Equipment	
Hardware		Head	
Cushions		Lighting / Holding Tank	
Hatch(es)		Bilge	
Portlight(s)		Air Conditioner	
Windshield		Other:	
Liferail/Pulpit			
Navigation Lights			

Make copies for each boat you evaluate.

<b>OPERATING GEAR</b>	<b>1-5</b>	<b>SAILBOATS ONLY</b>	<b>1-5</b>
Engine		Mast(s)	
Steering System		Boom	
Shifting System		Sail(s)	
Propeller		Running Rigging	
Battery		Standing Rigging	
Wiring, Connections		Keel/Centerboard	
Bilge Pump(s)		Rudder	
Fuel Tank(s)		Other:	
Fuel Lines, Vents			
Gauges			
Seacock(s)			
Lines			

You may want to keep shopping if your evaluation has 10 or more scores of 2 or under.



## Should You Sell It Yourself?

Broker commissions on used boats are typically 10%, a good incentive for selling a boat yourself.

Selling it yourself has drawbacks, however. You will be responsible for keeping the boat in selling condition. And, since most boat shopping occurs on weekends, expect to be tied down during your time off. Finally, like many others, you may simply dislike negotiating. Boat brokers lighten the seller's burden by handling some of the paperwork, they know how to find buyers and they advertise on a regular basis.

If you decide to use a broker, check references from past customers. Most states do not require any form of boat broker licensing. It's best to keep agreements short-term in case the broker isn't successful. Ask for frequent progress reports. Remember, like a realtor, a boat broker represents the *seller's* interest, not the buyer's. Brokerage agreements may take any one of the following three forms:

- ✓ An *open listing*, in which the owner can sell the boat himself (commission-free) while listing the boat with a number of brokers.
- ✓ An *exclusive listing*, which is given to a single broker who can earn a commission even if the owner sells the boat.
- ✓ A *central listing*, which splits the commission between the listing broker and a broker who actually manages the sale.

*Multiple listing services are another option but these computerized selling outfits don't give guarantees and they won't tell you how many buyers have made inquiries.*

## Advertising & Marketing Ideas



Getting your boat shipshape in terms of cosmetics and repairs is the first step towards getting her sold.

- ✓ Getting the word out is the next step. Classified ads in local newspapers are an obvious choice, but don't overlook national boating publications, like *BoatU.S. Magazine*, as well as yacht club bulletin boards and class association newsletters. Word of mouth, brochures and flyers are also effective.
- ✓ Prepare a complete list of the accessories that will convey with the boat.
- ✓ Be prepared to show prospects your original bill of sale, certificate of documentation or state title, as well as maintenance and repair records. Buyers may also be interested in your insurance costs, so they can estimate their own expenses.
- ✓ Post "For Sale" signs on your boat but be aware that some marinas will automatically charge you a commission if you sell your boat. Check your slip or storage agreement.
- ✓ *Be there for buyers!* Answering machines are handy, but a live person is better when it comes to selling. Return messages promptly. Keep records of who you talk to and follow up on inquiries.

***BoatU.S. Magazine reaches nearly One Million Readers. For classified ad information, call 888-282-2628 or go to [BoatUS.com/classifieds](http://BoatUS.com/classifieds)***





## **The Seller's Obligations**

A serious buyer will want to have your boat inspected by a marine surveyor and possibly have the engine looked over by a marine mechanic. This will involve haul-outs and sea trials.

These expenses are normally borne by the buyer and any "destructive testing" — for example, scraping bottom paint to look for osmotic blisters — must be repaired by the buyer.

Ordinarily, there is no obligation on the seller's part to volunteer information the buyer doesn't ask for, but this doesn't give the seller carte blanche to withhold information about a known defect or condition that renders the boat unsafe.

Remember, there is a fine line between passive failure to disclose information and active concealment. If an accident occurs later, previous repair records or complaints to the manufacturer may come back to haunt you.

This is also true for liens and other debt encumbrances that might cloud the transfer of title or ownership.

Selling your boat in "as is" condition may be protection against nitpicking later on, but it may not protect you if a serious problem arises.

✓ **BoatU.S. Members can contact the BoatU.S. Consumer Protection Bureau to discuss specific questions and problems with boat sales.**



## **The Sales Agreement—Get It In Writing!**

Selling your boat can be a relaxed, positive experience, but don't rely upon a handshake and a "gentlemen's agreement" when it comes to finalizing the deal.

First, write a sales agreement, outlining the terms of the sale and the obligations of the buyer and seller. Refer to "Sales Agreement" tips on pages 11-12 for more details.

Ask for cashier's or certified checks for both the deposit and the final payment. Stick to an agreed-upon closing date.

Be prepared to renegotiate the sales price when it comes to items that need repair or when the boat has a less-than-satisfactory marine survey.

If you agree to make repairs prior to the sale, for your own protection, spell out your obligation in terms of exactly what is to be done and how much you will spend. Written estimates are helpful.

Do you have personal items on the boat — the ship's clock that's been in your family for generations, for example — that you don't plan to include? Attach to the sales agreement a list of all the accessories that convey and have both parties sign it.

Unless you can afford the loss, don't offer to finance the boat! The risk involved is not worth the often small amount of interest you stand to gain. And, if you have a boat loan outstanding, the lender may not permit this arrangement.



## Consumer Tips

# Boat Registration, Titling & Documentation

Every engine-equipped boat operating in U.S. waters, as well as many other types of boats, must be registered with a state boating agency or with the federal government. An estimated 12 million boats are currently registered in the U.S.

Registration numbers consisting of a two-letter state code and a combination of letters and numbers are displayed on both sides of the bow. Registration is usually renewed every year or two.

Boat registration is similar to car registration. In most states, registration fees pay for the enforcement of navigation and pollution rules. Registration programs also aid in identifying lost or stolen boats. Fees collected usually fund state boating programs. Not all states require that boats be titled, so ownership can also be established through boat registration records.

Federal documentation is a national form of registration administered by the U.S. Coast Guard for boats over 5 net tons (usually about 27 ft.). Its chief benefit is that mortgages, bills of sale and liens can be registered at the federal level, making them easy to trace. Lenders favor this approach and may require it for larger boat loans. Only boats owned by U.S. citizens qualify for documentation.

**For more information** about documentation, contact the U.S. Coast Guard, 800-368-5647 or [www.uscgboating.org](http://www.uscgboating.org).

## Consumer Tips

# Boating Safety



"Fun," "speed," "freedom" and "escape" are the catch phrases often hyped by boat advertisers who rarely use the word "safety." But safety is just as important since the marine environment can be unforgiving.

Safe boating means being prepared for emergencies, having a thorough understanding of how your boat operates, having proper safety equipment on board and observing these basic safety rules:

- ✓ Alcohol, drugs and boating don't mix!
- ✓ Know navigation "Rules of the Road" and how to read a chart. Go to [www.navcen.uscg.gov](http://www.navcen.uscg.gov) for more rules and much more
- ✓ Know how to operate your boat. Make sure your partner knows as well.
- ✓ Keep proper safety gear accessible and know how to use it.
- ✓ Wear life jackets.
- ✓ Stay alert to changes in weather and sea conditions; check the marine weather report frequently.
- ✓ Learn first aid.

✓ **Take a Boating Safety Class!**  
**Call the BoatU.S. Foundation**  
**800-336-BOAT or go to**  
**[BoatUS.com/courseline](http://BoatUS.com/courseline) for**  
**a boating course near you:**



## About the BoatU.S. Consumer Protection Bureau

In addition to a regular feature appearing in each issue of *BoatU.S. Magazine*, the Association's bimonthly news journal, the BoatU.S. Consumer Protection Bureau offers Association Members four significant services.

**Consumer Information** The Bureau is a one-stop source for information about state and federal consumer protection laws and boat safety standards, as well as contact names, addresses and phone numbers for marine manufacturers and much more.

**Complaint Database** The Bureau maintains the only national database devoted solely to problems involving recreational boats, marine engines and related products and services. BoatU.S. does not rate or evaluate marine products, but our complaint files provide an overview of problems and how companies handle them.

**Dispute Mediation** The Bureau operates the only nationwide informal dispute resolution program for boating complaints. Our involvement can help both sides in a dispute reach an amicable settlement without the expense of going to court. *As a matter of policy, BoatU.S. does not become involved in complaints already in litigation, nor can we represent Members in lawsuits.*

**BoatU.S. Safety Alert Registry** If your boat is recalled, you need to know about it. But owner records are sometimes incomplete and marine manufacturers may not be able to contact you with important safety information. BoatU.S. has established an easy way for boat owners to be notified when defect recalls occur. Simply register your new or used boat with the BoatU.S. Safety Alert Registry at [BoatUS.com/recall](http://BoatUS.com/recall). BoatU.S. will do all the rest by making your information available to the manufacturer of your boat. At the same site, BoatU.S. posts new recall notices as the U.S. Coast Guard publishes them.

## How the BoatU.S. Consumer Protection Bureau Can Help Members...



**1** When a problem with your boat arises, file a written complaint with the manufacturer or company, stating the nature of the problem and how you would like it resolved. Include supporting information such as repair invoices, marine survey reports and photographs.

**2** If the company doesn't respond to you in a satisfactory way, send the Consumer Protection Bureau copies of your correspondence. Include your complete name and address, as well as your BoatU.S. Member number, and a complete description of the product or service with which you are dissatisfied.

**3** Once BoatU.S. receives your complaint, we will contact the company on your behalf, keeping the lines of communication open until a reasonable response is received.

All complaints and comments from consumers are entered into the Consumer Protection Bureau's database. Many Members contact BoatU.S. to learn about consumer problems and about how companies respond to complaints.

*For more information about our mediation service, call 703-461-2856 or e-mail [consumerprotection@BoatUS.com](mailto:consumerprotection@BoatUS.com) and ask for a copy of the Bureau's brochure "Take Charge."*