



Purchasing an Aircraft

Understanding
the buying
process

Introductions



- **Andy Sable, AOPA**
- **Rodney Martz, AOPA**
- **Clayton B. Healey, AIC Title Service, LLC**
- **Anne Ford, Bank of America**
- **Jennifer Giampietro, Bank of America**
- **Clint Dayhuff : AOPA Insurance Agency**



Diamond DA40

What we'll cover

- **Deciding which aircraft to buy**
- **Cost and financing**
- **Insurance**
- **The purchase process**
 - **Inspections**
 - **Paperwork**
 - **Title services**
- **Finalizing the deal**

Big Decision!

- What you want vs. what you need!



Beechcraft Baron



Cubcrafters Sport Cub



Cessna 172

Considerations

- Where will you fly?
- How often will you fly?
- Will you carry passengers?
- VFR or IFR?





Brake pad maintenance

Cost

- **Not just the monthly loan payment**
- **Other costs**
- **AOPA's Operating Cost Calculator**



If you've just joined us...

- **Welcome!**
- **Panelists from AOPA's partners**
 - **AOPA Insurance Agency**
 - **AOPA Aircraft Financing Program**
 - **AIC Title Service, LLC**
- **Discussed the importance of identifying the type of aircraft you need.**



AOPA Aircraft Financing



- Bank of America
- Quick decisions
- Low fixed rates
- Flexible terms from 5-20 years
- Free AOPA membership for the life of your loan

1.800.62.PLANE



Aircraft Value - Vref



- Comprehensive information on every general aviation airplane
- Each aircraft different – many variables
- Good place to start
- Inspection recommended

1-800-USA-AOPA (872-2672)



We have a question for you

- Are you
 - a. In the process of purchasing an aircraft?
 - b. Seriously searching for an aircraft to buy?
 - c. Casually looking at aircraft?
 - d. Just interested in the topic?



Your Questions for Us



Cirrus GTS



Insurance

- AOPA Insurance Agency (AOPAIA)
- 5% discount for AOPA members
- AOPA Accident Forgiveness and Deductible Waiver Enhancement
- 1-800-622-AOPA (2672)





Before you buy

- Have a mechanic do a pre-purchase inspection and flight
- Ideally, the mechanic should have experience with that type of aircraft.
- Placing a deposit?
AIC Title Services



Review Aircraft Records

- Aircraft logbooks
- FAA Form 337 (Report of Major Repair or Alteration),
- AD compliance,
- Status of service bulletins and letters, and aircraft/ component serial numbers.



Airworthiness Certificate

- Transfers with the aircraft
- Make sure it is current
 - Maintained according to regs
 - Properly registered
- Engine and airframe logbooks
 - Maintenance and record-keeping

DEPARTMENT OF TRANSPORTATION—FEDERAL AVIATION ADMINISTRATION
UNITED STATES OF AMERICA
STANDARD AIRWORTHINESS CERTIFICATE

1. NATIONALITY AND REGISTRATION MARKS N222T	2. MANUFACTURER AND MODEL PIPER PA-28-181	3. AIRCRAFT SERIAL NUMBER 28-7690073	4. CATEGORY NORMAL
5. AUTHORITY AND BASIS FOR ISSUANCE This airworthiness certificate is issued pursuant to the Federal Aviation Act of 1958 and certifies that, as of the date of issuance, the aircraft to which issued has been inspected and found to conform to the type certificate therefor, to be in condition for safe operation, and has been shown to meet the requirements of the applicable comprehensive and detailed airworthiness code as provided by Annex 8 to the Convention on International Civil Aviation, except as noted herein. Exceptions:			
6. TERMS AND CONDITIONS Unless sooner surrendered, suspended, revoked, or a termination date is otherwise established by the Administrator, this airworthiness certificate is effective as long as the maintenance, preventative maintenance, and alterations are performed in accordance with Parts 21, 43, and 91 of the Federal Aviation Regulations, as appropriate, and the aircraft is registered in the United States. NONE			
7. DATE OF ISSUANCE Exchange Nov. 26, 1975	8. FAA REPRESENTATIVE E. C. BREINER <i>E.C. Breiner</i>		9. DESIGNATION NUMBER AEA-GADO-10

Any reproduction or misuse of this certificate may be punishable by a fine not exceeding \$1,000 or imprisonment not exceeding 3 years, or both. THIS CERTIFICATE MUST BE DISPLAYED IN THE AIRCRAFT IN ACCORDANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

FAA Form 8100-2 (11-82) GPO 592-804

Sales Contract

- Get your agreement in writing
- Use an attorney specializing in aviation
- AOPA's Legal Services Plan
 - One hour consultation includes aircraft purchase agreements
 - \$33 per year



Beechcraft Baron

Sales and Use Tax upon Purchase

- Laws vary by state
 - Myths: Pick a state?
Taxed where aircraft is based.
 - Delaware advantage?
 - Casual sale or other exemptions
- State registration (fees) is a tax
- Personal property tax in some states



Federal Income Tax (if a business)

- Employer expense reimbursement OK
- Charity flying
- Business use must have profit motive
 - Ordinary, necessary, reasonable, substantiated
 - Actual deductions are for % of flights that are business
 - Aircraft in taxable business using 100% deduction – pilot pays for personal use



Your Questions for Us



Piper Warrior

Another question for you...

- Are you finding this Webinar
 - A. Very helpful?
 - B. Somewhat helpful?
 - C. Not helpful at all?
 - D. I'd rather be flying



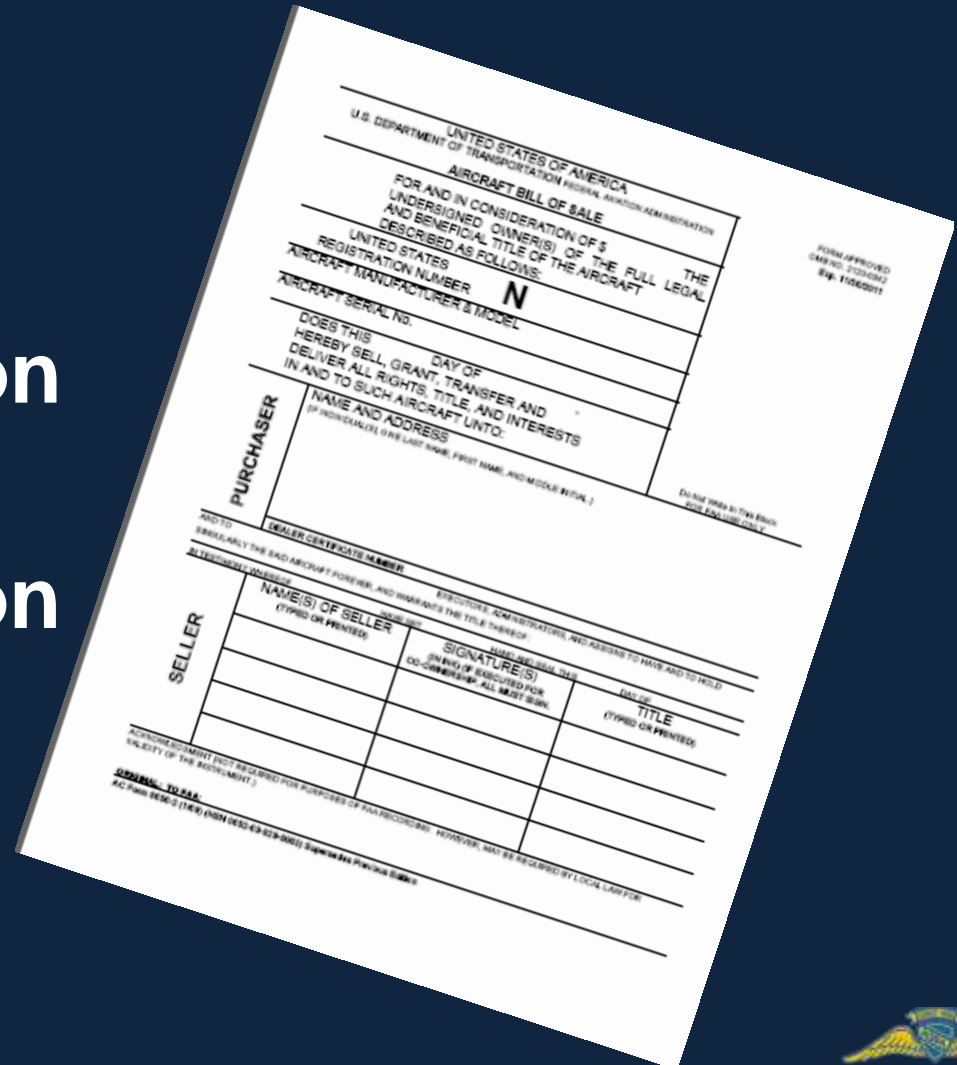
Final Inspection



- Visually inspect the aircraft before signing
- No damage since the pre-purchase inspection
- All contract conditions fulfilled
- Transfer necessary documents

FAA Paperwork - Overview

- Bill of Sale – FAA form 8050-2
- Aircraft Registration – FAA Form 8050-1
- Existing registration from aircraft
- \$5 recording fee



U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION

UNITED STATES OF AMERICA
AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF \$ _____ THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT
DESCRIBED AS FOLLOWS:

UNITED STATES
REGISTRATION NUMBER _____ **N**
AIRCRAFT MANUFACTURER & MODEL _____
AIRCRAFT SERIAL NO. _____

DOES THIS _____ DAY OF _____
HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTERESTS
IN AND TO SUCH AIRCRAFT UNTO:
PURCHASER
NAME AND ADDRESS
(IF INDIVIDUALS ONE LAST NAME, FIRST NAME, AND MODEL INITIAL.)

SELLER CERTIFICATE NUMBER _____

EXECUTIVE, ADMINISTRATIVE, OR AGENTS TO HAVE AND TO HOLD
TO THE SAID AIRCRAFT FOR THE SAID PURCHASER, AND WARRANTS THE TITLE THEREOF.

SELLER	NAME(S) OF SELLER (TYPED OR PRINTED)	SIGNATURE(S) (IN ENKIF EXCUSSED FOR CO-SIGNATURES, ALL MUST SIGN.)	TITLE (TYPED OR PRINTED)

ACKNOWLEDGMENT MUST BE RECORDED FOR PURPOSES OF TITLE RECORDING. HOWEVER, MAY BE RECORDED BY LOCAL LAW FOR
VALIDITY OF THE INSTRUMENT.

GENERAL INSTRUCTIONS:
AC FORM 8050-2 (14-0) (NON-REPLACED) SUPERSEDES PREVIOUS EDITIONS

FORM APPROVED
OAS NO. 3226-002
REV. 10/2011

EXEMPT FROM PAYMENT OF SALES TAX



FAA Paperwork - Pitfalls

- Names must exactly agree on bill of sale and registration
- Form 8050-1 must be original – no copies
- P.O. box address must include a physical location
- Possible title liens
- Risk of fraud without escrow service



Professional services available



Piper Cub

- **AIC Title Service**
 - Escrow, title, and document services
- Checks for liens on title
- Checks airworthiness reports on the aircraft
- Verifies accuracy of all documents and submits to FAA
- 800.288.2519 or 405.948.1811

Our Last Question for You

- What is the likelihood you'll participate in another AOPA Webinar?
 - A. Very high
 - B. High
 - C. Possibly
 - D. No way



Your Last Questions for Us



Boeing Stearman 450 Inverted

Web links

Aircraft Ownership Information

<http://www.aopa.org/members/pic/ownership/>

Vref

<http://www.aopa.org/members/vref/>

Operating Cost Calculator

<http://www.aopa.org/apps/iforms/opcosts/OpCostsInstructions.cfm>

Sample Sales Contract

http://www.aopa.org/members/files/topics/purchase_agreement.html





Good luck!

**Call us with
questions!**

**AOPA'S Pilot
Information
Center**

**800-USA-AOPA
(872-2672)**

www.aopa.org

