

## JOFair Aircraft Buyer's Checklist

### Step 1: Choose the Make/Model that is Right for You

This is one of the most important decisions you will face in this process. The aircraft should meet your personal standards of style and taste, as well as fit into your needs and budget.

#### Examine your needs:

What will you primarily be using your aircraft for? This is one of the most important questions you need to ask yourself. If you have a family of six and would like to take them on vacation once a year, but you are mostly going to be using your plane to commute sixty miles to work, you probably don't need to own a Cessna 210 just because it will hold the whole family. In the long run it would be much more cost effective to buy a plane more suited to your commute and rent a plane for that big family vacation each year.

Think about what is important to you in an airplane and make a list, arranging it from most important to least important. This will help you determine which plane is right for you.

#### Determine your budget:

The purchase price of an aircraft is only part of the affordability. You must also consider the cost of operating and maintaining the aircraft. Being prepared for such a big decision will insure that you make the right one. A worksheet for estimating hourly operating costs and engine reserves is provided in the printable version of this checklist.

#### Compare aircraft size & performance vs. operating costs

Once you have established your basic needs & budget, you can begin comparing aircraft to see which one is right for you. A Cherokee 140 for instance has four seats, but will realistically only carry two adults and two kids, where as a Cherokee 180 will carry 4 adults while going a few knots faster, but it will also cost more in maintenance, fuel & insurance. Performing a cost comparison for each type of aircraft you are interested in will help you narrow down the market.

To help you compare, our website contains reviews and performance specs for each aircraft. Once you have chosen a make/model, you should read the information specific to that aircraft thoroughly. This will give you an idea of what you can expect as an owner and what to look out for when buying your plane.

#### Do you qualify for insurance in the plane you desire?

Your experience level as a pilot greatly determines which types of aircraft you qualify for insurance in, as well as your yearly premiums. It is a good idea to start making contact with an insurance company at this time. A quick conversation with an insurance agent may save you

from wasting your time shopping for an airplane you can't get insurance in. Often times, you may qualify for insurance after you meet a minimum requirement such as five hours of instruction in a similar make and model. By knowing these things ahead of time, you can be one step ahead of the game. To learn more about insurance and who to contact see Step 8: Get a Quality Insurance Policy.

**As you can see** there are a lot of factors involved in choosing the right type of plane. For this reason many aircraft buyers choose to enlist the help of a qualified aircraft broker. This person can save you time, money and in some cases a lot of headaches.

## Step 2: Get Pre-Qualified for Financing

Too many pilots search for the perfect aircraft, and then have it sold out from under them while they are making their financial arrangements. You don't want your dream aircraft to be owned by someone else!

We recommend you get pre-qualified right now! There are many aircraft lenders that can pre-approve you over the phone in as little as fifteen minutes, or you can apply online. Once you have been pre-approved, you are under no obligation to use the loan; it will just be there for you if and when you need it.

Most lenders require a minimum of 10% down with a 10-20 year loan. These aircraft lenders offer a low monthly payment with outstanding repayment terms. Some offer additional pilot incentives as well.

Aircraft Owners and Pilots Association (MBNA) Loan Department: 800-627-5263

National Aircraft Finance Company (NAFCO) Loan Department: 800-999-3712

Some local banks also handle aircraft loans. Usually these lending institutions are less experienced with aircraft loans and can often cause delays, however this is not always the case. If you prefer to use your local bank you should contact their lending department directly.

## Step 3: Shop Around

Knowing how similar aircraft have been priced can be very helpful in determining if the price of a specific aircraft seems fair. Remember, each aircraft is different so you will have to consider all the variables when making your comparison, keeping in mind those factors that are most important to you.

### Factors that Effect Price

**Engine Time:** Engines have a limited life expectancy or TBO (Time Before Overhaul). This number is based on when the average engine needs to be overhauled. If you purchase a plane that has 1600 hours on an engine with a 2000 TBO, you will have approximately 400 before you need to overhaul the engine. You will probably want to start saving for the occasion or if you plan on selling before that happens, you should know it may be a little harder to sell your plane as it approaches TBO. If you purchase a plane that has 1150 hours on an engine with a 1200 TBO, however, you should make sure you already have enough money to perform an overhaul.

**Exterior Condition:** Painting an aircraft is very time consuming and can be quite costly so an aircraft in above average condition is worth several thousand dollars more than one that requires paint. Corrosion is another thing to consider. Many airplanes have it, especially if they come from humid areas near salt water. It can often be treated, but depending on the severity, it does reduce the value of the plane. It is always a good idea to get a mechanics opinion on this matter.

**Interior Condition:** Like painting, refurbishing the interior also requires a fair amount of time and money. Seat covers can always help extend the life of an interior, but a new interior adds a few to several thousand dollars depending on the number of seats.

**Avionics:** Radios play a major role in determining the value of the aircraft, adding more than \$30,000.00 in some cases. Aircraft Blue Book has a formula for calculating this value. Vref also has a system for considering avionics upgrades. A qualified aircraft broker can help you put these figures into perspective.

**Options/Modifications:** Many airplanes have after market modifications that enhance the beauty or performance of the plane. It is important that these mods all have the proper FAA paperwork and log book endorsements. Some mods increase the value of the plane, while others improve the marketability.

**Location:** Don't forget to consider the aircraft's location when determining value. You should figure in the cost involved in getting to the aircraft as well as what it will take to bring it home.

#### **Resources to Help You:**

AOPA's Aircraft Valuation Service: This is a free service to AOPA members that will give you a Vref appraisal, based on market value according to the aircraft information you supply.

**JOFAIR** Appraisal Service The marketing department of **JOFAIR** is paid to analyze the aircraft sales market on a daily basis. All planes we list go through our extensive market analysis, where we compare all the aircraft on the market using all the variables listed above to determine actual market value. If you are buying or selling a plane using another source, you can still use our appraisal service.

#### **Step 4: Research Your Aircraft**

Gather all information related to your aircraft including, a complete list of specifications, photos, maintenance history, damage history, etc. Knowing the history of an aircraft is essential. All maintenance should be complete and well documented. Airplanes with missing records or major damage may still be good, but they are usually worth less and you may want to speak with a broker to determine value in a situation like this.

**JOFAIR** performs this kind of research on all the aircraft we list. Our knowledgeable staff gathers information on the title, previous ownership history, and any reported accidents or incidents. We also check out the maintenance records and ask questions... we talk to the owner



and the mechanics that have been caring for the plane. We verify all times and include eventful log entries and 337's right on our website for your review. Any additional questions you may have can be discussed in detail by e-mail or over the phone.

When buying a plane, the owner/seller should be willing to provide you with all the information you request. You can also do a little research on your own.

### Resources to Help You

**JOFAIR:** Run a free aircraft background investigation including NTSB and FAA accident reports. Order Aircraft Records: You can get copies of all 337s and the chain of aircraft ownership for an individual aircraft directly from the FAA. Once you reach the Department of Transportation website you will need to click on Federal Aviation Administration and then on Aircraft Payments. From there click on request aircraft records and follow the instructions. If you are interested in an aircraft being represented by **JOFAIR**, we have already ordered these records and we will be happy to share the information with you.

### Step 5: Put a Deposit Down on the Aircraft

After you have reviewed all available information about the plane and you feel fairly comfortable that this is the plane for you, it is time to put down a deposit to remove the aircraft from the market. This will secure the aircraft while you make arrangements for a pre-purchase inspection.

### Why put down a deposit?

This tells the seller that you are serious about the plane. You are saying that yes, I have the money to buy the plane and if it is everything that it is represented to be, I will buy it. This gives you first rights to the plane, meaning that the plane will not be sold out from under you. A purchase agreement should be signed by both parties, outlining the terms of the sale. Before sending your deposit money, you should trust the seller, make sure you understand and agree to the terms of the sale, and be sure your deposit is refundable. It is common for the seller to retain a small portion of the deposit, if there were expenses involved, but this should be clearly outlined beforehand.

### Escrow Services

If you find a plane you like, but you are not comfortable sending a deposit to the seller, you can enlist the services of an Escrow Company. For a fee, an escrow service will hold the money and the aircraft documents until both parties give authorization for release. Then the money & documents are disbursed to the appropriate parties.

Most Escrow companies that charge for their services are insured by the FDIC. This is not always the case, however; so it is a good idea to verify this before you send your money to a third party.

## What you can expect from JOFAIR?

Upon acceptance of our [Purchase Agreement](#) by both parties, you will call the Wire Transfer Department of your bank and instruct them to transfer the deposit funds. You will find complete wire transfer instructions at the end of your purchase agreement.

Our services provide protection for your aircraft deposit and purchase money until the sale is complete. We facilitate the closing and hold all money in our escrow account until you authorize the disbursement of funds. There is no need for additional, expensive escrow arrangements. We can even handle international transactions and import/export arrangements. If you have any questions, or would like to discuss other financial arrangements, please contact a **JOFAIR** representative at **54 911 4140 2352** or **54 11 4763 3646**.

## Step 6: Pre-Purchase Inspection

The pre-purchase inspection is the financial responsibility of the buyer and money well spent. If there is anything wrong with the aircraft you want to know about it before you become the one responsible to fix it. A mechanic of your choice will be hired to be your "technical guru". He or she will be your eyes and your advisor at this point. To minimize the expense, we recommend you find a mechanic near the aircraft to perform the inspection. We can help you locate a respectable mechanic or give you a list of names in the local area for you to review.

In order to assist the mechanic in thoroughly examining your aircraft, we will supply the list of aircraft specifications along with a pre-purchase inspection checklist required by many of the financing institutions. Your mechanic will verify the spec list plus inspect the aircraft, its engine, avionics, equipment and documentation. Afterwards, you will talk to your mechanic on the phone about the condition of your aircraft, both mechanical and cosmetic. It is your responsibility to make sure you fully understand the results of the inspection. If something doesn't make sense to you, ask questions or get a second opinion. As long as the aircraft is found to be in the same condition as advertised, the sale will proceed.

If something undesirable does come up in the inspection, it doesn't necessarily mean the sale can't happen. It just means both sides need to come to an agreement on a solution. The seller may opt to fix the problem or renegotiate the price, either way; a solution is often possible that will make both sides happy.

## Step 7: Verify the aircraft has a clean title

If there is an old lien on the aircraft, you cannot get financing, and worse yet that person could have a claim to your airplane. Finding this out ahead of time could save you time and the expense of costly attorneys' fees.

## Ordering a title search

There are companies in Oklahoma with access to FAA records that can perform a title search for you. It will list any liens against the aircraft or site that there are none. Any old liens must be

released by filing the correct release of lien paperwork with the FAA, signed by the original lien holder.

### All aircraft sold by JOFAIR come with a clean title

Before we sell a plane, a title search must be performed. Any releases or disclaimers needed to clear up old liens and encumbrances will be arranged by us. You will have a clean title and a fresh start.

### Step 8: Get a quality insurance policy

when it comes to insurance, ask questions and shop around. A recent customer saved over \$1,200.00/year by shopping around!

At **JOFAIR**, our certified aircraft brokers will help you find an insurance policy that fits your needs. All you have to do is ask!

For more information on Aircraft Insurance, check out:

AOPA's Pilot's guide to Insurance: Renters, Aircraft Hull and Liability This article is only available to AOPA members, but it is a great reference. AOPA can also give you an insurance quote.

### Step 9: Arrange Final Payment

At this point you will wire transfer the remaining balance due on the aircraft.

**If you have arranged for financing**, we will have sent them all the required documents including the signed bill of sale and they will be waiting for your final authorization to transfer funds.

**If you are using an escrow service**, we will have sent them all the required documents including the signed bill of sale and they will be waiting for your final authorization to transfer funds.

**If you have any questions** before you make your payment we will be happy to discuss them with you.

### Step 10: Closing Paperwork

**JOFAIR** handles all closing paperwork including the bill of sale, release of lien and registering your aircraft with the FAA. You will be responsible for registering in your state, if necessary, and paying the appropriate taxes.

**Bill of Sale:** A signed copy of the Bill of Sale should be retained by both the buyer and the seller for their records and another copy must be sent to the FAA for filing. (This is all taken care of when you buy a plane through **JOFAIR**.)

**Federal Aircraft Registration:** A signed copy of the registration must be sent to the FAA along with a check for \$5.00 to cover the filing fee. The pink copy of the registration will serve as your temporary federal registration and must remain in your plane until you receive your permanent registration in the mail. (**JOFAIR** handles the federal registration of all aircraft we sell.)



**Release of Lien:** If there is a lien on the aircraft, the proper release of lien paperwork must also be filed with the FAA. (All planes sold by **JOFAIR** come with a clean title.)

**State Registration:** Each state has different regulations concerning aircraft registration. You should check with your local flight school to see what the requirements are in your state.

### **Step 11: Pick Up Your Plane or Make Delivery Arrangements**

This is the part you have been waiting for. You are now the proud owner of your new plane. You will need to find a hangar or tie down space to store your plane and you will be responsible to get it to its new home. Many buyers enjoy the adventure of flying their plane, sometimes across the country, to get it home. Others don't have the time or the experience and prefer to hire someone to deliver the plane. There are several options for delivery. You could hire a commercial pilot to bring you the aircraft or you could hire a flight instructor to fly with you. We can help you make an arrangement that will accommodate your needs.

We hope this aircraft buyer's guide has given you insight to buying an aircraft. Please let us know if you still have any unanswered questions, we would be more than happy to discuss them with you. If you are still shopping around for your perfect plane, please remember to visit **www.jofair.com** often as we are continuously updating it with new aircraft for sale.

