

Bill of Sale—Choosing the Best Form to Sell Your Car is a white paper from the **Individual Empowerment Series** by Kurt DuNard. DuNard is an author, motivational speaker, seminar facilitator, and management guru. Published by permission of Kurt DuNard Copyright © 2006. Everyone's situation is different; please seek professional legal advice before signing any legal documents.

Bill of Sale

Choosing the Best Form to Sell Your Car

By Kurt DuNard

There seems to be a trend to get out of debt and sell one of the cars. People like Dave Ramsey are attracting millions to their radio talk shows with the main subject being “becoming debt free.” Getting out of debt often means selling the car that is depreciating faster than you can say Blue Book. Just with a few hours preparation, one can earn many thousands of dollars more by selling retail rather than wholesale through a dealer. Selling retail means selling it yourself. Take pictures and post your ad on www.craigslist.org for free or close to free. Next, prepare for success with a great Bill of Sale Form. This is more important than you may think. By the way, more and more people are buying from individuals because they find that the least expensive way to own a car is to buy it used from an individual. Even though the seller usually provides the form, if you are the car buyer, then you may want to provide the bill of sale form to the seller for your own protection.

When you go to a restaurant and receive a receipt, you are in a sense receiving a bill of sale for payment of your meal. This is the simplest kind with the most advanced kind being the one your attorney writes to sell a business or a home. The best and most expensive kind of bill of sale for selling your car is one written by your attorney. It is guaranteed to be tailor-made to your circumstances. But, perhaps you do not need a tailor-made suit from Saville Row in London. Perhaps one off the rack with a few alterations will do the trick. What is called boilerplate or standard bill of sale forms may be what you want.

Go to the Internet and search on “bill of sale” or “bill of sale form.” You will find a thousand examples and most will work fine, however, we are here to talk about the best. We want to save you the time of an exhaustive search on Google.

Free Forms

Most of the “free” forms are worth what you pay for them. They are very simple and remind us of the restaurant receipt. They give little or no protection and your buyer could be scared out of the deal.

Bill of Sale Forms for Specific States

These forms are suggested minimum forms for each specific state. The states are doing a service to their citizens by suggesting forms. They may not give you the protection you desire. If you want more protection and you should, you will have to either go to your attorney or find forms with better protection.

CAUTION! An Inadequate Bill of Sale Form Can Kill a Sale

Why do people pay thousands of dollars more for a car from a dealer than from an individual? Because the dealer takes the fear out of the sale. The dealer will take a trade-in, give financing and smoothly run through the paperwork. You also want to have high quality paperwork so the buyer feels safe. Make sure you provide a bill of sale form that makes your buyer feel confident and secure. The form must be professional and look like something they would sign at a dealership. Otherwise they could get cold feet and change their minds and go to a dealer.

Make Sure the Form can be Edited

Many forms sold on the Internet are in PDF format. Some of these forms require ownership of PDF software in order to fill in the blanks. Most people own the free PDF software to read a file but they don't own the software to edit a file. If you do not have this software, then buy the form in MS Word. It is important that the blanks be typed. If you hand write in the blank spaces then your form will not build confidence with the buyer.

Bill of Sale Forms with Better Protection

If you are not used to working with legal forms then you may not be aware of using a Public Notary. These people are licensed by the state and their job is to validate signatures to legal documents. They check your identification, watch you sign, and then they date and sign the document and use an official seal. No one can say with any credibility that those signatures are forged. When selling a car, for the protection of all, signatures are notarized. The notary charges a small fee or your bank may let you use their notary for free. We would not recommend any forms without a space for a notary.

If You Have the Title

If you already own the car, then you will have the title. Signing the back of the title with an odometer statement is your bill of sale. Most likely, you don't need a bill of sale from the Internet.

If You Owe Money on the Car: If you have a loan on your car, then you will want to use a special bill of sale form. You must pay off the loan, receive the title and sign over the title. Most buyers do not want to hand over money so you can pay off your loans unless you provide them with a form that gives them confidence to their ownership. This form should show the name of your loan company and an estimated time when you will receive the title and hand over the title to the new owner. Most people put 30 days, however we recommend that once you have cleared funds, that you wire them to the loan company and pay to have the title sent overnight. Get the transaction done as soon as possible. You don't want delays.

Statement That the Car is Sold "As is"

An "as is" statement is very important for people selling their own cars. It basically says you are giving no guarantees. You do not want to have something major happen to the car a month after the sale and then have the buyer take you to court because she/he said

you said everything was great. Let the dealers give warranties with their higher sale prices. You want the “as is” statement on your bill of sale for your future safety.

Odometer Statement as Part of a Bill of Sale

Many states require an odometer statement and in fact have one on the back of the title. The odometer statement tells the buyer the amount of miles on the odometer. Not only should you have your signature notarized on this statement, you should have the buyer's signature notarized. You want him to publicly agree with you for the miles statement.

Bill of Sale Form Satisfaction Guaranteed

Whenever I buy something on the Internet, I make sure there is contact information with a toll-free 800 number and a Satisfaction Guarantee Statement. I suggest when buying a Bill of Sale Form on the Internet, you use the same policy.

Receiving Payment for Your Car

It's a good idea to meet at your bank to sign paperwork and receive money. Ask for cash, wired funds, cashier's check (be careful, some people are printing fraudulent cashier's checks-call the bank. Use the number from the phone book, not the one on the check.), or a cleared personal check. Make sure all money is cleared before you sign the Bill of Sale. That is why you want cash, wired funds, or a cashier's check—you want to sign the document while your buyer is with you and the funds instantly clear.

Use a document with all of these safety features and you and your buyer will be happy and secure and you will see a smooth transaction with no worries for the future.

For a company that meets all these features we recommend [Best Bill of Sale](#).