



By Mark Polk, RV Education 101, Guest Contributor

The current economic situation has affected individuals, companies and industries alike. During a recession, one of the first things to go among consumers is discretionary spending on big-ticket items such as RVs. Decreased spending results in RV dealerships and manufacturers scaling back operations in an attempt to stay in business until the economy rebounds.

The same holds true for many consumers who already own RVs. They need to tighten their budget until the economy rebounds. In many cases, consumers directly affected by the economic downturn are forced to sell their RV to lower some of the money going out of the household budget.

Selling a big-ticket item can be a challenge, especially when the seller doesn't have an understanding of how the selling process works. In many situations, money is still owed, so there is a lienholder; there are department of motor vehicle rules and regulations to follow and financing to arrange.

Other considerations are how to market and advertise the RV and how much is the RV actually worth?

The Consignment Option

A logical step to selling your RV is to put it on consignment at an RV dealership. Selling an RV on consignment means

that, for an agreed-upon amount, the dealership will attempt to sell your RV the same as they would their own used inventory. They advertise your unit, show it to potential customers, help arrange the financing and take care of all the required paperwork after the sale.

So it only seems logical that the best way to sell your RV is where other people go to buy an RV.

But, as the old saying goes, if something sounds too good to be true, it probably is. As good as selling your RV on consignment may sound, there are many things you need to be aware of.

When I was a sales manager for a dealership, we sold many RVs on consignment. I witnessed just about every mistake owners could make, from leaving personal items in the RV unsecured to dropping their RV insurance in an attempt to save money.

I mentioned earlier that one of the reasons for selling the RV is to cut back

on money going out of the household budget. But, whether you try selling the RV on your own or on a consignment lot, you are still responsible for the monthly payment and for keeping the RV insured until it sells.

The RV dealer will specify in the consignment contract that they are not liable for any damage to the RV while it is in their possession and that you are required to keep the unit insured. This not only protects you while the RV is sitting on the dealer's lot, but you are required by law to have insurance on the RV if it is financed.

Insurance Considerations

I spoke with Jen Koch, RV product manager at National Interstate Insurance Company, to get more information about insurance coverage when selling on consignment. Here's what she had to say: "Many RV owners do not realize that insurance policies typically exclude coverage while an RV is being sold on consignment. For example, if an RV is involved in an accident during a test drive, the claim may be denied. Losses from storm damage, fire, vandalism or theft while on the dealer's lot may



also not be covered. Many RV owners believe that their RV is covered by the dealership's insurance, but this is seldom, if ever, the case. If an RV owner voids their coverage by placing the unit on a consignment lot, they may also breach their loan agreement. At National Interstate, we wanted a way to fill this insurance gap, so we developed a coverage endorsement to protect sellers when they place their RVs on consignment. This simple coverage addition provides an invaluable method of protecting their RV investment during the consignment sales process."

Consignment Agreement

It is important that you sit down with the dealership and go over the entire consignment agreement before you sign any paperwork.

You need to understand how much the dealership will get paid, what selling price you agree on, what the term of the agreement is, what you are responsible for and what the dealership is responsible for.

It may be that you owe more on the RV than it is worth. When you factor this in with the percentage the dealer makes, the RV could potentially sit on the lot month after month and never sell.

In a situation like this, you will need to agree on a reasonable selling price and that you agree to pay the balance of the loan off when the RV sells. Remember, the goal is to sell the RV!

Readying Your RV for a Sale

You will be responsible for preparing the RV for sale. This includes things like draining the water system, emptying and flushing the holding tanks, having it winterized, if necessary. If you want the dealership to do these things for you, make sure you agree on a price up front.

You need to discuss any obvious repairs that may be required. How much will the repairs cost and are the repairs paid up front or after the sale?

You should take everything out of the RV before taking it to the dealership. If you have extra items that go with the RV, like an RV cover or other accessories, ask the dealer to list the items and leave the list in the RV for potential buyers

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to see, but don't physically leave these items in the RV.


Ask the dealer if they take precautions like putting a protective covering on the carpet to prevent dirt and stains from foot traffic. Is the RV going to be locked and secured when the dealership is closed? Will they keep the interior and exterior clean while it is on the lot, and if so, are there additional charges for this?

Ask them to explain any additional fees or monthly charges that may apply, like cleaning, advertising and a pre-delivery inspection (PDI) fee after the sale. Any reputable dealership is going to do a PDI when the unit sells, and there will be other charges like filling the propane cylinders and fuel tank. Do they start and run the RV on a regular basis? If the RV has a generator, will they start and exercise it or is that something you will need to do? Can potential buyers test drive the unit if it is a motorized RV? Again, you will need to keep insurance coverage on the unit.

If they get an offer on the RV that is below the agreed-upon price, will they notify you with the offer for you to consider?

These are just a few things to consider and review before putting the RV on consignment. Remember, the goal is to sell the RV in a timely manner.

Things that help sell an RV, besides the type of RV and floor plan, are cleanliness, everything operating properly, no obvious damage, motivated sales people and, of course, price.

One way to motivate sales people is to offer them a sales bonus above and beyond their regular commission. Talk to the sales manager to see if this is something that can be arranged. Do what you are responsible for and make sure the dealership is doing what they are responsible for, and the RV should sell in a reasonable time-frame. 

To learn more about consignment insurance or for further information or a no-obligation estimate, contact the following:

Foremost:

www.Foremost.com • 800-237-2060

PoliSeek:

www.PoliSeek.com • 800-521-2942

Explorer RV Insurance Agency:

www.ExplorerRV.com • 888-774-6778

National Interstate Insurance Company:

www.NATL.com • 800-929-1500

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