

Aircraft Escrow & Closing Checklist

Align money, title, insurance and delivery.



Inside this guide

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A practical guide to the decision

Build a closing checklist with named owners and explicit sequencing. Verify material instructions through known contact channels and preserve the final reconciled documents.

Use this guide with your transaction team

Mark each assumption as confirmed, provisional or unresolved. Assign a responsible person and a date to every material open item. Revisit the record when the aircraft, ownership entity, operating plan or financing structure changes.

Use this resource with qualified advisers for your transaction. Educational guidance does not replace tax, legal, technical or operational advice specific to the aircraft and facts.

Treat sample forms as starting points

AOPA explains that sample purchase agreements should be tailored with an attorney to the transaction and applicable law. Identify the aircraft, engines, installed equipment, included records and any separately delivered assets. Ensure price and funds-flow language agree. The document should describe what the buyer receives and what conditions must be met, not merely repeat a listing's promotional description.

Connect inspection with commercial rights

Specify inspection scope, facility, access, movement costs, discrepancy treatment, acceptance or rejection, deadlines and extension mechanisms. Have the technical adviser and counsel review the same language. A broad phrase such as satisfactory pre-buy leaves important questions unless the agreement explains how findings are reported and what rights follow. Keep the lender's separate requirements visible rather than assume technical acceptance clears financing.

Examine an illustrative missing condition

Imagine an agreement that allows rejection for technical findings but says nothing about unavailable required records. An aircraft could pass selected physical checks while the buyer still lacks important evidence. The team should identify which records are part of delivery and which documentary conditions matter before signing. This is an illustrative negotiation problem, not a statement that any particular omission automatically creates a right to cancel.

Reconcile the closing workstreams

Align title clearance, lien releases, registration entity, insurance effective time, funding instructions and delivery location. Specify who can sign or instruct changes and how notices are sent. Ask the tax adviser to review the proposed delivery plan before it becomes an operational instruction. Maintain a dated list of final documents and unresolved conditions so escrow does not receive conflicting assumptions.

Working document to prepare

Prepare a consistency worksheet with contract sections for aircraft identity, included assets, records, inspection, acceptance, title, financing, insurance, delivery and notices. For each, name the technical or professional reviewer and flag a conflict with another section. Compare the final version against the closing checklist and negotiated commercial terms. Retain the executed agreement and controlled amendment history so the team does not act from an obsolete draft or an informal summary.

Reconcile ownership and signatory authority

A public aircraft inquiry helps identify registry information, but it should not be sold as proof of clear title. Engage an appropriate aircraft title provider and aviation counsel to define the required search, ownership chain, interests, exceptions and releases. Confirm the aircraft and relevant engine serial numbers. The technical inspector's findings and a lender's preliminary approval answer different questions.

Ask for a written report explaining what was searched, its effective time, outstanding matters and required actions. An old release, mismatched entity name or incomplete ownership document should remain visible until the responsible professional confirms the resolution. Do not assume a seller's assurance, a paid invoice or the absence of a visible website entry resolves all possible interests.

Understand liens and registry interests

Have escrow, the title provider and counsel determine the current payoff evidence and release documents required for the transaction. Confirm the obligor, secured party, aircraft and relevant components. A historical balance statement may omit accrued interest, fees or timing conditions. Do not treat a seller's instruction to pay a lender as sufficient proof of the payment destination or title consequence.

Identify the payoff's validity period, daily accrual where applicable, wire cutoff and required release process. Ask who obtains an updated figure if closing moves. The release and registry work should follow the professional team's agreed sequence. The buyer should not improvise a payoff or a release form merely because a closing date is approaching.

Align insurance and acceptance timing

Provide the aircraft identity, value, ownership entity, pilots, training, base, intended use and other information requested through a secure professional channel. Personal, business, mixed and charter-related use should not be treated as interchangeable. Ask the broker to identify required pilot qualifications, training, exclusions and any conditions that must be met before operations.

AOPA's financing FAQ notes that lenders have insurance requirements, including coverage protecting the lender. Obtain the actual lender's requirements rather than copying another company's limits or endorsements. Also have the broker review the intended hangar or management agreement. An acceptable lender certificate does not automatically mean every operating or contractual insurance obligation is satisfied.

Preserve delivery and California tax evidence

A delivery plan should align the contract, title transfer, acceptance and physical location of the aircraft. Record the date, airport, aircraft serial number and people signing the acceptance. Keep the seller statement alongside the closing documents and flight records. A fuel receipt is useful corroboration but does not by itself explain when ownership passed or why the aircraft was delivered at that airport.

CDTFA distinguishes delivery from first functional use. The regulation describes functional use as use for the purpose for which the property was designed. A positioning or acceptance event should not automatically be characterized by a website as qualifying first use. Describe the proposed sequence to an aviation tax professional before travel begins, including passengers, business purpose and planned first California entry.

Your decision worksheet

Build a closing checklist with named owners and explicit sequencing. Verify material instructions through known contact channels and preserve the final reconciled documents.

For each line, record the known facts, the evidence or quote supporting them, who is responsible for confirmation and the next action. Date each entry so that a later reader can distinguish a current quote from an old assumption.

Planning item	Evidence to gather	Decision to record
Escrow provider and verified instructions	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Purchase agreement and amendments	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Buyer, seller and signatory authority	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Title, liens and relevant registry interests	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Lender funding conditions	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Insurance effective time and acceptance	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Delivery location and tax evidence	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Final statement and complete closing file	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required

Before you commit

Resolve material unknowns with the professional responsible for that subject before taking the next irreversible step. Keep aircraft technical acceptance, lender requirements, insurance and tax advice distinct in the transaction file.

Use the related calculators to compare a base case with a less favorable case. Bring the complete inputs and assumptions into the next conversation, rather than relying only on the headline result.

Your next-step checklist

- ☐ Escrow provider and verified instructions
- ☐ Purchase agreement and amendments
- ☐ Buyer, seller and signatory authority
- ☐ Title, liens and relevant registry interests
- ☐ Lender funding conditions
- ☐ Insurance effective time and acceptance
- ☐ Delivery location and tax evidence
- ☐ Final statement and complete closing file

Working notes & adviser questions

Build a closing checklist with named owners and explicit sequencing. Verify material instructions through known contact channels and preserve the final reconciled documents.

Record a decision, the supporting evidence, the responsible adviser and the next action. Keep a copy with the dated transaction file.

Before the next commitment

What would change the decision? Which condition could delay closing? What additional cash would be needed in a less favorable case?

Sources & next steps

AOPA written aircraft agreements

FAA Aircraft Registry

FAA International Registry entry-point process

AOPA buying resources

AOPA financing insurance FAQ

AOPA aircraft financing process

Aircraft purchase tax guide

Regulation 1620: Interstate and Foreign Commerce

The complete HTML edition uses the same structured content and is available at </buying/aircraft-escrow-closing/>. Primary sources support the relevant facts; original planning frameworks and examples remain illustrative.

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Submit a deal or arrange a financing call

Email an initial deal summary to jason@jakenaviation.com or call 833-264-7776. Include the aircraft, purchase price or value, financing request, available equity, intended use, California connection and timing.

Use the appropriate secure channel for sensitive supporting documents. Any lender decision requires separate review, documentation and current terms.

Request a financing call

Explore documented program information