

Guidelines for a Seller of a Recreation Residence

1. Organize important documents that will be needed for the sale's process:
 - a. Current Special Use Permit and most recent Compliance Inspection Report;
 - b. Most recent annual Special Use Permit Fee invoice;
 - c. Utility suppliers and equipment lease contracts, e.g. propane tank rental, security system;
 - d. Property tax information;
 - e. Association expenses, if any.
2. Price the residence and know the terms under which you will sell (cash or owner contract). Recreation Residences are considered personal not real property making conventional bank financing very difficult, if not impossible, for a prospective Buyer to obtain.
3. Notify your local Forest Service (FS) Permit Administrator of your plans to sell. He or she should provide you with FS Form FS-2700-3a, "REQUEST FOR TERMINATION OF AND APPLICATION FOR SPECIAL USE PERMIT" which will be used in the sale's process (copy attached).
4. Follow FS rules for "for sale" signage.
5. Meet your state's seller disclosure obligations by completing Transfer Disclosure Statements regarding the property and providing copies to the Buyer in a timely manner.
6. Per the terms of your permit, provide the Buyer a copy of the current permit for their review. Also, providing the Buyer with a copy of the most recent Compliance Inspection Report is advised.
7. In most cases, a Buyer will make an offer condition upon an inspection of the property. This may include, in addition to a structural inspection, a septic system review and water testing, if applicable. It is important to provide the Buyer a copy of the permit during the inspection time-period.

8. Refer the Buyer to the local FS Permit Administrator to answer any questions they may have regarding the Recreation Residence Program and permit and compliance questions during their inspection time-period. Regional guidelines vary.
9. FS Transfer Fee – Who pays? The sharing of this cost can be negotiated as part of the sale. The base Transfer Fee was set at \$1,200 for the year 2016. It is subject to an annual inflation adjustment just like the permit fee. You will want to check with your Permit Administrator on the then, current annual Transfer Fee amount for the year of sale. NOTE: The Forest Service sends a “Bill for Collection” for the full fee amount to the new owner after closing and prior to issuance of the new permit.
10. Seller to complete the top section (Part I) of the “REQUEST FOR TERMINATION OF AND APPLICATION FOR SPECIAL USE PERMIT” Form FS-2700-3a. Then provide the form to the Buyer to complete Part II. Completing this form and providing it (original) with a copy of the conveyance document to the Forest Service provides authorization to the Forest Service to terminate the existing current permit (Seller’s) and start the process to issue a new permit in the Buyer’s name.
11. Assuming the parties will be using an escrow company for the recording of the sale:
 - a. Provide the executed copy of the FS Form FS-2700-3a to the escrow closer. Provide instructions to the closer to provide this form and a notarized copy of the conveyance document (e.g. bill of sale) to the Forest Service upon recording of the sale with the appropriate county.
 - b. Instruct the escrow closer to pro-rate costs based on the close date, this to include the annual Special Use Permit Fee, as well as, property tax and utility pro-rations.
 - c. Ensure the escrow closer has clear instructions on the allocation of the cost of the Transfer Fee.