

# BASIC CONSIDERATIONS BEFORE BUYING AN RV

*By: Andrew Elliot, Vice President, Private Banking Relationship Manager*

Some say there's no better way to escape the hassles and routines of daily life than to hit the open road in an RV. Camping grounds and national parks have been bursting at the seams the past year or so as families escaped from cities and hometowns in search of more secluded, beautiful natural surroundings.

RVs provide a way for people to get out of their houses and into the open air, especially with concerns about traveling around the country on crowded airplanes. Americans depend on all makes and models of RVs as their ticket to safe personal spaces while traveling our nation's highways and backroads — and not just for weekend trips. Working and attending school remotely — along with widespread access to wireless service — allows families to camp for weeks without missing a beat in their jobs or education.

With the variety of RV vehicles and customized features available to buyers, the number of factors surrounding this major purchase can quickly drive up the overall cost of an RV. You should weigh your decisions carefully. Here's some guidance for important first steps in the process, before you fork over the money and hit the open road with your family.

## CAMPING IS GROWING IN POPULARITY – AND RV SALES PROVE IT

**Interest in RVs and the RV lifestyle is at an all-time high. According to a 2021 report from Kampgrounds of America (KOA), there are more than 94.5 million camper households throughout North America. In the U.S. alone, 48.2 million households camped at least once last year, including more than 10 million first-time camper households. The number of first-time campers across the U.S. grew five-fold last year — with approximately 9.6 million households now owning an RV. Of those RV owners, nearly 25% plan on upgrading their RVs in the next year.<sup>1</sup>**

## CONSIDER WHAT KIND OF RV YOU WANT TO BUY

If you've begun to shop for RVs, you know there are many different types and models to choose from: campervans, folding camp trailers, towable pop-up campers, truck campers, fifth wheels — not to mention luxury motorhomes of all shapes, sizes and price ranges. Ask yourself the following questions:

- How much money do you want to spend?
- How often are you planning on using the RV?
- Where do you plan on traveling — close to home or far away?
- What features do you want to include in your RV?
- Do you want an RV you can tow with your current vehicle or a luxury motorhome?

- How will you use the RV? Are you a rustic, off-the-beaten-path camper, or do you prefer to stay at established campsites along your route?
- How long do you plan on keeping the RV? Will you trade up in a few years?

## **DO YOUR RESEARCH**

Just like buying a car, it pays to do your homework. Because of the incredible demand for RVs right now, it's important to get a good idea about what you're looking for to meet your needs and fulfill your wants before you visit a dealership. These suggestions may help:

- Do initial research online — the internet is filled with informational sites, advertising and videos.
- Rent several types of RVs before you buy.
- Do a couple of test runs. Make sure you're at ease driving or hauling an RV and that you and your family enjoy the overall experience.
- Visit local trade shows to view new RVs and learn firsthand about the latest features available on all types, models and sizes.
- “Window shop” for options you want to include in your RV and make a list.
- Talk to other owners to see what they like and dislike about their RVs.
- Study RV floor plans to select designs that complement your lifestyle and budget.

## **BUY LOCALLY**

If possible, it's probably wise to buy your RV from a local dealership when the time comes to purchase it. Why? Because you'll likely visit the dealership again in the future for routine maintenance or if a problem arises with your RV.

“We always encourage folks to buy locally, within a comfortable driving distance of their home,” says Phil Ingrassia, president of the National RV Dealers Association. “RVs are homes on wheels, and they do require maintenance, and things can rattle around and get broken. If you need service on any of the systems in the unit, like the electrical or plumbing, you've got a dealer you've done business with who can help you out.”<sup>2</sup>

## **OBTAIN THE PROPER INSURANCE**

Just like you would with a new car, get insurance on your RV before you drive it off the lot. Again, do your homework and shop around for a policy that offers the best coverage for the lowest premium cost.

## **PAYING FOR YOUR RV**

Should you decide to finance an RV rather than paying cash for the vehicle, we can help. Because an RV may end up being your family's “home away from home,” home equity lines of credit are one attractive option. We offer a home equity line with no bank fees at closing,<sup>3</sup> and interest rates are at historic lows. As an alternative, a refinance cash-out mortgage may be a solution, contingent on the terms of the existing first mortgage. Contact Commerce Trust Company today for more information.

<sup>1</sup> Kampgrounds of America, Inc., “Fresh Data Indicates Camping Interest To Remain High in 2021” and 2021 Annual North American Camping Report, <https://www.prnewswire.com/news-releases/fresh-data-indicates-camping-interest-to-remain-high-in-2021-301273611.html>, and <https://koa.com/north-american-camping-report/>, April 21, 2021.

<sup>2</sup> Business Insider, Liz Kneeven, “How to buy an RV, from choosing the right type to finding the best financing,” <https://www.businessinsider.com/personal-finance/how-to-buy-an-rv#>, October 24, 2020.

<sup>3</sup> Insurance must be carried on property securing this loan. Missouri, Kansas, Illinois, and Colorado residents incur no fees or closing costs. Oklahoma residents are required to pay state mortgage tax of no more than \$.10 per \$100 of mortgage filed; no other fees or closing costs apply.

The opinions and other information in the commentary are provided as of September 1, 2021. This summary is intended to provide general information only, and may be of value to the reader and audience.

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## ABOUT THE AUTHOR



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Andrew is a private banking relationship manager for Commerce Trust Company. As a member of the private client team and an experienced, tenured private banker, he and his dedicated client support staff are responsible for ensuring each client's experience with Commerce Trust exceeds expectations. Andrew's specific responsibilities include management of our clients' day-to-day banking, cash management, and credit needs, while also helping them navigate the wide array of our financial services to find the solutions that best fit their needs. Before joining Commerce Trust in May of 2011, Andrew worked as a private banker with Bank of America. Andrew is an advisory board member of the Truman Heartland Community Foundation and on the board of trustees at HCA- Lee's Summit Medical Center. He is a former board member of the Blue Springs Education Foundation and former member of the Lee's Summit Rotary Club.



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