



Navigating the

The USHJA Owners Task Force members continue their 'Taking Ownership' series with tips and guidance to help prospective horse owners find and acquire their perfect partners.



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best for you.

"I look at my clients' budgets, aspirations and riding abilities to figure out the best scenario for them—whether it's a lease, purchase or lease-to-purchase," said Denice Perry, USHJA Certified Trainer at Skyland Farm in Middleburg, Virginia, and United States Equestrian Federation R-rated judge.

You may want to buy a young horse to develop into a prospect for you to compete at a future date. Or you might be looking for a young horse to be trained and shown by a professional as an investment and for the enjoyment of watching your horse compete. Or you might be looking for a horse that can help you achieve your own competitive ambitions or those of your child in the short term. These reasons may shape whether you buy or lease and will help you find the right horse.

"When you have up-and-coming kids that are only going to stay in a section for a year, especially kids that are very committed, they could be at 1.10m in January and move up to 1.25m in a year. In those cases, a lease may be more advantageous," continued Perry.

By Megan Lacy

Regardless of whether you're purchasing or leasing, taking on a horse is a serious commitment.

You have your goals, you've chosen the trainer, and now you just need the right horse to help you reach those goals. Do you buy? Do you lease? Do you lease-to-buy? Then, how does this process even work?

Regardless of whether you're purchasing or leasing, taking on a horse is a serious commitment. While you own that horse, you'll be required to take responsibility for his wellbeing from the first day to the last. Purchasing the right horse for you is the first step in this stewardship.

The questions may feel endless, but with the third installment of our series on horse ownership, we explore the ins and outs of buying and leasing, and how to make sure you're protected throughout the process.

Whether you're looking for a horse or pony for yourself or your child, buying or leasing requires the input and guidance of your trainer. Your trainer will help you navigate the process and expedite the search by narrowing the field of options based on your needs and help you decide what's

Purchase Process



PHOTOS BY TRICIA BOOKER

“It’s all relative, and you have to weigh all the factors.”

Some of the possibilities you may consider will depend upon your level, budget and goals.

Developing a young horse or pony offers the reward of watching him mature into a possible champion. This is usually a long-term process, so be sure it fits your showing goals.

Rescuing, adopting or purchasing a horse that’s no longer suitable for his current career (e.g., an off-the-track Thoroughbred) and retraining him to do a job for you is a reward-

ing option. This can also be a long-term process.

Purchasing a horse at the peak of his career affords the owner the satisfaction of owning and riding a horse that can be competitive immediately. This option will probably be the most expensive.

Purchasing an older “schoolmaster,” usually at the peak of or stepping down in his career, allows you to learn from an experienced and well-trained horse. With the older horse may come the responsibility to retire him properly when his career concludes. The

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USHJA maintains a listing of Equine Retirement Facilities at ushja.org/equineretirement.

These are just a few examples, but it’s important that you work closely with your trainer to determine the best approach for you.

Be Prepared

“Especially for first-time buyers, they should be prepared and know that the very first horse they look at could be the right one,” said Perry.

“As trainers, we do our due diligence in looking for the right matches for our clients, and sometimes we get it right the first time.”

The USHJA Owners Task Force members note that it’s important to have consulted an equine attorney and have your paperwork ready to go, given the fact that the purchase process could move forward quickly.

Most people are familiar with a Bill of Sale at the end of

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the buying process, but Debbie Bass, the USHJA Owners Task Force chair, said that one of the most important documents should come at the beginning of the process: an Agent Disclosure Agreement.

“You know you’ve got the right professional. Now, before you even start to look at horses, everyone needs to know exactly what the goal is and what the expectations are, and the Agent Disclosure Agreement does just that and puts it in writing,” said Bass.

While the use of an Agent Disclosure Agreement isn’t common practice within the

sport, the Task Force members recommend this approach to protect the buyer and the professional. “It states in writing and is legally binding that the professional will act in the best interests of the buyer. It also outlines expectations, so no one is surprised,” said Bass.

In three states where many horse transactions take place—California, Florida and Kentucky—it’s unlawful for an agent (your professional) to receive payment or any item valued in excess of \$500 from anyone other than his principal. An exception can be made if it’s disclosed in writing to

both buyer and seller, and the agent’s principal consents in writing to the payment.

“Buying a horse is a huge investment and should be treated as such,” said Bass. “Too often, we see transactions where owners and agents don’t even realize they’re not in compliance with the law.”

Bass encourages buyers to sit down with their trainers, set a budget, understand commissions (usually between 10 and 15 percent of the purchase price), discuss the purpose of buying the horse and document this information in an Agent Disclosure Agreement.

Another option Bass noted is the company Equine

Exchange, which has been developed as a liaison between horse buyers and sellers. As stated on the website, the Equine Exchange seeks to be “... the only solution that uncovers and reduces risk for each party to a horse sale. Because we guide each step of the transaction and ensure transparency through our proprietary process and customized documents, beginners to savvy professionals trust Equine Exchange to manage their transactions.”

Bass added, “It’s the only product out there right now that’s doing equine sales support. So there are now two ways to safeguard your sale—either consult an attorney, or use a sales support product such as Equine Exchange.”

Trial Process

Trying a horse is a fun and exciting process. This is the step in the purchase where you rely heavily on your trainer’s expertise to find you the best horse for your needs. Your trainer brings years of experience and networking resources to the process.

Keep an open mind, and understand that personality and fit are often the most important characteristics of a rewarding match, beyond attractiveness and color. Also know that you may have to travel to try the horse at another barn or horse show.



SHAWN MCMILLEN

If you're fortunate, you may be able to take the horse on trial for a few days or weeks. If not, go back and try the horse again another day and in a different ring, if possible. Confirm that your trainer has made inquiries about the horse and its experience. Do your due diligence, too, and check the horse's show record with the United States Equestrian Federation's database.

"I usually try a horse at least twice, but I always prefer to live with him for a little while if I can," said Perry. "On the second trial, I love to see the horse go somewhere new, where I can have them do what I plan to do with the horse."

If you do take the horse on trial, you may be expected to have an insurance binder on the horse, as well as being responsible for any veterinary and farrier bills that may be incurred during the trial. You'll probably pay transportation costs to and from your farm and boarding expenses while he's there. If you decide to return the horse, return him in the same or better condition than you received him.

The sale of a horse isn't final until the funds have been transferred to the former owner or his agent. Therefore, it's possible that if funds aren't transferred in a timely manner, the horse may be made available to other prospective buyers.



Leasing Instead of Buying

Due to various circumstances, you may choose to lease a horse rather than buy.

Since leasing is factored at approximately one-third to one-half of the purchase price per year, this choice may be an opportunity to show the quality of horse that would be outside of your current budget to purchase. Leasing is often a good solution for a rider staying in a certain level for a limited period of time.

The process to lease a horse is almost identical to the purchase process and should be treated with the same due diligence. There will be a lease document that describes the terms and conditions of the lease of this particular horse.

A leased horse should be treated with the same care and respect as a horse you would own. The horse owner may also require you to insure the horse for a certain amount or stipulate other requirements in the lease agreement. Be prepared to discuss any details in advance.

The Pre-Purchase or Pre-Lease Exam

Before leasing or purchasing a horse, you should have a veterinarian perform a pre-purchase exam. The extent of that PPE will vary according to the intended use and price. It will also depend upon how much information you and your trainer feel you need before deciding whether to move forward with that horse.

Many issues found during a PPE can be managed with proper maintenance, and few horses have perfect results. The ideal first horse for a beginner, probably an older one, may be able to live a comfortable and useful life despite health issues that may be found during the exam. If you're purchasing a young prospect or a horse at the peak of his career, you and your trainer may scrutinize the results of the PPE more carefully.

Whenever possible, attend the exam yourself along with your trainer. It's important that the veterinarian is clear on what level of performance will be expected of the horse. Ask to receive a written veterinary report, and go over it with your trainer. Be aware and fully understand any maintenance that may be required to keep the horse sound and healthy.

If you're leasing the horse, know that you're expected to treat him as though you own him. At the end of the lease,

plan to return him in the same or better condition than you received him.

The Paperwork

With any major purchase, there's major paperwork. Buying a horse comes with its own nuances, and knowing what paperwork you need to complete will make the process smoother. Owners should know the federal and state laws governing these types of transactions.

The USHJA has an Equine Transaction Law Guide available online at ushja.org/equinelaw that provides guidance on state laws from Kentucky, Florida and California—states with some of the most stringent equine transaction laws.

Here's a snapshot of the types of paperwork that are important in the sale of a horse:

Agent Disclosure Agreement: If you use a trainer or another professional to help you purchase a horse, you should have a signed agency disclosure agreement that specifies each person's responsibilities in the transaction. This document will clarify expectations and commission structures. The customary commission scale is 10 to 15 percent of the purchase price. This document should be drawn up before you begin trying horses.



Purchasing a Horse Outside of the United States

It's not uncommon to purchase a horse from Europe, Canada, South America or anywhere in the world. Often, the procedures for purchasing will be different than described in the article.

It's customary that your trainer will have developed partnerships with agents in other countries. These agents are knowledgeable about what horses are available in their areas.

Once a horse has been found that will serve your purpose, you may decide to go and try the horse, or, in fact, purchase the horse without a trial.

The same procedures for a pre-purchase exam and agency and sale documentation should be followed.

Don't forget to factor in the currency exchange rate when discussing purchase prices.

Keep in mind that there will be flight/transportation costs and possibly quarantine expenses associated with purchases out of the country.

Written Veterinary Report: The owner should discuss the findings from the pre-purchase or lease exam first-hand with the trainer and the veterinarian. Owners should

be given a written report before funds are transferred in the sale.

Bill of Sale: The bill of sale should include all of the following information:

- Full description of the horse
- Statement that title to the horse is free from liens and encumbrances
- All commissions and remunerations in the transaction signed by both purchaser and owner (and all agents) with full contact information
- If the horse has a passport, breeding records, permanent measurement card, USEF/USHJA lifetime registration or any affiliate registrations, those documents should be transferred to the new owner to register the horse in his or her name with the USEF and the USHJA.

In addition to this documentation during the sale or lease, it's important to think ahead and use the purchasing or leasing process to obtain the appropriate insurance coverage. Owners should consult legal and insurance professionals in advance of and during the purchasing process to ensure the appropriate protections are in place.

"At the end of the day, it's about being a good consumer and asking the right questions," said Bass. "There's no stupid question for an owner to ask in any situation, and I hope that information empowers owners to step up, ask more questions and be active participants in the ownership of their horses."

For more information, visit ushja.org/resources. 