

BRIEFING ON THE STATE OF YACHT LENDING
Maritime Law Association
G. Robert Toney, Vice Chair, Yacht Finance Committee
May 4, 2016
Recreational Boating
May 5, 2016

Recreational Retail Consumer Marine Loan Overview

Active Lenders

SunTrust
US Bank
BB&T
M&T Bank
First Merit (Regional)

Wealth Product-High End

Bank United, FL
US Trust (BofA)
Iberia

New Participants

Shore Premier-Bank of Hampton Roads
United Bank, CT. acquired CGI Platform
Iberia Bank, LA
Bank of the Ozarks acquired C&S Bank, (GA) and C-1 Bank (FL).
BoatFinance, LLC
Hudson United

High Rate/High Risk Lenders

LightStream (SunTrust Acquisition) Up to \$75,000
BoatFinance, LLC (Funded by Private Capital) Up to \$75,000
Medallion Up to \$75,000
ST Liberty/Maritime Capital, \$100,000 to \$500,000

Floorplan (Wholesale) Market Update

GE Capital Sale to Wells Fargo
Northpoint
NextGear Capital (Cox Automotive-Manheim)

Retail Loan Business (NMLA reported) 2014 vs. 2013

85% reported increases in loan outstandings (92% prior year)

Credit Parameters reported to be LESS stringent
Some lenders waving proof of income, approving higher LTV's
Credit quality level remains high

New Boat Sales Projections (NMLA/NMMA)

6% increase in new boat sales, 10% increase in dollars
7% increase in used boat sales

Financial Regulation

CFPB Policies still not clearly written or clearly passed on to banks/institutions

Disclosure of Dealer Reserve & broker fees could heavily affect the originator (loan broker) role

Closely monitor residential mortgage and auto industries for indications of future policy

GE decision to exit marketplace was primarily based on regulatory pressure.

BSA/SARS (Suspicious transactions) carry more regulatory pressure than loan quality concerns

Delinquency/Charge-off Overview

Year	Delinquency	Charge-off
2003	0.85%	0.35%
2004	0.69	0.20
2005	0.83	0.52
2006	0.63	0.27
2007	0.85	0.77
2008	1.18	0.93
2009	2.26	1.43
2010	1.69	0.89
2011	1.48	1.14
2012	0.82	0.77
2013	0.80	0.57
2014	0.87	0.44

Recovery & Liquidation Overview

Repossession activity remains at historically low levels and banks are seeing better and quicker returns on owned inventory.

CFPB remains very involved in debt collection practices, commercially reasonable sale and fees charged to borrowers for same.

Pro-consumer bar is becoming more aggressive in representation of borrowers and challenging these issues.

National Marine Lenders Association Events

- **2016 NMLA 37th Annual Conference**
September 25-27, 2016
King and Prince Resort - St Simons Island, GA
- **2017 Marine Lending & Recreational Finance Workshop**
Tampa, FL
Early March, 2017 - TBA

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Coburn & Associates

National Marine Lenders Association, Annual Report