

Yacht Finance Market Update

Maritime Law Association



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Co-Chair, Yacht Finance Committee
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Source: CharterWorld.com

NMLA/Market Report Before C-19

- Marine lending was stable to growing since 2012
- National banks exploring wealth programs, \$1MM+
- Regional lenders & credit unions expanding yacht programs
- New and used boat sales plateauing
- Slight uptick in defaults/delinquency

Market Changes

- All boat shows and conferences cancelled
- Yacht Dealers & Brokers are open
- Virtual Boat shows-webinars-social media
- Sales activity resulting from pre-virus pipeline
- Iberia/First Horizon Merger

Today's Marine Lenders

BankOZK (formally Bank of the Ozarks)

Bank of the West

Banterra Bank

Community First Bank

Fifth Third Bank

Georgia's Own Credit Union

Huntington Bank

Iberia Bank (First Horizon)

Independent Bank Corporation

L-H Finance

M&T Bank

Medallion Bank

Merrick Bank

North Cascades Bank

Radius Bank

Seacoast Bank

Shore Premier Finance (Centennial Bank)

Truist Bank

US Alliance Federal Credit Union

US Bank

US Trust (Bank of America)

Market Survey

- Dealers/Brokers have seen 60% sales drop across all categories
- Market predicts 40% drop in business after quarantine ends
- Some sense of rebound predicted by IYBA in 4th quarter, 2020
- Lenders are already establishing new policies for borrower default
- Loan application flow-bank employee reassignment
- New legislation to protect consumers
- Immediate adjustments have been implemented to credit policy

Economic/Regulatory

- Tax cuts
- Unemployment trends
- Tariffs
- Yacht loan forbearance
- SBA/PPP loan programs
- Arrest/Lien case update
- Judicial action vs. Self-help



News Reports

The Seas as the Ultimate
Coronavirus Isolation? Not.
So. Fast.

NY Times, April 18, 2020



News Reports

Whitt's End: Jerry Jones Says 'Hold My Beer' Aboard Cowboys NFL Draft Yacht

Sports Illustrated April 23, 2020



NMLA Update

2019 Report Due July 2020 www.marinelenders.org/annual-report

2020 Annual Conference-NOW CANCELLED

St. Simons, GA

September 19-21, 2020

2021 Marine Lending Workshop

Spring 2021 (Dates/Venue TBD)

Thank you to Jim Coburn & the National Marine Lenders Association