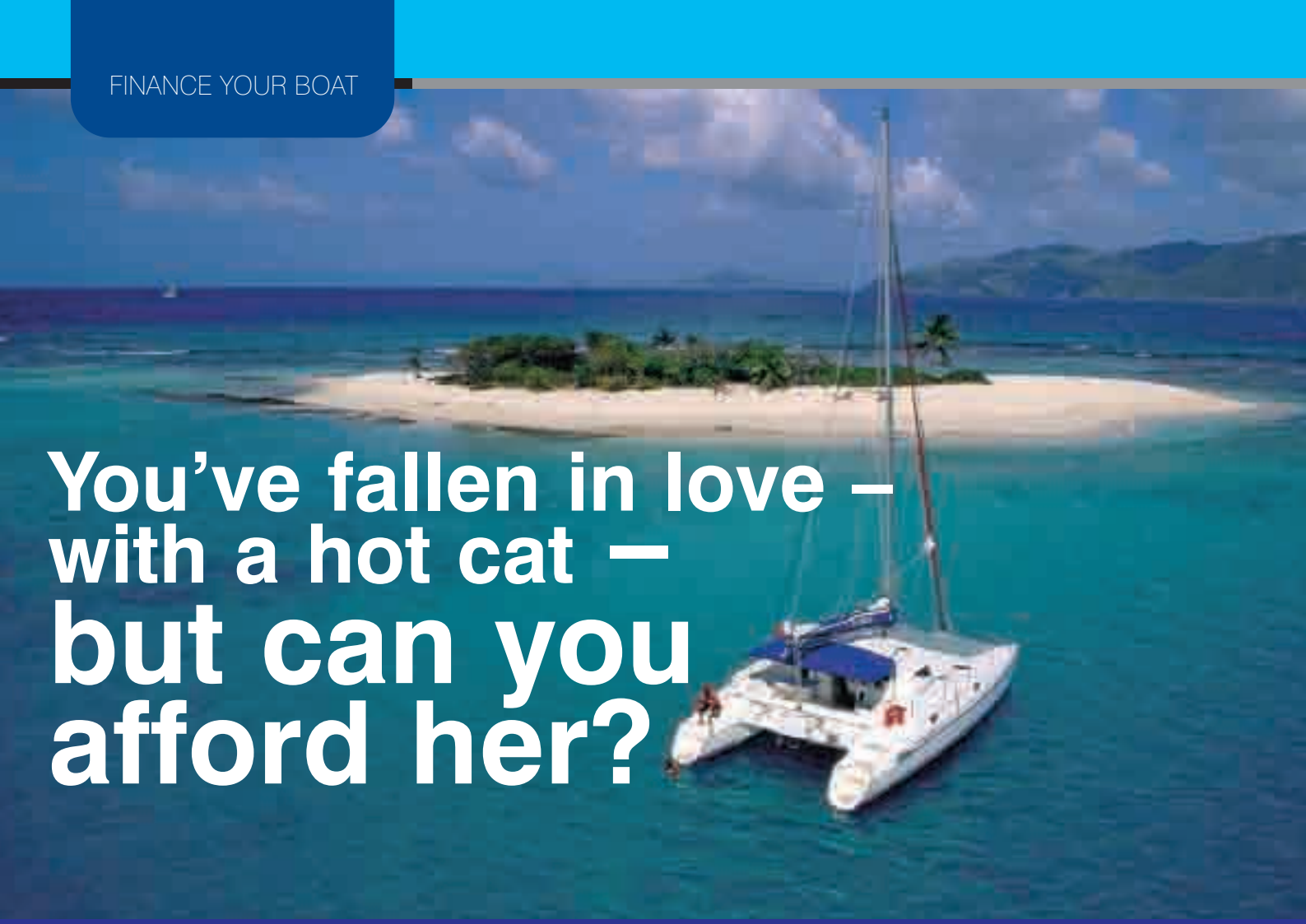


You've fallen in love – with a hot cat – but can you afford her?



You have fallen in love with the boat of your dreams but can you afford her? There's the rub! Where will you find the money to turn your dreams of sailing beyond the horizon into a reality?

Walking around any Boat Show, it is easy to be drawn into the 'G&T on the deck' sailing lifestyle image but the practicalities of finding, financing and owning a boat run much deeper than deciding which deck shoes to buy.

The key lies in two words – marine finance. The process of financing a boat can be likened to buying a house which means personalisation and flexibility is paramount. Depending on the customer's needs, finance can be paid back over any period between 1 and 15 years, in Euros, US Dollars or Sterling, with differing interest rates and initial deposits. The benefits of marine finance mean that the finance provider will be an expert in the field and will therefore help to make the process straight forward whether you are buying your boat through a broker, dealer or from a private individual.

Buyers need to consider the true cost of boat ownership – that means annual mooring fees, maintenance, insurance, fuel for powerboats, safety equipment and charts and of course

training if you are new to the sport. What about the title to the boat and the VAT status and will you need to subject the new object of your affections to a survey and valuation? In fact a survey is not required on a new boat. For boats which are not new, a full condition survey and valuation undertaken by a marine surveyor is normally required before the deal is done.

A typical would-be purchaser comments, "As an experienced car buyer I presumed the process would be similar – get the money in place and hand it over. However, I soon realised that there was much more to it than that. I received expert advice from my finance provider, Lombard Marine Finance, which made the process as painless as possible. The paperwork was lengthy but not onerous. My advice would definitely be to find a marine finance specialist to talk to – they understand the unique elements involved with buying a boat. Now I'm just looking forward to using the boat."

Ian Braham, Head of Marine Finance at Lombard, says, "Each customer is different which is why our solution to finance is tailored to individuals rather than a 'one size fits all' approach. There are so many variables when it comes to buying a boat so we use our experience and our knowledge to ensure that the most appropriate finance solution is provided. As part of our service we also review the documentation associated with the boat such as the vessel's VAT status and the ownership chain so that the new owner can be confident in their purchase."

Like other marine finance companies, Lombard Marine Finance offers variable rate marine mortgages with security being taken over the vessel that is being financed. Lump sum payments can be made at any time during the agreement so if you win the lottery you can be sure that payment will be credited to your account on the day that it is received so you gain immediate benefit from any capital repayments.

“Once you are out on the water with your dream boat, you may decide that you would like to look at chartering. As long as you tell your finance provider this does not present a problem.”

One of the most popular facilities available is a Balanced Payment Plan mortgage. This means that monthly payments remain fixed throughout the period of the agreement although the terms will vary according to fluctuations in the Finance House Base Rate (FHBR). If you happen to earn an income in either Euros or dollars, Lombard is able to offer this facility in both Euro and US Dollar funding, with these facilities being linked to one month Euro and US Dollar LIBOR respectively. If the vessel is being purchased in this currency and is likely to be ultimately sold in this same currency, then exchange rate risk is removed from the transaction.

Other options available are a Low Start Mortgage where monthly payments are lower in the first three years of the agreement or an interest-only mortgage with the interest-only period restricted to a certain period and then reverting to capital and interest repayments for the remaining estimated term.

What makes Lombard stand out as one of the main marine finance providers is its ability to offer very personalised packages to the customer like Structured Repayment mortgages, tailored to individual requirements or a 15 year Annual Review mortgage where the monthly payments are reviewed on an annual basis and increased/decreased in line with FHBR fluctuations.

So, once you have decided your best option, you are well on the way to securing your dream, but how do you make sure that any wandering eyes know that she belongs to you? If you keep her in UK waters there is no requirement for full British registration under Part 1 of the Merchant Shipping Act, unless in Lombard's case the advance is over £100,000. Should you wish her away to a more exotic location to be kept outside of UK waters; she will need to be fully British registered under Part 1 of the Merchant Shipping Act. Also the boat will need to be comprehensively insured with a UK insurer and the lender's interest noted on the policy.

Once you are out on the water with your dream boat, you may decide that you would like to look at chartering. As long as you tell your finance provider this does not present a problem. But what happens if after a while you grow tired of your cat or you are drawn to a newer model? The good news is that additional funds can be made available quickly and easily - choose a provider like Lombard, with a reputation for customer service, and you will receive help with the process of transferring the mortgage from one vessel to the other and adjust your repayments accordingly.

Lombard Marine Finance can guide buyers through the whole process including matters such as title to the boat and the VAT status. Visit www.lombard.co.uk/marine where an instant quote can be researched.

More details from: Lombard Marine Finance: 02380 242171 or visit www.lombard.co.uk/marine

