

BOAT REMARKETING ACTIVITY STRONG

The past three years have brought exciting growth for National Liquidators, according to its president, G. Robert Toney. The company has moved to a larger location in Fort Lauderdale, giving it the ability to add services, and pioneered new locations in Ruskin, FL (Tampa area) and Newport Beach, CA. "We continued to successfully expand our government contract, insurance claim and commercial or ship recovery businesses," Toney points out. "We still find that our core business, bank repossession and remarketing, continues as our main thrust. In communicating with our day-to-day clients, many say business must be booming in repossessions. In fact, our total recovery orders through May 31 are up 75.6% over the same period in 2001, totaling close to 500. Of those, we have sold 285 at \$9.966 million, which calculates to an average sale of about \$35,000. Our sales in dollars have increased almost 90% over the same period in 2001.

"Much of this increase has resulted from new client development," Toney continues. "Most of our clients from last year have remained steady in recovery activity, although some have decreased. The other issue that affects our future business is loan origination activity. Any reduction in this activity, or lenders that exit the business, can have a major effect on future repossession business. History has proven that we are more successful working with many good quality lenders with minimal delinquency, than a few lenders with high delinquency. This is why we continue to support the efforts of the NMBA and provide as much information as we can to help those in marine finance to be as successful as possible."

Current trends seem to reflect that the boats being taken back today are bigger and subsequently carry higher outstanding balances than in the past. A minimal amount of this delinquency is a result of the economic downturn. Seen are more examples of lower down payments, limited income verification and poor liquidity. These aggressive lending practices are as much a factor to this trend as the slow econ-

omy, Toney feels. There is also evidence of some lenders' hesitation to order repossessions to "put off" the inevitable. "Be aware that this results in higher dockage and marina bills, avoidance of preventative maintenance, possible misuse or even vandalism, and overall greater depreciation in collateral value. Additional liens can cause the need for very expensive legal remedies," he cautions.

Look to the future

Toney expects retail boat sales to experience some slowdown in certain sectors, though the 20' to 35' classes seem strong.

- On-line information is the future. The percentage of sales from National's web site is increasing rapidly, and buyers expect extensive descriptions on line. The traffic rate on www.yachtauctions.com has gone from about 500,000 hits to over 2.5 million per month in one year.
- National has created a new service company, ST Liberty, to acquire non-performing and non-conforming loans from major lenders. This allows for a bank's balance sheet to reflect a 100% performing and sellable loan portfolio, giving management more confidence in the marine lending area. The company has streamlined and is working on customized fee programs to simplify and meet approval guidelines of its client base.
- A new title insurance program, available only to National's clients, should be ready by September 2002.

"We will continue to keep an open line of communication and support members of the NMBA, and welcome their input," Toney says. He notes National Liquidators is pleased to be a sponsor again at the upcoming conference in Chicago, where he started his career in marine lending 28 years ago. For more information, call (800) 633-7172 or e-mail grtoney@natliquidators.com.

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