

MARINE FINANCE

GETTING A FLOAT: YOUR FINANCING OPTIONS AND HOW THEY WORK

Security may be required. Product fees may apply. Finance is available for Limited Companies & LLPs. Business Use Only
ANY PROPERTY OR ASSET USED AS SECURITY MAY BE REPOSSESSED OR FORFEITED IF YOU DO NOT KEEP UP REPAYMENTS ON ANY DEBT SECURED ON IT.

Variable rate mortgages

Lombard Marine Finance offers variable rate marine mortgages, with security taken on the vessel we're financing. With variable rate mortgages, you may be able to make lump sum capital repayments at any time with no charge.

Variable rate loan facility

A variable rate loan facility has a fixed monthly payment of capital plus a variable monthly payment of interest collected together. Interest is calculated on a daily basis and will change if interest rates go up or down. With this type of agreement, the capital balance reduces by the amount of each monthly capital payment. The capital payment is calculated by taking the amount financed and dividing it by the number of payments to be made. In the early stages of the agreement, you will be making larger interest payments, as there is more capital outstanding but the amount of interest in future months will reduce as the capital balance reduces.

Variable rate loan facility with a balloon repayment

On certain agreements a balloon payment may be available. A balloon payment is a final lump sum payment. With this facility, your monthly repayments are lower than under a variable rate loan facility without a balloon. The agreed balloon payment becomes due and payable with the final monthly payment.

Contact us at
marine@lombard.co.uk

Our marine finance specialists are here to answer any other questions you might have.

To find out more visit
lombard.co.uk/marine

A STEP BY STEP GUIDE TO CHOOSING AND FINANCING YOUR BOAT

Once you have decided on your budget and the boat you would like to buy...

STEP 1

Visit yacht brokers and boat dealers, and research what is available on the internet and in the yachting magazines.

STEP 4

Negotiate the price with the yacht broker and arrange a Sale and Purchase Agreement. The Royal Yachting Association (RYA) can provide you with this if required.

STEP 2

Investigate other costs such as insurance, moorings and maintenance.

STEP 5

Arrange a survey and valuation on the boat if required.

STEP 3

Arrange your finance for the boat with us.

STEP 6

Finalise the price of the boat following the survey and confirm the details to us.

STEP 7

We'll issue your marine mortgage documentation for you to sign and liaise with the yacht broker to review the boat's title documentation and evidence of its VAT status.

STEP 8

We'll contact your insurer to confirm the boat insurance and that their interest has been noted as mortgagees on the policy.

STEP 9

We'll obtain your authorisation to complete the purchase and release the funds to the yacht broker.





BUYING NEW: POINTS TO CONSIDER

The obvious advantage of buying a new boat is that you can choose a specification that exactly matches your requirements. You will also benefit from a warranty. But here are some other things to bear in mind during the purchasing process:

Adding features

Boat builders and retailers are generally happy to let you select from a list of optional factory-fitted extras. They're tempting - but they will also increase the overall cost of the boat quite significantly.

Safety costs

In addition to factory- or dealer-fitted extras, you'll need to budget for safety equipment and general chandlery.

Sales agreements

If the boat is being supplied by an appointed agent for a particular brand, you'll be asked to sign a sales agreement. This will detail the terms under which you're purchasing the boat, and set out a payment schedule, transfer of title and delivery timeframes. It's important to consider whether any money you pay to the agent will be protected if you don't have title to the boat.

Stage payments

If a boat builder is building a boat specifically for you, it is likely that they will require stage payments. Again, you'll need to establish what security is being offered during the build period.

European rulings

New boats need to comply with European rules concerning safety requirements under the Recreational Craft Directive (RCD), which states that the boat's hull, when measured in accordance with the appropriate harmonised standards, is between 2.5 metres and 24 metres long.

Each new craft must be accompanied by a declaration of conformity, when it's placed on the market or put into service. This certifies that the vessel meets the essential safety requirements contained in the RCD. This is particularly important for boats manufactured outside the European Economic Area (EEA).

We're here to help make buying your own boat easier

Key documents

Once your purchase is completed, you should be provided with the following documents:

Original builder's certificate from the manufacturer. This confirms the boat's individual details, its identification numbers, and who title has passed to. Title will pass either to you as the first owner or to the appointed agent.

Original bill of sale from the appointed agent, if the builder's certificate has been made out in their name. This document will transfer title in the boat from the agent to you.

Original VAT invoice from the agent or the builder addressed to you. This should confirm all the boat details including the hull identification number; and confirm the ex VAT price, the VAT amount, and – therefore – the total price including VAT.



BUYING USED: POINTS TO CONSIDER

Buying a pre-owned boat could be straightforward – provided you're aware of all the issues. Again, our marine finance experts are always happy to guide you on your best options.

Survey options

For a start, if you're buying a pre-owned boat, we suggest you consider a full out of water survey to confirm its condition.

There are various types of surveys, but it's fairly standard to request an out of water full pre purchase survey and valuation. This type of survey report requires the surveyor to comment on the condition of the hull and superstructure as well as the vessel's equipment and interior.

You should ask the surveyor to provide a valuation as part of the survey report. This will indicate that you are paying a fair market price for the vessel in its current condition.

Make sure you are happy with the surveyor's professional indemnity insurance and qualifications.

Survey guidance

There are a number of professional bodies associated with boat surveying, including:

- Yacht Designers & Surveyors Association (YDSA)
www.ydsa.co.uk
- International Institute of Marine Surveying (IIMS)
www.iims.org.uk
- The Society of Accredited Marine Surveyors, Inc (SAMS)
www.marinesurvey.org

Sales and purchase agreements

When purchasing a pre-owned vessel through a yacht broker, you'll be asked to sign a sale and purchase agreement. This document details the payment terms, any conditions of purchase, and the timeframes

involved. If you buy a vessel privately, you can obtain a copy of a standard agreement from the Royal Yachting Association (RYA).

European rulings

New or second-hand vessels built, put into service, or put on the market within the European Economic Area (EEA) after 16 June 1998 are required to comply with the Recreational Craft Directive (RCD), which states that the boat's hull, when measured in accordance with the appropriate harmonised standards, is between 2.5 metres and 24 metres long.

Each new craft must be accompanied by a declaration of conformity, when it's placed on the market or put into service. This certifies that the vessel meets the essential safety requirements contained in the RCD. This is particularly important for boats manufactured outside the European Economic Area (EEA).

Key documents

When you buy a pre-owned vessel, it is important that you obtain the original title documentation on the vessel from new. This paperwork should include:

- **Original builder's certificate** from the manufacturer to the first owner.
- **Original bills of sale** from the first owner through the chain of title to the current vendor.
- **Original bill of sale** from the vendor to you.
- **Original VAT invoice** on the vessel from new; or original customs documentation to confirm that VAT was paid.

YOUR QUESTIONS ANSWERED

Who can I buy my boat from?

You must buy your boat from either an authorised dealership or broker. If you wish to buy from a broker or dealer who is not registered in the UK, please speak to us first to ensure we are able to verify them.

Can I buy the boat from abroad?

We can finance boats located in many countries, providing we can register them on a UK or UK territory register. We're able to make payment for vessels in Sterling, Euro and US Dollar currencies.

Do I need a survey and valuation?

We don't require a new boat to be surveyed. For used boats, you normally need a current out of water full condition survey and valuation, commissioned by you and undertaken by a marine surveyor. Always make sure your surveyor is of good standing and has professional indemnity insurance.

Is there a minimum loan amount?

Yes, there is a minimum loan amount of £100,000.

Are there any restrictions on using the boat?

Your boat cannot be used for residential purposes.

Do I need to register my boat?

Normally, we only require the vessel to be fully British registered under Part 1 of the Merchant Shipping Act if it is to be kept outside UK waters; or if the level of advance is more than £100,000. For customers who live in Scotland, we require Part 1 British Registration on all advances. Registration fees will apply.

Will I need insurance for my boat?

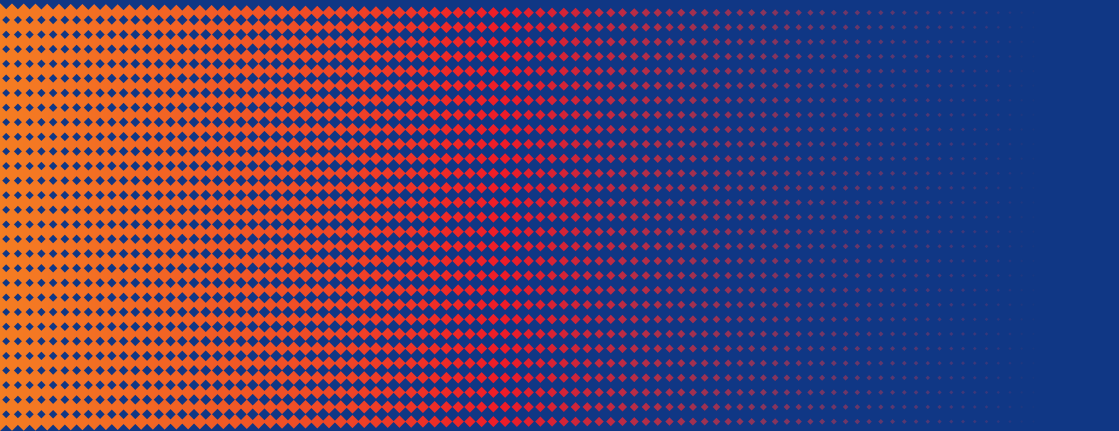
Your boat must be comprehensively insured with a UK insurer with our interest noted on the policy.

Contact us at
marine@lombard.co.uk

Our marine finance specialists are here to answer any other questions you might have.

To find out more visit
lombard.co.uk/marine

MARINE FINANCE APPLICATION



MARINE FINANCE APPLICATION

Please send your completed application form to marine@lombard.co.uk
A member of our Marine team will contact you within 48 hours of receiving it.

This notice explains how Lombard North Central will use your information during this application process.

Who we are

We're a member of the NatWest Group and sometimes we need to share your information within our group. We use and share your information to manage our risk, to protect our business and to comply with laws, such as checking your identity to prevent fraud and money laundering and making sure you have the right products for your needs.

How we will use and share your information

We may request information about you and your business from credit reference agencies to check your credit status to help assess what product you're most suitable for and/or your ability to repay any credit. This credit check may affect your credit score.

We'll also check your identity and that of anyone else who's linked to the agreement. An identity check is just for security though, so it can't affect your credit score.

While you have an agreement with us we'll continue to share information with credit reference agencies about how you manage your account, for example your balance, payments, credit limits and any missed payments to loans. Credit reference agencies will share this with other organisations. Further information about credit reference agencies can be obtained directly from them:

- Experian
www.experian.co.uk/crain
- Equifax
www.equifax.co.uk/crain
- Callcredit
www.callcredit.co.uk/crain

We may use other agencies from time to time.

If we identify or suspect fraud we will record this with fraud prevention agencies, and we may refuse to provide you with products or services.

Further information about Fraud Protection Agencies can be obtained directly from them:

- CIFAS
<https://www.cifas.org.uk/privacy-notice>
- National Hunter Limited
<https://www.nhunter.co.uk/privacypolicy/>

We make decisions based on automated checks of data we hold and receive about you. You have rights in relation to automated decisions, including a right to appeal if your application is declined. If your application is declined we will usually keep your information for up to six years.

We may also have to share some of your details with banking industry regulators, government departments and similar organisations like, for example, HM Revenue and Customs. And they might in turn have to share it with other countries.

Borrowing entity

If you wish to borrow through a company please confirm the name here

Company Name or LLP name

Personal details - Applicant 1

Title

Full name

Address

Postcode

Time at address

Yrs

Months

Daytime/Mobile tel. number

Home tel. number

Email address

Nationality

Date of birth

Owner/Tenant/Living with parents

Previous address and postcode
(if less than 3 years)

Time at previous address

Yrs

Months

Marital status

Number of dependants

Personal details - Applicant 2

Title

Full name

Address

Postcode

Time at address

Yrs

Months

Daytime/Mobile tel. number

Home tel. number

Email address

Nationality

Date of birth

Owner/Tenant/Living with parents

Previous address and postcode
(if less than 3 years)

Time at previous address

Yrs

Months

Marital status

Number of dependants

Employment details - Applicant 1

Title/Occupation	<input type="text"/>		
Employer/Company Name	<input type="text"/>		
Employer/Company address	<input type="text"/>		
Nature of business	<input type="text"/>		
Annual Salary/Income	£	<input type="text"/>	
Time employed at company	Yrs	<input type="text"/>	Months <input type="text"/>
Other annual income (eg. Pension, Rental)	£	<input type="text"/>	

Employment details - Applicant 2

Title/Occupation	<input type="text"/>		
Employer/Company Name	<input type="text"/>		
Employer/Company address	<input type="text"/>		
Nature of business	<input type="text"/>		
Annual Salary/Income	£	<input type="text"/>	
Time employed at company	Yrs	<input type="text"/>	Months <input type="text"/>
Other annual income (eg. Pension, Rental)	£	<input type="text"/>	

Assets

For joint applications please provide consolidated assets and liabilities

House value	£	<input type="text"/>	Value of Other real estate	£	<input type="text"/>
Cash resources	£	<input type="text"/>	Stocks & shares	£	<input type="text"/>
Motor Car	£	<input type="text"/>	Other Assets	£	<input type="text"/>

Liabilities

Total House Mortgage	£	<input type="text"/>
Total Loans (HP, Bank, Leases)	£	<input type="text"/>
Other mortgages	£	<input type="text"/>
Total Credit Card balances	£	<input type="text"/>
Other liabilities	£	<input type="text"/>
Monthly Mortgage Payment	£	<input type="text"/>
Monthly Loan HP payments	£	<input type="text"/>

Liabilities (continued from previous page)

Other monthly outgoings
(include other monthly
committed expenditure that
has more than 6 months
to run for example School
fees/Child Maintenance –
excluding utilities and petrol,
food and day to day living
expenses)

Do you expect your income
to reduce during the term of
this agreement?*

Is your future spending
likely to impact your ability
to re-pay this agreement?*

(*If Yes specify details and
amounts)

Liabilities

Bank Name

Account Number

Sort code

Relationship Manager
(if NatWest/Coutts)

Boat Details

Make & Model of Boat

Make & Model of Engine(s)

Year of Build

Name of Yacht Broker Yacht

Broker Contact details

Name

Tel No.

Where is the boat to be kept?

Are you a previous boat owner? Yes

No

Use of Boat

Private

Charter

Loan Details

Boat Purchase Price

Loan Amount Required

Repayment Period

Source of Deposit

Part Exchange?
(Please specify boat details)

Cash savings?
(Please specify amount)

£

Confirming your agreement

By continuing with this application, you confirm that you understand how we may use your information and are happy to proceed.

You're also confirming that you hold authorisation from the other officers and beneficial owners to agree to the searches against them as individuals and use of the information indicated in this agreement. You will notify them of any changes advised by us to the use of information in this application and you have retained a copy of our privacy notice and have provided the other officers and beneficial owners with a copy of it also.

If you want more detail about how we use your information or your rights please find our full Privacy Notice at www.lombard.co.uk/terms and enter LAFG6462-0318-P

Marketing information

We would like to be able to tell you about products, services and offers that we believe may be of interest to you. If you would prefer not to receive this information by any or all of the methods below, please place a cross in the relevant boxes (if you leave these boxes blank we'll assume that you're happy to be contacted by these methods):

Letter

Phone

Email

We won't share your information with third parties for their own marketing purposes.

Communications about your account

We will contact you with information relevant to the operation and maintenance of your account by a variety of means including online banking, mobile banking, email, text message, post and/or telephone.

Customer Signature

Date

Customer Signature

Date

Lombard North Central Plc. Registered in England: No 337004.

Registered office: 250 Bishopsgate, London, EC2M 4AA.

Authorised and regulated by the Financial Conduct Authority for consumer credit activities.

GET IN TOUCH

Our experts are here to help.

If you'd like a quote or simply want to learn more about what asset finance can do for your business:

Email us marine@lombard.co.uk

