

# THE BUSINESS OF PLEASURE BOATS

## A MESSAGE FROM THE PRESIDENT



*Jim Coburn, NMBA President*

full details.

Late last fall, the NMBA membership voted overwhelmingly to make an important by-law change. This change now welcomes Associate members to the NMBA, which may include such friends and industry partners as marine documentation, insurance, admiralty attorneys, marine recovery agents, surveyors, publication firms and others. With the addition of Associate Members, the NMBA has successfully made the next natural step in being a true national marine finance and marine industry leader. Please join us in welcoming our newest members – see page 7 for details.

The 2007 NMBA Annual Report is completed and will be distributed shortly. Survey participants receive a free copy, and the report is also available for sale at a price of \$249 for members and \$325 for non members. The Annual Report continues to be the most comprehensive marine financing information available anywhere in the country.

There are a few very favorable changes to this year's Annual Report including:

- More simplified survey questions
- Easy to read charts, graphs and output on key financial data
- Two sections of data refined especially for bank/financial institutions that make and hold portfolio

loans and for service companies who originate marine loans through financial institutions.

Last year, three of the five major outboard engine manufacturers eliminated model years on their outboards. The model year elimination is effective on all outboards manufactured and those still in inventory going back two full years. This is causing problems and misunderstandings with manufacturer/dealer relationships, and among outboard consumers. The NMBA is concerned about the effects of this action as it relates to customer service and collateral valuation. Most, if not all, NMBA regular members finance boats with outboard engines. Several NMBA members have indicated they may need to change their current guidelines for determining outboard engine collateral values. The NMBA has met with other national industry associations and is working on the development of an action plan through its Legal/Legislative Committee. The NMBA does not support the elimination of outboard model years for the purposes of aiding manufacturers in an overproduction situation. We would love to know how you weigh in on this action, so please contact me ([james.a.coburn@flagstar.com](mailto:james.a.coburn@flagstar.com)) or Legislative Committee Chair Don Parkhurst ([don.parkhurst@suntrust.com](mailto:don.parkhurst@suntrust.com)) and let us know what you think.

Finally, I would like to thank your Board for their outstanding work. Board members and committee members volunteer their time to make the NMBA a more productive association. Our Annual Conference is industry leading and we continually plan for its growth over the next several years. I am amazed at the extraordinary work done by our Conference Committee and its chairs, Peggy Bodenreider and Don Mattocks. With all of the changes and growth in our membership area, Mike Bryant and the Membership committee stepped up "big-time" to make it easy in welcoming new regular and associate members. Our Marine Lender's Workshop improves every year thanks to the dedication and hard work of Robin Cottmeyer, Educa-

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## A MESSAGE FROM THE PRESIDENT

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tion Committee Chairperson and Jackie Forese. Ever notice Jackie Forese at any of the NMBA major events? She is a past NMBA president and director emeritus who volunteers a great deal of her time to our Association. Her wisdom and insights have ensured that our events run as smoothly as possible. So if you see Jackie at any of our upcoming events, be sure to

thank her for her hard work.

I have not covered all of the possible recognitions here, but I think you get the point. If you have any questions or needs that will help make your Association more valuable to you, please call me or any of your NMBA Board members personally (full listing available at [www.marinebankers.org](http://www.marinebankers.org)).

Enjoy this issue and let us hear from you! ■

## SAWGRASS HOST TO NMBA CONFERENCE IN LATE SEPTEMBER

Florida's Sawgrass Marriott Resort & Spa near Jacksonville is the site for NMBA's 28th Marine Lending Conference, September 30 to October 2. Conference planners visited the property in early April and reported enthusiastically about its facilities, comfortable meeting space, attractive lodging rates, easy travel accessibility, exceptional golf courses and nearby attractions. NMBA's Conference Committee, co-chaired by Peggy Bodenreider of GE Money and Director Emeritus Don Mattocks, endorsed the selection and have begun planning details to serve up an event of high interest to marine lenders and related service businesses.

The Conference will feature business sessions focused on lending issues and concerns, identify opportunities in the coming year, provide an overview of how the boating industry is faring, deliver a useful general economic outlook, and update industry promotional efforts to attendees. It highlights networking with colleagues through the traditional golf tourney, planned mixers and side-activities when the exhibit area is open. The Conference is the annual meeting place for those involved in the marine finance and related service industries and attracts 150-plus participants each year.

NMBA'S Eleventh Golf Tournament, which has been attracting a field of 70 plus golfers in recent years, is also planned for Tuesday afternoon October 2. This will be held at one of the resort's golf courses, which plays host to the PGA Tour and Senior PGA Tour and Home of the Players Championship. Sawgrass is the second largest golf resort in America, with five courses and 99 holes. Bobby Wadkins and Ken Duke teed up at the 2007 Players Championship, May 7-13 at Sawgrass. Wadkins, who collected his fourth Champions Tour Trophy earlier this year said "The Players Stadium course at TPC Sawgrass is always a great chal-

lenge," Start practicing those swings! Just 18 miles from downtown Jacksonville and 22 miles from historic St. Augustine, this engaging property is a retreat from the clamor of urban life, yet a short distance from premier attractions. Beyond golf, the resort features private beaches, several pools, sailing rentals, fishing, tennis, biking and more.

Early booking with the resort is recommended. Room rates have been secured for \$169 (plus taxes and fees) per night. Visit the website at ([www.sawgrassmarriott.com](http://www.sawgrassmarriott.com)) for details of its many amenities. For reservations, call 1-800-457-4653 or the hotel directly at 904-285-7777 and mention the NMBA conference to receive the preferred lodging rate.

Sponsors, exhibitors and advertisers (in the program directory that becomes a useful resource for finding lenders, finance products and services) are an integral part of the conference. Those interested in learning more about these opportunities should contact Mike Smith at 231-932-4021 or by e-mail at [mike.smith@quotemyboat.com](mailto:mike.smith@quotemyboat.com) ■



*Sawgrass Marriott Resort & Spa, Ponte Vedra Beach, FL*



## NMBA ELECTS 2007 BOARD OF DIRECTORS



NMBA Board members (First row from l.): Karen Trostle, Peggy Bodenreider, Mike Smith. (Standing from l.): Bill Otto, Don Campbell, Don Mattocks, Mike Bryant, Jackie Forese, Don Parkhurst, Mike Ryan and Jim Coburn

NMBA elected three new Directors to serve on its board, in addition to naming a new slate of officers for the 2007-2008 season. Elected to serve three-year terms on the Board of Directors are Peggy Bodenreider, vice president of Marine Sales, GE Consumer Finance in Irvine, CA; Mike Bryant, vice president of Trident Funding Corp. in Newport Beach, CA; and Mike Smith, president and co-founder of Global Marine Insurance in Traverse City, MI. Bill Otto, one of NMBA's founding members, will serve on the Board as an emeritus director and was also elected to serve as treasurer for the 2007-2008 term.

Other NMBA Board members elected to officer positions include: Jim Coburn, president; Karen Trostle, vice president; and Mike Ryan, secretary. Don Parkhurst of SunTrust Bank in Fairfax, Va., becomes immediate past president and will continue occupying a seat on the Board. All elected officers will serve one-year terms, which expire in December 2008.

"It's a very interesting time, and I am pleased to serve as this association's president once again," says Coburn, who has 30 years of banking experience, is a former president of NMBA and currently first vice president at Flagstar Bank in Troy, MI. "One of our first orders of business is to implement the new Associate Membership program recently approved by the NMBA general membership."

Trostle is president of Sterling Acceptance Corp. in Annapolis, MD. She formed Sterling in 1987 as a financial service company. Today, Sterling has four marine/RV production offices on the East Coast, specializing in loans in excess of \$100,000. Ryan has more than 20 years of banking and financial service experience and is the current vice president of M&T Bank's Consumer Asset Management Division in Amherst, NY. He is primarily responsible for the liquidation of M&T's collateral, which includes boats, RVs and automobiles. ■

## ADVANCE PLANNER FOR 2007 NMBA WORKSHOP



*The NMBA 2006 Workshop attendees*

NMBA's annual Marine Lending Workshop will return to the Bahia Mar Beach Resort in Ft Lauderdale, FL December 2 to 4. It's designed for operations staff at lending firms for a quick education about boat loan

basics and others who provide services to lenders. Eight topics are covered in classroom sessions:

- Industry overview
- Lien perfection
- Credit analysis
- Marketing
- Insurance
- Collection
- Repossession
- Remarketing

plus more topics, all backed-up in a comprehensive 200-page lending manual provided to each student.

This event offers attendees an excellent opportunity to network with colleagues. Mark your calendars or hold a limited space by contacting Sheila Ray at [ray@nmma.org](mailto:ray@nmma.org) ■



## NOMINATIONS SOUGHT FOR LENDING INDUSTRY SERVICE AWARD



*Bill Otto and Jeff Napier (recipient of last year's NMBA Industry Service Award)*

Nominations are being sought for the NMBA's William B. Otto III Industry Service Award. This tribute recognizes individuals within the marine industry who have given their time and energy to the NMBA or other groups to help colleagues achieve success in their work or business.

It is named for Bill Otto, a founding member of the association and former president. He is credited with organizing the first marine lending conference that brought the financial community together with counterparts in marine manufacturing, retailing and ser-

vices, including insurance providers, maritime attorneys, surveyors, etc.

The award takes the form of a glass trophy to the recipient and wooden plaque noting the awardees kept at NMBA headquarters in Chicago. The presentation is made at the NMBA Annual Conference.

Qualifications of nominees include:

- A commitment and dedication to the improvement of the marine industry in general.
- A passion for helping the industry and individuals within it grow.
- Shown efforts that have improved relations between industry sectors and consumers.
- A person of high ethical standards.
- Nomination by a current member of the NMBA (list available upon request).
- Election by two-thirds vote of the NMBA Board of Directors.

Deadline for nominations is August 17, 2007. To obtain a form, contact Bernice McArdle, 312-946-6260, [bmcardle@nmma.org](mailto:bmcardle@nmma.org) or visit [www.marinebankers.org/news](http://www.marinebankers.org/news) ■

## COAST GUARD AGAIN TRYING TO START VESSEL ID SYSTEM

The U.S. Coast Guard, which has been charged with development of a recreational Vessel Identification System (VIS) since 1988, is moving again to bring together all state boat registration records in a single place. Currently, the primary impetus is to enhance Homeland Security assuming a searchable database could identify a boat that might be on a terrorist mission as in the U.S.S. Cole disaster or aiming to torch a harbor-based liquid natural gas terminal.

The history of and Congress' intentions for VIS suggests many other uses for such a national boat database. Language in the law (P.L. 100-710 which created Chapter 125 of Title 46 U.S.C.) directed the Secretary (when passed, the Coast Guard was under the juris-

diction of the Department of Transportation) to make the registration data available to the states first. It then clarified that the Secretary "may make available information in the system to others, under conditions the Secretary may prescribe."

Congressional authors (members of the Coast Guard & Maritime Transportation Committee) were explicit in their goals for the use of VIS data: "However, the Committee firmly expects that information will be made available through computer terminals in satellite offices or direct computer access by modem. In this manner, boating organizations or financial or documentation services could retrieve data without paper

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## COAST GUARD AGAIN TRYING TO START VESSEL ID PROGRAM

*(Continued from page 4)*

transactions for a fee."

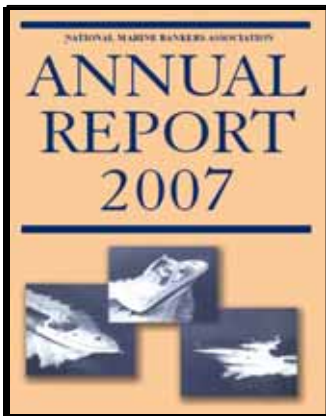
For the latest effort, the Coast Guard has selected Info-Link to collect the data needed for VIS. Info-Link serves the marine and outdoor recreation industries by providing marketing data. One aspect of their work is collecting data on state registered vessels.

NMBA and others in the boating industry were involved in guidance of the original legislation that resulted in VIS. When features of VIS were being identified and in attempts to design a working prototype, it

was a great collaboration of well-meaning volunteers from the marine and lending industries, state boating law agents, admiralty attorneys and Coast Guard personnel who worked with the states and those responsible for the Documented Vessel data center, and providers of data services.

NMBA is interested in broadening the information contained within VIS and to make it accessible to more interested parties. Those who share this interest are asked to become involved in the process. To do so, contact Don Parkhurst who serves as NMBA's Legislative Committee chair by email [don.parkhurst@suntrust.com](mailto:don.parkhurst@suntrust.com) ■

## INFORMATION ABOUT THE ANNUAL REPORT SURVEY



Thanks to the participation of NMBA members, the NMBA annual survey is the only one of its kind that collects current information on marine lending performance as well as industry trends. The report provides information that allows companies benchmark their performance against others in the industry

The Recreation Marine Research Center at Michigan State University (MSU) is the NMBA's independent third party administrator of the survey. MSU has strict requirements that completely protect the confidentiality of the information provided. All information is provided on an aggregate basis, and no individual results are reported.

The report is for sale to members (\$249) and non-members (\$325). To download an order form, please visit the NMBA's website at [www.marinebankers.org](http://www.marinebankers.org) ■

## CONGRESSIONAL EXTENSION OF SALES TAX DEDUCTION INCLUDES BOATS

Thanks to action taken by Congress in December, tax filers who made a large purchase in 2006, such as a boat, may deduct state and local sales taxes paid if the tax rate applied to the boat was the same as the state's general sales tax.

"Some taxpayers may be confused because the usual extension of these provisions were not approved by Congress until after the IRS had already printed its forms in November for the 2006 tax year," said Elaine Dickinson, assistant vice president of BoatU.S. Government Affairs.

"We've been hearing from our members that even their own accountants are unaware of the extension since it did not appear on the printed 2006 Schedule A

(Form 1040)," said Dickinson. A notice on the IRS Web site, <http://www.irs.gov>, outlines the so-called "extender provisions." To get the deduction, filers must itemize their deductions.

"Taxpayers may deduct either sales taxes or state income taxes, but not both," said Dickinson. The deduction for state and local general sales taxes may be claimed on Schedule A (Form 1040), line 5, "State and local income taxes." Enter "ST" on the dotted line to the left of line 5 to indicate you are claiming the general sales tax deduction instead of the deduction for state and local income tax, according to the IRS.

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## CONGRESSIONAL EXTENTION OF SALES TAX DEDUCTION INCLUDES BOATS

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For more on state tax deductions, you can download IRS Publication 600, which include s state-by-state tax

tables, by going to <http://www.irs.gov> or by calling 1-800-829-1040, 7 a.m. to 10 p.m. weekdays.

BoatU.S. - Boat Owners Association of The United States - is the nation's leading advocate for recreational boaters. ■

## NMBA WELCOMES ASSOCIATE MEMBERS

NMBA recently approved a change to its by-laws offering Associate Membership in the organization. "A number of non-lenders have always been partners and strong supporters of NMBA and its role in the industry," says Jim Coburn, NMBA president. "We're proud to welcome these firms into our membership ranks and invite other industry groups to become more involved with the association." See the "NMBA MEMBER NEWS CORNER" section (page 7) for a list of new members.

Associate Members of NMBA receive an Associate Membership Certificate and are entitled to receive all association mailings and communications. Additional benefits include discounts on conference and workshop fees equal to that of regular members and use of the NMBA logo. Associate Members may also serve

on NMBA committees or be committee chairpersons, and a special seat will be reserved on the NMBA Board of Directors for an associate member.

NMBA encourages companies from all segments of the marine industry to join at the Associate level, including: marine documentation services; marine recovery agents; marine insurance agencies and companies; marine industry associations; marine surveyors; marine finance software and value publications; admiralty attorneys; marine finance industry consultants; and others, pending NMBA Board approval.

For additional information regarding NMBA Associate Membership, visit [www.marinebankers.org](http://www.marinebankers.org) or contact Bernice McArdle at 312/946-6260; [bmcardle@nmma.org](mailto:bmcardle@nmma.org). ■

## DISCOVER BOATING MEDIA BEEFED-UP THROUGH MAY

In early March Discover Boating kicked off its second annual national advertising campaign, scheduled to run through the Memorial Day holiday. So far the campaign is reported to be off to a terrific start, with national ads appearing on cable television, in nearly a dozen national magazines and on more than 400 websites, including another run during online broadcasts of the NCAA Basketball Tournament, which broke all previous records for live Internet video streams in 2006.

In 2007, Discover Boating doubled the number of television spots, from 3,500 to upwards of 7,000. Heavier emphasis has also been placed on Internet advertising, with more than 180 million banner ads appearing online, while the same consumer print impressions have been maintained while reducing the cost and frequency of magazine advertisements. Since the 2007 ad campaign official kick-off, web traffic on DiscoverBoating.com is up 26 percent over the same period (March to April) in 2006.

Discover Boating, the marketing communications campaign to help prospects become boat owners and current boaters to enrich their experience, is part of the industry-wide Grow Boating effort. Grow Boating has three more goals: increasing and protecting water access, improving boaters' sales and service experience, and certifying boats to ensure boaters get a quality product.

A number of marine lenders are supporting the Grow Boating campaign with contributions to the Rising Tide Fund. NMBA contributed \$10,000 to the Grow Boating Initiative Start-Up Fund in 2005 and formed a task force to encourage lenders to financially support the campaign on an ongoing basis. Marine lenders contributed \$104,000 of \$263,000 in Rising Tide donations for 2006, according to the Grow Boating Annual Report.

For more information on any of these programs visit [www.GrowBoating.org](http://www.GrowBoating.org) or contact Steve Tadd at 312/946-6246; [stadd@nmma.org](mailto:stadd@nmma.org). ■



# NMBA MEMBER NEWS CORNER

*We are pleased to welcome our newest members to the NMBA ranks*

## **REGULAR MEMBERS**

### **Branch Banking & Trust**

Greensboro, NC  
*Contact: Jim Ellis*

### **Comercia Bank**

Fort Lauderdale, FL  
*Contact: Mike Scallin*

### **First Republic Bank**

San Francisco, CA  
*Contact: Jim Simpson*

### **RV Lending Group**

Sycamore, IL  
*Contact: Kevin Marsh*

**Adorno & Yoss**  
Fort Lauderdale, FL  
*Contact: Robert McIntosh*

### **AIG United Guaranty Insurance**

Greensboro, NC  
*Contact: Jerry Bryant*

### **Atlantic Boat Documentation**

Annapolis, MD  
*Contact: Liz Childs*

### **Butzel Long**

Bloomfield Hills, MI  
*Contact: James Stewart*

### **Davis & Company**

Lisle, IL  
*Contact: Gregory Davis*

### **First American Transportation Title Insurance Company**

New Orleans, LA  
*Contact: Gayle Poole*

### **Global Marine Insurance**

Traverse City, MI  
*Contact: Mike Smith*

### **Harrison Marine**

Harrison Township, MI  
*Contact: Jeff Henderson*

### **International Recovery Group**

Orlando, FL  
*Contact: Ken Cage*

### **LAB Marine**

Rock Hall, MD  
*Contact: Bryan Braley*

### **Marine Finance Consultants**

Spring Hill, FL  
*Contact: Jim Meere*

### **National Liquidators**

Fort Lauderdale, FL  
*Contact: Matt Amata*

### **NMMA**

Chicago, IL  
*Contact: Thom Dammrich*

### **Roe Wallace Esteve Taroff & Taitz**

Patchogue, NY  
*Contact: Steve Taitz*

### **Secured Marine Trust**

Branford, CT  
*Contact: Bill Thompson*

### **Travelers Insurance**

Hartford, CT  
*Contact: Brad Burton*

## **ASSOCIATE MEMBERS**

### **ABOS Marine Blue Book**

Overland Park, KS  
*Contact: Tom Fournier*

### **Accredited & Certified Marine Surveyors**

Nahant, MA  
*Contact: Rob Scanlan*

## LAB MARINE PURCHASES MARINA

Bryan Braley, president of Lab Marine, reports that his firm has purchased Rock Hall Marine Center, located in a hurricane protected tributary of the Chesapeake Bay in Hall, MD. Currently a 40 slip, 4.6 acre, Lab plans to add additional berths, hi & dry rack storage, haul out services for yachts up to 70,000 lbs and a state-of-the art repair facility.

New repossessions were being sent directly to the new marina starting February 1, 2007. Notes Braley, "By

purchasing the marina I strongly believe for a variety of reasons we will be able to further increase the quality of our service and continue to grow our as a company while being able to better control our ever-increasing expenses. So I look forward to speaking in-depth to everyone individually about the specifics involving the move and welcome all feedback and ideas as to how the marina can further benefit all of us." ■

## GLOBAL MARINE NAMED AS "COMPANY TO WATCH"

Recognized as one of the "Michigan 50 Companies to Watch," Global Marine Insurance Agency of Traverse City is receiving an award designed to shine the spot-

light on second-stage companies, defined as having 6 to 99 full-time-equivalent employees.

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## GLOBAL MARINE NAMES AS "COMPANY TO WATCH"...

(Continued from page 7)

Global specializes in selling marine insurance related products in all lower 48 states.

Winners were selected by the Michigan Certified Development Corporation, Michigan Small Business &

Technology Development Center, the Small Business Association of Michigan, the Michigan Economic Development Corporation, the U.S Small Business Administration-Michigan and the Edward Lowe Foundation. Judges evaluated the nominees' demonstrated intent and capacity to grow.

Information about the program can be found at [Michigan.CompaniesToWatch.org](http://Michigan.CompaniesToWatch.org) ■

## TONNEY RECOGNIZED FOR CHARITABLE WORK



Jane Toney

Jane Toney of National Liquidators was elected to the Seafarers' House Board of Directors in 2005 and last year was elected to be the first woman to serve as its President.

Recently the 1000+ Club of the American Cancer Society selected Seafarers' House as an

outstanding not-for-profit organization and Toney as a recipient of the "Woman of the Year" award for 2007.

Seafarers' House in Port Everglades, FL helps seafarers reconnect with loved ones while visiting the port, assists seafarers in trouble, offers multi-faith worship and pastoral counseling and provides a safe haven for the mariner for rest and relaxation. It's been in operation for 18 years and is visited by men and women working both cargo and cruise ships and hosts over 100,000 crew visits each year. ■

## FORMER NMBA DIRECTOR KILEY GROWS RIGGING FIRM

Former NMBA Director Jay Kiley and his brother, Colin, owners of OYS Service, Inc., a Florida-based company specializing in superyacht rigging systems and sail-handling equipment, reached an agreement to be acquired on January 1 by BSI A/S of Haderslev, Denmark. The new company will be named Global Rigging Service, Inc., and will operate out of facilities in Riviera Beach, FL; Portsmouth, RI; and Trumbull, CT. Through a worldwide network of service centers,

Global Rigging will offer preventative maintenance and service for all brands of rigging and sail handling systems on sailing yachts over 25 meters (84 feet) in length.

The company will also continue to offer consulting and refit capabilities, along with inspection and surveying services. For more details or to touch base with Kiley, call 203-452-0433 or email [jkiley@globalrsi.com](mailto:jkiley@globalrsi.com). ■

THE BUSINESS OF

### PLEASURE BOATS

A service of the



**national marine  
bankers association**

News items which are germane to the marine financing field will be considered for inclusion in the newsletter. Send information to the address below.

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