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## YOUR DREAM BOAT AWAITS

It's a buyer's market in the boating world, the likes of which we've never seen before. Here are some steps to make sure you're christening the right vessel.

Words: Jeff Barton

### Step #1: Finding the Right Boat for You

"Our typical customer is already a boat owner," says Ryan Sorensen from Lake Hopatcong Marine in New Jersey. "They realized they didn't get what they wanted – or needed – with their first boat. They come in knowing what they want in a boat: tower, ballast tanks, a boat that throws a good wake. They want to do it right this time, to get what they didn't get with their last purchase." Get informed. Read our boat buyer's bible on page 42 and find out exactly what you need, then get to the dealerships and look at what

they have. But don't even think about buying until you get in the driver's seat and take the boat for a spin. How does it handle? How many ballast tanks are there? What is the horsepower? Simulate your intended riding situation as best you can. If you intend to use your future boat with a lot of weight, test-drive it with a lot of weight. When you find what you're looking for, then it's time to talk dollars.

**Step #2: Finance Frenzy** Finally, you've found your dream boat. It's time to start

thinking about what it's going to take to put it on your hitch and take it home. The next step: Just stroll into your dealer, pay cash, take your new ride to your local lake and let the shredding begin!

OK, if you're not in the 3 percent of the population that can buy a boat outright, then you're going to be looking to finance. Financing numbers are attainable when you break it down to a monthly payment. Are you bringing a trade to the table? If so, that's where the first round of negotiating will take place. Consider the trade value as part of your

initial down payment for the financing. "A finance company usually wants you to come to the table with at least 5 percent of the boat's cost," Sorensen says. "A lot depends on your credit score, but as a general number, if you put 10 percent down on a \$50,000 boat, you'll be around \$500 a month for a 12-year loan." Now there's a number that's much easier to swallow than the sticker price. And it's not uncommon to find loans stretching to 20 years in length, bringing your payments down further. Be sure to ask if there's a prepayment penalty for settling your loan early. You might find yourself in a position to pay off your loan in a time frame shorter than the contract stipulates. Most companies do not charge a prepayment penalty, but the right time to make sure of this is upfront when you're establishing the note.

**Step #3: Insure and Secure** Just like your car or truck, you'll need to have a certain amount of insurance to legally operate your boat. Most states have mandated minimum amounts of coverage for liability and collision, so be sure you know what you need. You also want to be aware of other risks that might be unique to the environment where you'll use your new boat. "You can get insurance coverage for such things as below waterline objects," says Sorensen, "or insurance against your engine being damaged if you're in an area where the temperatures drop below freezing." If something presents a risk to the overall well-being of your boat, be sure to protect yourself against it. Just like your vehicle, insurance premiums are affected by a number of variables, the biggest being the length of your riding season. Are you a seasonal ripper or can you get down year-round? Regardless, you should expect insurance costs to run no more than \$90 a month, less in seasonal regions.

## WORDS OF WISDOM

**Step #4: Shop 'til the Rates Drop** Search for the best loan you can find. Don't just go with the financing suggested by your boat dealer. Try your bank. Try someone else's bank. Shop online. Shop everywhere. But don't let the company run your credit until you're comfortable with the numbers they present. Most importantly, let all the companies know you're exploring all your options. A loan officer will be more eager to give you the best deal they can if they're worried about you going elsewhere. They need you more than you need them. Make them feel that way.

**Step #5: Is It Free or on Me?** Ask about the warranty. Of course, each new boat comes with a warranty, and they vary widely from manufacturer to manufacturer. "That's one thing that constantly surprises me with my

customers," says Sorensen. "They are buying a serious piece of equipment, but they rarely ask questions about the warranty. Basically, you shouldn't have any additional costs with your new boat due to technical issues for the first few years. Definitely ask what your warranty covers and how long it lasts."

### Step #6: Don't Let a Broker Be a Choker

As an alternative to taking your boat as a trade, a boat dealer may offer to broker your boat or sell it for you through their dealership. You can expect a dealership to take a 15 percent cut of a brokered boat deal if they're

just selling the boat for you. While this percentage is completely negotiable, expect them to want a piece of the action. This percentage should drop substantially, however, if you're using that money to go toward a boat you're buying from their dealership. How low should it go? Try zero. They're making their money from the boat you're buying and you should expect them to view this as assisting your purchase. The dealer might charge a small commission in this situation, but definitely don't allow them more than a 10 percent brokerage fee. Someone else will help you if the dealer is unwilling.

## BOAT LOANS AND INSURANCE

Here you'll find a few examples of boat loan and insurance companies. In no way, shape or form does *WAKEBOARDING* magazine suggest you use any of the below companies. As we said, however, those who shop around find the best deals, so we're offering you a head start on your research. But in both the boat loans and insurance categories, there are plenty of options out there. This is merely a jumping-off point on your mission to ride.

### BOAT LOANS

**Bank of America** [bankofamerica.com](http://bankofamerica.com) 800-215-6195  
**eBoatLoans** [eboatloans.com](http://eboatloans.com) 877-435-3633  
**GEMB Lending** 800-626-9120

### INSURANCE

**Allstate Insurance** [allstate.com](http://allstate.com) 800-255-7828  
**Progressive Insurance** [progressive.com](http://progressive.com) 800-776-4737  
**Global Marine Insurance Agency** [globalmarineinsurance.com](http://globalmarineinsurance.com)  
 800-748-0224

### BOAT LOAN CALCULATOR EXAMPLE

Here is a generic loan calculator to figure out what you can expect to pay each month. This doesn't include a down payment amount, just what you'll be asking for from the bank. Interest rates are completely negotiable and will vary due to many factors, such as your credit score and the length of the loan. State sales tax will vary as well.

**Loan amount**  
\$45,800

**Interest rate**  
6%

**Sales tax**  
\$4,200 at 7%

**Loan term**  
12 years

**Monthly payment**  
\$487.92

**BOAT BUYERS WANT TO DO IT RIGHT THIS TIME, TO GET WHAT THEY DIDN'T GET WITH THEIR LAST PURCHASE.**