

Tell Your Banker “No Thanks!” and say goodbye to that 20-year boat loan with fractional ownership!

Part 4 in a Series on the Advantages of Yacht Shares
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Boat buyers like to negotiate but, really, who wants to pay too much? Buying a boat brings out the best negotiator in all of us - it's your chance to be like Donald Trump and make the deal of the century. Take it from an industry insider, no matter what price you pay, you are going to pay too much if you take out a 20-year loan. Let me explain.

What a 20 Year Boat Loan Costs

If you take out a typical \$100,000 loan at 6.99% for 20 years, that means you not only pay \$100,000 for the boat, but will pay another \$85,000 in interest. Even if you aren't financially savvy, it's clear that this is just plain insane. Bankers have enough of your money, why give them more? There is a better way. Fractional yachting allows you own a share of a yacht outright for about the same price as a typical down payment.

Keep Your Balance Sheet Clean

The 20-year boat loan may negatively impact your finances in more ways than just paying too much. It adds a very large long-term liability on your personal balance sheet and another mortgage on your credit report. If, instead, you used your down payment to pay cash for a yacht share, you will save big time. Even if you decide to finance a yacht share purchase, your payments will be so low that your credit limit is hardly touched.

Fractional Ownership Saves in More Ways Than One

Sharing a yacht may not be for everyone, but it has some definite financial advantages. It costs less to buy, less to maintain, and a lot less to own over time. So, my advice to boat buyers is this: “quit worrying so much about the sale price of a boat and instead focus on the total cost.” You may discover that fractional yachting is a compelling alternative. And, in the process you get to tell your banker “no thanks!”