

Recreational Marine Finance

What is Recreational Marine Finance?

Recreational marine finance is a specialized form of asset-backed lending that provides financing for the purchase, lease, or inventory management of boats, yachts, and other watercraft. This strategy includes both consumer and commercial loans and is typically secured by the marine assets themselves. Given the high-value nature of the collateral, marine finance offers investors access to a niche, collateralized credit exposure within the specialty lending market.



Why invest?

- **Secured and collateralized:** Loans are backed by high-value marine assets, providing tangible security in default scenarios.
- **Attractive yield potential:** Higher interest rates than traditional lending due to the specialized nature of the collateral and underwriting.
- **Resilient demand:** Financing demand remains steady, particularly among high-net-worth individuals and commercial charter operators.
- **Diversified exposure:** Includes both consumer and business lending, offering access to various borrower segments.

Risks to consider

- **Depreciation and resale risk:** Marine assets can lose value over time, impacting recovery in default.
 - **Mitigation:** Focus on well-maintained, high-demand vessels and conservative loan-to-value ratios.
- **Credit and default risk:** Borrowers may be sensitive to economic downturns or liquidity events.
 - **Mitigation:** Underwriting includes borrower credit assessment, income verification, and asset tracking.
- **Regulatory and insurance considerations:** Marine lending involves jurisdictional rules and specific insurance requirements.
 - **Mitigation:** Experienced servicing, proper documentation, and insured collateral help ensure legal and operational compliance.

Conclusion

Recreational marine finance offers investors a secured, niche credit strategy with exposure to high-value collateral and stable demand. With strong asset backing and diversified borrower profiles, it serves as a differentiated component within structured credit and alternative lending portfolios.

Common sectors or products in Recreational Marine Finance



Consumer boat and yacht loans: Financing for individuals purchasing new or pre-owned vessels



Marine dealer and inventory financing: Short-term credit for dealerships managing watercraft inventory



Charter and commercial fleet loans: Loans to companies operating rental and excursion fleets



Marina and infrastructure financing: Capital for docks, storage facilities, and waterfront service providers

About MA Asset Management

We have a 10+ year track record of investing in directly originated private asset-backed credit across differentiated lending strategies.

The team are focused on income generating assets that provide investors with a steady stream of monthly income. Beyond traditional private credit, we also negotiate both long-term loan flow agreements and credit facilities with originators.

MA Asset Management, LLC is a wholly owned subsidiary of MA Financial Group, a publicly listed company on the Australian Securities Exchange (ASX).

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