

The Used Boat Buyer's Financing Playbook

Plain-English financing guidance for used boats, RVs, and classics

From The Boat Brokers, Inc. - Lake Havasu's used boat specialists since 1984

Seven chapters. Everything a used boat buyer needs to know before applying.

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CHAPTER 1

Used Boat Financing: How It Actually Works

TBB is a used boat dealership and brokerage. Nearly every boat, RV, and classic car on our lot has a previous owner, a personal history, and a real story. We also carry a small selection of new pontoons, but the business we've built over 40+ years in Lake Havasu is buying, selling, and brokering pre-owned watercraft.

That matters for financing, because used boat loans work differently than new ones - and differently from car loans, home loans, or anything else most buyers have dealt with. Understanding those differences before you apply saves time, surprises, and money.

Why used boat financing has its own rules

- Lenders classify boats, RVs, and classic cars as luxury assets - a separate loan category from auto or mortgage.
- Many lenders don't offer marine or recreation loans at all. The pool of willing lenders is smaller than most buyers expect.
- Down payments start at 30% - higher than auto loans, and higher still on older or performance models.
- Lenders loan against book value (JD Power/NADA), not what you paid. On used boats, those numbers frequently diverge.
- Every used boat is different. No two have the same hours, maintenance history, condition, or story - and the market prices each one accordingly.

That last point is the one that catches buyers off guard most often. Chapter 6 covers it in full. For now: a broker who understands actual market pricing - not just the book value a lender references - is worth more than most buyers realize going in.

CHAPTER 2

Pre-Qual vs. Pre-Approval (and Who TBB Actually Is)

These two terms get used interchangeably. They are not the same thing, and the difference matters for your credit score.

Pre-Qualification

Pre-qualification (what TBB's quiz does) is self-reported. You tell us where you stand. We use that to show you what typical financing options look like for someone in your situation. No lender is involved yet. Nothing touches your credit.

Pre-Approval

Pre-approval is a formal lender step. A lender pulls your credit (a hard inquiry), reviews your documents, and issues a conditional commitment. This is the step that actually affects your credit score - usually by a few points, temporarily.

The Boat Brokers, Inc. is a licensed boat dealer and brokerage, not a lender. We do not make credit decisions. Pre-qualification through this page is based solely on information you provide and is not a commitment to lend. Actual financing terms are determined by third-party lenders based on your credit application.

What a dealership-brokerage does differently

TBB operates as both a licensed dealer and a brokerage. That means we represent the inventory - used boats, RVs, and classics bought outright or taken on consignment from private owners - and we help buyers find the right financing to acquire it.

We don't make the lending decision. We know the lenders, know the market values, and know which deals work for which lenders. That's the brokerage value: we've spent 40 years building the relationships that get buyers into the right money, not just any money.

CHAPTER 3

What Actually Moves Your Rate

A handful of factors move your rate on a used boat loan. Knowing which ones you control - and by how much - lets you show up with leverage instead of hope.

Your credit profile

The single most influential factor. Lenders use it to assess repayment risk. A stronger profile opens the friendlier end of the typical range; a weaker one doesn't close the door, but it shapes the options. Checking your own credit does NOT affect your score.

Down payment

On used boats, RVs, and classics, the down payment floor is 30% - and it moves higher on older, performance, or rare models where market value runs ahead of what the lender's book says the boat is worth. Chapter 6 explains why that gap exists and what it means in practice.

Rule of thumb: pick the shortest term your monthly budget can comfortably handle. You can always make extra payments on a longer-term loan; you can't reduce the required payment on a shorter-term one.

Loan term

Longer terms lower your monthly payment but increase total interest paid. Shorter terms cost more monthly but less overall. Most lenders price 15-20 year terms for higher-value boats; under \$25K typically caps at 10-12 years. The age of the boat also factors in - lenders cap terms on older vessels.

The boat's age, type, and condition

Every used boat is different, and lenders treat them that way. Age caps, type restrictions, and condition assessments (sometimes requiring a marine survey) all affect what a lender will do and at what terms.

TBB has 40+ years of direct relationships with hundreds of lenders across the United States - including specialists in performance boats, older vessels, and asset classes most local banks pass on. We know who wants the deal before we call.

CHAPTER 4

The Documents Checklist

The formal application step goes faster when you've gathered what lenders ask for. Here's what to have ready - get it once, and you're set for any lender in the pipeline.

Standard documents for most buyers

- Government-issued photo ID (driver's license or passport)
- Proof of income - last 2 pay stubs OR last 2 years of tax returns (W-2s or 1040s)
- Proof of residence - utility bill or bank statement with current address
- Bank or investment account statements (last 2-3 months) to show down payment funds

If you're self-employed

- Last 2 years of business tax returns (Schedule C or business 1120/1065)
- Year-to-date profit & loss statement (your accountant can provide this)
- 12 months of business bank statements

For larger purchases (\$100K+)

- All of the above, plus:
- Asset statement (investment accounts, retirement, real property)
- Some lenders require a marine survey on boats over a certain age or value

You don't need any of this before talking to a TBB broker. The first call is just a conversation. Gather the list when you're ready to move to a formal application.

CHAPTER 5

Understanding Your Terms

Once a lender comes back with an offer, you'll see a term sheet with numbers that need translation. Here's what each one means and how they trade off.

Term length vs. monthly payment

The shorter the term, the higher the monthly payment - but the less total interest over the life of the loan. The longer the term, the lower the payment - but more total interest paid.

Example (illustrative only, not a quote): A \$75,000 loan over 10 years vs. 15 years can mean a \$250-\$350/month payment difference, but \$8,000-\$14,000 more in total interest on the longer term. Right choice depends on cash flow and how long you plan to own the boat.

Rate types

Most used boat loans are fixed-rate - the rate doesn't change over the loan's life. Variable-rate options exist but are less common in marine lending. Confirm before signing.

Prepayment

Ask whether the loan has a prepayment penalty. Most modern marine loans don't, but some do - especially from smaller credit unions. If you plan to pay it off early, this matters.

CHAPTER 6

The Used Boat Reality: Book Value vs. Market Value

This is the chapter most financing guides skip. It's the reason buyers get surprised when their down payment requirement comes back higher than they expected - and it's the most important thing a used boat buyer can understand before they get to the table.

What lenders loan against

Lenders don't finance what you paid. They finance what the book says the boat is worth.

For marine loans, that reference is typically JD Power or NADA. The lender looks up the boat's year, make, model, and standard configuration, gets a book value, and loans a percentage of that - usually 70-80% depending on your credit and the lender. What you actually agreed to pay for the boat is largely irrelevant to that calculation.

Where the gap comes from

On mass-produced boats - the kind that sold in large numbers for decades - book value and market value tend to track close. Supply is predictable, demand is steady, and the guide is a reasonable proxy for actual value.

Performance boats, exotics, rare models, and low-production runs are a completely different story. Supply and demand sets the real price, not a published guide. When demand outpaces supply - and for certain makes and models it does significantly - market value runs well ahead of book. That gap is the buyer's problem to solve with cash.

And there is no such thing as an identical used boat. Every one has its own story: hours on the engine, whether routine maintenance was done on schedule, how it was stored (garage-kept in AC or sunbaked for three seasons without a cover), whether it was rinsed after every use or left to tarnish. Two identical model years can be worth dramatically different amounts. The book doesn't know any of that. The market does.

Supply and demand is always the true value indicator on a used boat. The book is a starting point for the lender. The market is what buyers are actually paying. A good broker knows both numbers and the gap between them.

What this means in practice

If market value is above book value, you are - from the lender's perspective - overpaying for the collateral. The lender will loan against book. You bring cash to cover the rest.

That's how a used performance boat priced at market can require 40% or more down even though a mainstream boat at the same price might only need 30%. The percentage isn't a penalty - it's the math of a market price that outran the guide.

Why this is good news for the right buyer

If market value is ahead of book value, you're buying a boat the market has already decided is worth more than the guide says. That's real demand - a boat that holds value because people want it, not because a spreadsheet says so.

The down payment is larger. The boat is also harder to find and harder to replace. That's a trade worth understanding before you walk away from it.

TBB's position in this

TBB has been buying, selling, and brokering used boats in Lake Havasu for over 40 years. We know what boats are actually trading for - not just what the guide says - because we're in the market every day.

We also have direct relationships with hundreds of lenders across the United States, including specialists in older vessels and performance boats who understand the gap between book and market. We know who to call and how to structure the deal before we pick up the phone.

That institutional knowledge is part of what you get when you work with a used boat broker who's been doing this since before most financing guides existed.

CHAPTER 7

Your Next Step

If you've read this far, you know more about used boat financing than most buyers walk into a dealership with. That's the point.

The next move is simple: a conversation with a TBB broker. Not a sales pitch - a real conversation about what you're looking at, what your situation is, and what realistic financing options look like. Fifteen minutes. No cost.

What to have ready

- The type and approximate price of what you're looking at (new lead? existing listing? consignment?)
- A rough sense of your down payment - doesn't need to be exact
- Your ballpark credit range (you told us on the quiz - enough for the first call)
- Your timeline - ready now, 30 days, or just looking

A TBB broker takes it from there: walks you through what lenders typically look like for your situation, covers the book-vs-market question on any specific boat you're considering, and - when you're ready - helps you put together the real application package.

No obligation. Nothing happens until you say go.

Reach us

Phone / Text: (928) 453-8833

Website: theboatbroker.com

Pre-Qualification Quiz: theboatbroker.com/get-pre-qualified/

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