

RISING TIDE OF BOAT REPOS



Joe Cavaretta, Sun Sentinel

David Ram of National Liquidators cleans a repossessed yacht on Thursday at the company's boatyard in Fort Lauderdale. With the sagging economy, the company expects to take back as many as 400 boats from their owners this year.

Bernard Madoff's yacht is only one of perhaps 400 vessels a month firm will seize

By Arlene Satchell
STAFF WRITER

Rough sailing for South Florida boat dealers means big business for a Fort Lauderdale company that takes boats from cash-strapped owners.

National Liquidators had orders to reel in 3,066 vessels in 2008, the most in 21 years handling boat repossessions and

auctions.

The company's highest profile catch came Wednesday when it hooked the jailed financier Bernard Madoff's 55-foot luxury fishing boat for federal authorities. National Maritime Services, its subsidiary that handles boat seizures for the government, impounded the custom-built 1969 Rybovich vessel valued at \$2.2 million. It'll be sold at

an auction to help repay investors Madoff defrauded as part of his \$65 billion Ponzi scheme.

"We repo four to five boats a day in South Florida," President Robert "Bob" Toney said.

This year, about 380 boats on average are being repossessed monthly, and that could jump to more than 400, he said.

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On tape

Watch our video about the seizure of Bernard Madoff's 55-foot yacht, at [Sun Sentinel.com/madoff](http://SunSentinel.com/madoff)



h HELP TEAM » GAS WATCH

Broward County's lowest regular gas prices

Amerika	7705 N. Pine Island Road, Tamarac	\$2.03
Sunoco	8400 W. Oakland Park Blvd., Sunrise	\$2.05

Historic mortgage rates spark refinancing flurry

Boat repossessions increase

National also operates recovery sites in California and Ohio and is considered the nation's largest boat recovery and auction company.

Last year, it generated nearly \$82 million in sales, an 86 percent increase. While the majority of vessels seized are 30 to 50 feet, more of the bigger boats from 55 to 75 feet have started to trickle in.

Two yachts more than 100 feet long were towed in recently, Toney said.

Nearly 60 percent of National's business is in Fort Lauderdale, a boating mecca. The boatyard currently houses about 600 vessels, many repossessed and seized in South Florida and from central and coastal areas statewide. Boats also come in from North Carolina, Alabama and Georgia.

"Ninety-nine percent of the time, we take them without incident," said Lisa Castelazo, National's southeast recovery supervisor.

Though the majority of boats are plucked from marinas, repo agents increasingly have to scope out canals and waterways for boats, some intentionally hidden by owners.

A 60-foot Sea Ray docked behind a private residence along Fort Lauderdale's busy New River was recently snagged "seamlessly," she said.

Most repos are probably coming from banks that offered dealers creative lending programs based mainly on credit scores and no income verification, said Lang Ryder, senior vice president of Seacoast Marine Finance in Fort Lauderdale.

Seacoast Marine didn't



Wendy Limroth, courtesy

A U.S. marshal looks at Bernard Madoff's yacht, which was seized Wednesday, at the National Liquidators boatyard.

offer these programs and has fared better in the slump, Ryder said.

The firm recently had two boat repos, and one already has been sold.

While repo boats are selling, which is a bright spot for the marine industry, some worry about negative effects.

"We might be bringing some new people into boating, but in the long term it's [repo sales] not helping the local marine economy that much," said Frank Herhold, executive director of the Marine Industries Association of South Florida in Fort Lauderdale. "It's not a story with a happy ending."

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National Liquidators U.S. boat repo orders

2009: 4,000 (est.)

2008: 3,066

2007: 1,858

2006: 1,545

2005: 1,673

Source: National Liquidators

» INSURANCE

Rate in

Citizens Property and Casualty Insurance Corp.

Rep. Pat Fitzpatrick, chair of the House Small Business Committee, says Florida's insurance requirements are too strict. "I believe we're on the right track to gradually and responsibly increase rates," he said.

Sean Shaw, insurance consultant and a lobbyist for groups including Florida Wildlife Federation and United Way, backed the House measure Thursday.

Crist — a proponent of reducing the cost of insurance for small business owners — said this week that the proposed legislation is likely to pass as the roughly 45 percent increase in Citizen's needs should be

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Mortgage

After the Fed raised rates, mortgage servicers said last week they would buy \$1.2 billion in mortgage-backed securities and \$300 million in long-term government debt, which will influence 30-year home loans.

Lenders, however, have tightened standards over the past year. The best rates are those with solid credit.

Freddie Mac's mortgage rate fell a day through the end of each week. Rates often fluctuate significantly, even on a given day.

Rates on five-year adjustable-rate mortgages fell to 4.92 percent compared with 4.98 percent