Marine Collateral Exit-Value Checklist

A quick lender-side review before relying on a vessel's collateral value - especially when the expected holding period may become an exit.

1. The Asset

- Current vessel configuration and principal equipment
- Machinery hours and overhaul history
- Maintenance, repair, and dry-docking history
- Recent survey information and known deficiencies
- Major equipment additions, removals, or conversions

2. Regulatory Position

- Current certificates, endorsements, and inspection status
- Operating restrictions or outstanding recommendations
- Upcoming regulatory work that could affect use or marketability

3. The Market

- Likely buyer profile and depth of the buyer pool
- Recent relevant sales - not just asking prices
- Competing listings and typical marketing period
- Geographic market and demand for the vessel's service

4. The Exit

- Appropriate definition of value for the lender's question
- Expected sale timetable and assumed marketing exposure
- Vessel location and any towage or relocation requirements
- Likely holding, preservation, brokerage, and disposition costs

The goal is not to predict a default. It is to understand the collateral well enough that a default does not reveal risks the lender could have identified earlier.

When to revisit this checklist

At origination	During portfolio review	At workout or default
Test the exit market before the loan closes.	Ask what has changed in the vessel, records, and market.	Match the value premise to the actual sale circumstances.

Questions about a marine asset? beckmarine@beckmarine.net | www.beckmarine.net | 504-256-3370