Scotiabank offers yacht loans in Mexico

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MEXICO CITY (Reuters) - Help is on the way for well-heeled Mexicans who want to buy a flashy speedboat or yacht but are short on cash.

Canada's Scotiabank has started to offer loans to wealthy Mexicans in the first credit program of its kind in the Latin American country.

Scotiabank's Mexican unit wants to lend prospective skippers in tourist hot spots like Cancun, Acapulco and Ixtapa the money to buy boats worth up to $300,000.

The bank aims to hand out as many as 200 boat loans worth a total of $40 million this year, and another 500 loans next year, product manager Gerardo Davila said on Monday.

Scotiabank is targeting Mexican clients who earn at least $55,000 a year and want to buy recreation vessels worth a minimum of $11,000.

"People who are very well established, people who have their own home and have advanced professionally," Davila told Reuters.

Boat dealers in Mexico, where most people live on less than $1 a day, sell about 1,000 recreation boats annually, Davila said.

In the 1990s, a financial crisis devastated Mexico's banks, drying up all kinds of consumer credit.

Scotiabank and big competitors like Citigroup bought up many of the debilitated banks, and in recent years they have begun to offer mortgages, car loans and credit cards again.

A few customers have applied for the new boat loans, and Scotiabank expects to authorize its first soon, Davila said.