

❓ What is a Securities-Based Line of Credit?

A Securities-Based Line of Credit (SBLOC) allows clients to use their investment accounts as collateral for a variable or fixed rate line of credit. Proceeds from the credit facility can be used for a number of short-term or long-term financing needs, such as real estate acquisitions, luxury item purchases, business investments, debt refinancing, short-term cash needs or bridge facilities, and general liquidity for personal or business expenses. The proceeds cannot be used to purchase securities.

❓ What are the advantages of a Securities-Based Line of Credit?

A Securities-Based Line of Credit offers very competitive pricing and access to liquidity. The client can utilize multiple investment accounts as collateral. The borrower and the pledgor of the loan collateral can be different parties, and there are no fees associated with the loan.

❓ What types of accounts can be pledged as collateral?

Any non-qualified account including equity, fixed income, as well as cash & cash equivalents can serve as collateral.

❓ When do Securities-Based Line of Credit mature?

These are demand loans with no maturity date.

❓ What are the typical Securities-Based Line of Credit advance rates?

A client can typically borrow between 50% and 60% of a diversified investment account portfolio, with a default rate of 70%.

❓ How are monthly interest payments made?

Interest payments can be made via ACH from the client's bank deposit account.

❓ Will the client receive a monthly statement?

Clients will receive monthly statements directly from TriState Capital that will show the current loan advance and payment activity as well as their current outstanding balance. Clients can also register to view their account online.

❓ What if a client is interested in an Securities-Based Line of Credit but currently has a margin loan in place against the investment account?

The margin loan must be paid off and closed. No margin loan capabilities are permitted.

❓ How can loan principal be repaid?

Loan principal can be repaid at any time in any amount via wire transfer, ACH or check. There are no prepayment penalties.

❓ Are fixed rates available?

Yes. Since fixed rates change on a regular basis, please contact us for the most recent pricing.

❓ What is required to complete the Securities-Based Line of Credit underwriting process?

A completed application, applicant's identification (i.e., copy of a photo ID*) and a recent investment account statement for the marketable securities being pledged as collateral are required.

❓ How long does the process take?

Our simplified online process enables us to deliver loan documents paperless and faster than ever.