

Securities Based Line of Credit

An alternative source of funding for stock portfolio owners

A Securities-based Line of Credit (SBLOC) is based on principals similar to a brokerage margin loan but with significant differences, including much higher advance rates (LTV) and in most cases, much lower interest rates. We've partnered with a custom SBLOC firm with a fully licensed product aimed expressly at the franchise and business purchasing client.

You'll Need:

1. At least \$100,000 in free-trading, marketable securities (e.g., NYSE stocks or bonds).
2. No disputed ownership (e.g., family will or Trust issues, divorce, bankruptcy claim).
3. All securities in the portfolio must have been in the market for no less than one full year.
4. All securities in the portfolio must have a share price of \$5.00 each or higher.

A simple lien is placed in the background on the account so that you can retain all the tools and features of your current portfolio. You can even trade in the account despite the fact that it guarantees your credit line, and while you can trade in your account freely - provided you don't diminish the value of the collateral portfolio too greatly.

A SBLOC can be used for most any legal purpose (other than the purchase of additional marginable securities) including real estate transactions, business financing, paying off tax liabilities, college bills, and so forth. Many clients simply have their line in place as an inexpensive alternative to a costly credit card.

Basic Loan Features Include:

- Revolving line of credit - only charged interest on what you use. A fixed rate option is also available. (Inquire).
- Lowest interest rates in the financial SBLOC markets.
- Loan to value ranging from 70-95% of value of the securities.
- No change of ownership to fund.
- Limited documentation - not credit or income based, no prepayment penalty.
- Dividends paid direct to client - or credited against interest, client receives 100% of portfolio appreciation
- Wide range of eligible securities.
- Foreign nationals with foreign securities considered.

Eligibility:

- We are able to lend against most free trading, marginable securities. If a security qualifies for a standard margin loan, then generally it is also acceptable for our SBLOC program. The following are examples of good securities:
 - NYSE and NASDAQ stocks whose values exceed \$5.00 per share
 - U.S. mutual funds held over 30 days
 - Treasury Notes & T-Bills
 - Corporate and Municipal Bonds
- The following are generally NOT acceptable:
 - Pink sheet or OTC BB stocks
 - Restricted stocks
 - Any stocks whose value is less than \$5.00
 - Any securities held in a 401(k) or Individual Retirement Account (IRA)
 - Stand By Letters of Credit Bank Guarantees

Unlike conventional financing, the application and underwriting process is straightforward and quick. **The client needs only to submit a simple application along with their most current brokerage account statement and we will issue pre-approved financing terms within 24-48 hours. Funds can be made available as soon as 72 hours** from the time the client's securities move into their new brokerage account.

For more information, visit benetrends.com or call 866.423.6387

