



## Comparing your securities-backed lending options

How securities based lending, tailored lending and margin accounts measure up to your borrowing needs.

Raymond James Bank understands that having access to cash is important for countless reasons. That's why the banking consultants who work with your advisors are equipped with several ways to help you use your existing assets as collateral to gain access to capital quickly and cost-effectively.

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The charts on the following pages illustrate three powerful borrowing options – securities based lines of credit (SBL) and tailored lending both offered by Raymond James Bank, and margin accounts offered by Raymond James – to help you understand the key differences and, subsequently, when one product is more appropriate for your needs than another.



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Borrowing wisely and under the right conditions can be a powerful tool in wealth creation.

## HOW YOUR SECURITIES-BACKED LENDING OPTIONS COMPARE

FEATURES	SECURITIES BASED LENDING	TAILORED LENDING	MARGIN
Description	Line of credit through Raymond James Bank	Line of credit through Raymond James Bank	Line of credit through Raymond James & Associates, Inc.
Borrowing need	\$80,000 – \$50 million	Loans of \$10 million or more with complex structures and/or collateral types as well as any transaction with a credit limit greater than \$50 million	Any amount
Minimum market value of pledged assets	\$100,000	Varies by loan size	\$2,000
Minimum initial withdrawal	\$80,000	\$80,000	N/A
Pricing structures (rate is based on)	Approved or amended Credit Limit with any adjustment for broker-dealer relationship AUM, if applicable.	Approved or amended Credit Limit with any adjustment for broker-dealer relationship AUM, if applicable; customized loans will have unique pricing based on loan structure/collateral type	Loan debit balance
Reference rate	One-month CME SOFR + CSA <sup>2,3</sup>	One-month CME SOFR + CSA <sup>2,3</sup>	Raymond James base rate
Payments	Payment schedule determined by client	Monthly	Payment schedule determined by client
Fees/points	None	Custom structures may carry underwriting/legal fees	None
Loan purpose	Most purposes except securities*	Most purposes* except securities	Most purposes*
Borrowing potential on diversified portfolio	Up to 65% – 90% based on security type	Up to 80% on equities Up to 90% on fixed income Up to 40% on certain hedge funds Up to 50% on certain exchange funds	Up to 50% – 90% based on security type
Collateral types typically accepted	Stocks, bonds and mutual funds held in an eligible Raymond James account(s), plus diversified liquid collateral, concentrated single stock, assets from multiple accounts/entities	Same as SBL plus hedge/exchange funds, certain restricted/control stock, high-yield debt, ADRs, noninvestment grade bonds, and cash surrender value of life insurance	Stocks, bonds and mutual funds held in a single Raymond James account
Access to funds	Checks, ACH, wire	Checks, ACH, wire	Capital Access, ACH, wire, journals to related accounts
Overdraft protection for Capital Access	N/A	N/A	Yes
Approval process	Single application/agreement	Customized underwriting	New account form

\*Proceeds cannot be used to purchase cryptocurrency or invest in marginal businesses, such as marijuana.

## SBL RATES\*

CREDIT LIMIT	SPREAD	
\$25,000,000 and above	One month CME SOFR + CSA <sup>2,3</sup>	1.750%
\$10,000,000 – \$24,999,999.99		2.250%
\$5,000,000 – \$9,999,999.99		2.500%
\$2,500,000 – \$4,999,999.99		2.750%
\$1,000,000 – \$2,499,999.99		3.000%
\$500,000 – \$999,999.99		3.625%
\$250,000 – \$499,999.99		4.000%
\$100,000 – \$249,999.99		5.250%

\*Assets under management (AUM) greater or equal to \$5 million at the time of inception will receive a rate 25 basis points lower than this schedule.

## MARGIN RATES\*\*

LOAN AMOUNT	ANNUAL INTEREST RATE	
\$10 million and above	Base rate	- 1.25%
\$5,000,000 – \$9,999,999.99		- 1.00%
\$1,000,000 – \$4,999,999.99		- 0.75%
\$500,000 – \$999,999.99		- 0.50%
\$250,000 – \$499,999.99		+ 0.25%
\$100,000 – \$249,999.99		+ 0.75%
Under \$100,000		+ 1.50%

\*\*Find the current base rate here. Visit [raymondjames.com](http://raymondjames.com) and search “margin rates.”

## TAILORED LENDING RATES

The rates for tailored loans are the same as those associated with SBL, except for customized loan structures. Pricing in these scenarios may vary.



Reach out to your advisor for complete details on securities based lending, tailored lending and margin accounts.

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<sup>1</sup>Products, terms and conditions subject to change. Subject to standard credit criteria.

<sup>2</sup>A line of credit backed by securities, such as a securities based line of credit or a tailored line of credit or margin account, may not be suitable for all clients and investors. Borrowing on securities based lending products or margin accounts and using securities as collateral may involve a high degree of risk including unintended tax consequences and the possible need to sell your holdings, which may lead to a significant impact on long-term investment goals. Market conditions can magnify any potential for loss. If the market turns against the client, he or she may be required to quickly deposit additional securities and/or cash in the account(s) or pay down the loan to avoid liquidation. The securities in the pledged account(s) may be sold to meet the collateral calls and the securities in a margin account can be sold to meet the margin calls; and the firm may sell the client's securities without contacting them. A client may not be entitled to choose which securities or other assets in his or her account are liquidated or sold to meet a collateral call. In many cases, the firm may increase its maintenance requirements at any time and is not required to provide a client advance written notice. A client may not be entitled to an extension of time on a collateral call. Increased market interest rates could also affect the applicable rate index that applies to your line of credit causing the cost of the credit line to increase significantly. The interest rates charged on bank lines of credit backed by securities are determined in part by the line of credit amount as outlined in the loan agreement. The interest rates charged on margin accounts are determined by the amount borrowed. (Please visit [sec.gov/investor/pubs/margin.htm](https://sec.gov/investor/pubs/margin.htm) for additional information.) Lines of credit are provided by Raymond James Bank. Raymond James & Associates, Inc., and Raymond James Financial Services, Inc., are affiliated with Raymond James Bank, member FDIC.

The proceeds from a line of credit backed by securities cannot be (a) used to purchase or carry securities; (b) deposited into a Raymond James investment or trust account (with the exception of advances made into the pledged account solely for the purpose of sending out or effecting an international wire within one business day of receiving funds from the bank); (c) used to purchase any product issued or brokered through an affiliate of Raymond James, including insurance; or (d) otherwise used for the benefit of, or transferred to, an affiliate of Raymond James. Raymond James Bank does not accept RJF stock or any securities issued by affiliates of Raymond James Financial as pledged securities towards a line of credit.

<sup>3</sup>Your interest rate is determined in part by adding a credit spread adjustment (CSA) to the CME one-month term SOFR rate. To understand more about the CSA and how it is calculated, contact your advisor.

Raymond James Bank is not in any way responsible for the debts issued by or the obligations of an affiliate of Raymond James.

Lending services provided by Raymond James Bank, member FDIC, affiliated with Raymond James Financial Services and Raymond James & Associates, Inc.

Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value.

The line of credit can be suspended, reduced or terminated in the event of fraud, failure to repay, adverse collateral conditions or other reasons as outlined in the credit agreement. Please refer to the credit agreement for all terms.

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