

Comparing your securities-backed lending options

How Securities Based Lending, Structured 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.

The charts on the following pages illustrate three powerful borrowing options – Securities Based Line of Credit (SBL) and Structured 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.



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	STRUCTURED 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	\$60,000 to \$15 million	\$5 million and above	Any amount
Minimum market value of pledged assets	\$100,000	Varies by loan size	\$2,000
Minimum initial withdrawal	\$60,000	\$60,000	N/A
Pricing structures (rate is based on)	Market value of pledged assets plus net value of non-pledged Capital Access account	Market value of pledged assets plus net value of non-pledged Capital Access account or custom pricing based on loan structure/collateral type	Loan debit balance
Reference rate	One Month LIBOR	One Month LIBOR	Raymond James Base Rate
Payments	Payment schedule determined by client	Payment schedule determined by client	Payment schedule determined by client
Fees/points	None	Custom structures may carry underwriting/legal fees	None
Loan purpose	Most purposes ¹ except securities	Most purposes ¹ except securities	Most purposes ¹
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 Hedge Funds Up to 50% on 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, restricted/control stock, high-yield debt, ADRs, non-investment grade bonds	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

¹Proceeds cannot be used to purchase cryptocurrency or invest in marginal businesses, such as marijuana.

SBL RATES

MARKET VALUE OF PLEDGED ASSETS	INTEREST RATE	
\$25 million and above	One month LIBOR rate	+ 1.75%
\$10 million – \$24,999,999.99		+ 2.25%
\$5,000,000 – \$9,999,999.99		+ 2.50%
\$2,500,000 – \$4,999,999.99		+ 2.75%
\$1,000,000 – \$2,499,999.99		+ 3.00%
\$500,000 – \$999,999.99		+ 3.75%
\$250,000 – \$499,999.99		+ 4.25%
\$100,000 – \$249,999.99		+ 6.00%

As of July 1, 2019

MARGIN RATES

LOAN AMOUNT	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%
\$50,000 – \$99,999.99		+ 1.50%
\$25,000 – \$49,999.99		+ 2.50%
Under \$25,000		+ 2.75%

As of July 1, 2019

STRUCTURED LENDING RATES

The rates for Structured 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, Structured Lending and Margin accounts.

RAYMOND JAMES®

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Products, terms and conditions subject to change. Subject to standard credit criteria.

A line of credit backed by securities, such as a securities based line of credit or a structured line of credit, or Margin account may not be suitable for all clients and investors. Borrowing on securities backed 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. An investor can lose more funds than he or she deposited in the account. 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. Clients and investors may not be entitled to choose which securities or other assets in his or her account are liquidated or sold to meet a Call. The firm can increase its maintenance requirements at any time and is not required to provide advance written notice. Clients and investors may not be entitled to an extension of time on Calls. 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 Margin Calls; the firm can sell the client's securities without contacting them. Increased interest rates could also affect LIBOR rates that apply to your line of credit causing the cost of the credit line to increase significantly. The interest rates charged on a line of credit are determined by (i) the market value of pledged assets and the net value of the client's non-pledged Capital Access account or (ii) the line of credit amount. The interest rates charged on Margin accounts are determined by the amount borrowed. Please visit sec.gov/investor/pubs/margin.htm for additional information.

The proceeds from a securities based line of credit or a structured line of credit cannot be (a) used to purchase or carry securities; (b) deposited into a Raymond James investment or trust account; (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. Lines of credit are provided by Raymond James Bank. Securities based line of credit and structured line of credit provided by Raymond James Bank, N.A., Raymond James & Associates, Inc., and Raymond James Financial Services, Inc., are affiliated with Raymond James Bank, N.A., a federally chartered national bank.

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