



WEALTH BANKING SERVICES

U.S. Bank Flexible Capital Line of Credit[®]

The U.S. Bank Flexible Capital Line of Credit[®] is a securities-based line of credit secured by eligible assets in one or more taxable accounts maintained at Fidelity Investments.

Leveraging their securities can provide your clients greater flexibility to meet, manage and pursue a variety of important financial situations while maintaining the integrity of their overall financial plan.

Clients may wish to utilize the Flexible Capital Line of Credit to fund:

- Short-term cash flow needs
- Bridge financing
- Tax payments
- Special purchases
- Business needs

Key features include:

- Competitive interest rates
- Streamlined application and approval process
- Borrowing limits calculated at the individual asset type
- Easy to access funds

Benefits include:

- Unlock liquidity without selling securities
- Continue to trade and manage accounts
- Ability to link multiple registrations
- Pay off existing loans on assets held away

Product features

Line of credit minimum:

\$100,000

Facility type:

Revolving line of credit

Interest rate:

One-month CME Term SOFR plus a credit spread set at the commitment amount

Repayment:

Interest payable monthly

Term:

Principal payable on demand

Fees:

No origination or closing costs

Documentation:

Application required. Personal financial statements and/or tax returns are not required for loans up to \$5 million

Collateral:

Eligible assets in one or more taxable investment accounts maintained at Fidelity and acceptable to the bank at its sole discretion

Can't be used for:

- Purchasing or carrying margin stock
- Funding other investment accounts
- Paying down margin lines

Investment products and services are:

NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY



Certain pledged assets, including, but not limited to, initial public offerings, ETFs and shares in most mutual funds of fund families not previously held in the account, must be held in the account for at least 30 days before they can be included in the borrowing capacity calculation. If certain types of assets have not been held in the account for 30 days, then the amount you can advance from your line of credit, including on the initial funding of the line of credit, will be impacted.

Although a securities-based line of credit may be an attractive financing vehicle for your client's unique situation, there are also several specific considerations to keep in mind when deciding if it's the right option. Additionally, there are certain risks associated with securities-backed demand lines of credit which may not be associated with other types of financing. For example, a market downturn may cause additional collateral to be required or the repayment of amounts borrowed to be accelerated. In addition, in the event of an uncured margin call, your client's pledged securities may be liquidated. Such a liquidation may cause adverse tax consequences for your client.

Put us to work for you and your clients

Contact us today to explore our offerings or to discuss financing options for a specific client need.

U.S. Bank Wealth Banking Services
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usbank.com/wealth-banking-lending



U.S. Bank Flexible Capital Line of Credit®: Loan approval is subject to credit approval and program guidelines. Not all loan programs are available in all states for all loan amounts. Interest rate and program terms are subject to change without notice. Credit products are offered through U.S. Bank National Association. Equal Housing Lender. U.S. Bank and its representatives do not provide tax or legal advice.

Suitability Notice: The U.S. Bank Flexible Capital Line of Credit® is a line of credit secured by a pledge of assets in a securities account. There are certain risks associated with securities backed demand lines of credit that would apply and there are certain limitations that would apply to the use and availability of the assets held in the account serving as collateral. As such, the U.S. Bank Flexible Capital Line of Credit® may not be suitable for all applicants.

Fidelity Investments and Fidelity Institutional (together "Fidelity") is an independent company, unaffiliated with U.S. Bank. Fidelity is a service provider to U.S. Bank. There is no form of legal partnership, agency affiliation, or similar relationship between your financial advisor and Fidelity, nor is such a relationship created or implied by the information herein. Fidelity has not been involved with the preparation of the content supplied by U.S. Bank and does not guarantee, or assume any responsibility for, its content. Fidelity Investments is a registered trademark of FMR LLC. Fidelity Institutional® provides clearing, custody, and other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC.

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