

Variable Interest Rates

The interest rate on a client's securities-backed line of credit may vary based on the maximum drawing power of your client's loan (commitment amount) at the time of application, and is calculated using the sum of the Wall Street Journal Prime Rate (WSJP) and the margin set out below. Changes to the Total Commitment Amount of your client's loan may result in a change to their interest rate*.

COMMITMENT AMOUNT (MAXIMUM DRAW)	RATE CALCULATION	FLOOR
\$75k – 99,999.99	WSJP - 0.25%	None
\$100k - 249,999.99	WSJP - 0.25%	None
\$250k – 499,999.99	WSJP - 0.50%	None
\$500k – 999,999.99	WSJP - 0.75%	None
\$1MM+	custom quote with supporting documentation	None

*Collateral additions, subtractions, or market value changes may reassign the loan to a new rate tier in the table above. Interest rate review requests must be made in writing.

Three-Year Fixed Interest Rates

There is also a fixed interest rate option available for a securities-backed line of credit. Fixed rates are available for a three-year period; any loan balance remaining at the end of the three years will convert to a variable interest rate. Both new and existing borrowers* may take advantage of the fixed rates, which are detailed below. As with variable rate loans, the interest rate tier is determined by the maximum drawing power of your client's loan (commitment amount) at the time of application.

COMMITMENT AMOUNT (MAXIMUM DRAW)	RATE CALCULATION	FLOOR
\$75k – 99,999.99	WSJP + 1.25%	None
\$100k - 249,999.99	WSJP + 1.00%	None
\$250k – 499,999.99	WSJP + 0.75%	None
\$500k – 999,999.99	WSJP + 0.50%	None
\$1MM+	custom quote with supporting documentation	None

*There is no fee to convert an existing securities-backed line of credit carrying a variable interest rate into a fixed interest rate. There is a \$500 fee to convert an existing fixed interest rate securities-backed line of credit to a variable rate or to lock in a new fixed rate schedule prior to the completion of the current 3-year term.

PLEASE NOTE: Your clients have the ability to revolve their credit line, giving them the flexibility to draw and repay the line without early repayment penalties throughout the three-year period. There is no minimum draw amount and there is no time limit to make an initial draw on the line.