



SBLOCs

The smart way to bank on your child's education



When figuring out ways to pay for their child's college education, parents may turn to savings accounts, portfolio holdings or even student loans. However, there is a more strategic and cost-efficient way to pay college tuition. The Bancorp Securities-Backed Line of Credit (SBLOC) offers parents timely access to liquidity to pay all or a portion of their child's college costs, based on the value of their non-retirement portfolio assets. With an SBLOC, parents can pay for college while keeping their wealth intact.

BORROWER BENEFITS



Offers low interest rate to make monthly payments manageable



Provides timely access to liquidity for tuition, room and board and other expenses



Can be used to supplement 529 plan funds and student loans



Can provide bridge financing while awaiting decisions on student loans and financial aid



Eliminates need to use emergency funds/savings to cover expenses



An alternative payment method to minimize student loan debt

SBLOC FEATURES



Interest-only line of credit backed by non-qualified securities held in an investment account



Typical loan: 50-80% of portfolio value



No application fee¹, no annual or monthly fees



No charge for portion of line not in use



No penalties for early payoff



May help avoid the potential tax consequences for liquidating assets²

¹ The Bancorp Bank does not charge an application fee. State, local, and/or third-party fees may apply in some states.

² Clients are advised to consult a financial/tax professional regarding potential tax implications involving their investment portfolio.

An SBLOC cannot be used for the purchase of additional securities or to pay off a margin loan that was used to purchase securities.

Securities-based lending has special risks and may not be suitable for everyone. To help maintain the security of financial information, do not include confidential personal information such as account numbers or Social Security Numbers in non-secure email correspondence.



CONTACT US

Phone: 877.743.4321

Email: sblocinquiry@thebancorp.com

Web: thebancorp.com