

Make Tax Time Less Taxing for Clients.

When you recommend a Securities-Backed Line of Credit (SBLOC) to clients as a resource to pay their tax bill, they benefit – and so do you.

HOW YOUR CLIENTS BENEFIT:

-  An SBLOC will meet their need for cash not only in tax season, but all year long.
-  With the SBLOC's simple application and quick turnaround process (as well as no application, set-up or annual fees*), clients can quickly establish a line of credit for easy access to cash.
-  By drawing on a line of credit instead of selling assets, clients may eliminate the potential tax consequences of liquidating assets.
-  Clients are only required to make a monthly interest payment. With no set principal repayment deadline, clients can create their own principal repayment schedule or use earnings to pay down the SBLOC balance.
-  Clients have the option to capitalize the interest on their SBLOC. Instead of paying the monthly interest on the line, clients can authorize us to capitalize the interest payment, adding it to the loan principal. *Note: This may significantly increase the overall cost of borrowing.* Advisors should discuss this option thoroughly with clients.

HOW YOU BENEFIT:

-  You have a great opportunity to speak to your clients NOW about using an SBLOC to pay their future tax bills.
-  By keeping your clients' assets in place, you won't disrupt their investment strategy or your advisory fees.
-  By offering options to your clients, you may save them time and money and build a deeper advisory relationship that integrates both assets and liabilities.
-  Winning client trust and satisfaction can lead to more client referrals.

For more information, or to determine whether an SBLOC is right for your clients, contact us at 877.743.4321 or SBLOCinquiry@thebancorp.com.

Your clients should consult a tax professional for any questions regarding potential tax implications involving their investment portfolio.

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

Please remember that information sent to us via email is sent over a non-secure network. Do not include confidential personal information such as account numbers or Social Security numbers in any non-secure communication.