

# SBLOC Interest rate information

Determination of the variable interest rate tier for a Securities-Backed Line of Credit (SBLOC) account is based on the maximum drawing power of the loan as indicated in The Bancorp's Commitment Letter (Commitment Amount), the sum of The Wall Street Journal Prime Rate (WSJP), and the applicable margin.

Borrowers have the ability to revolve the credit line, giving them the flexibility to repay the line without prepayment penalties. There is no minimum draw amount or time limit to make an initial draw on the line.

Securities-Backed Line of Credit (SBLOCs) are offered by The Bancorp Bank, N.A., Member FDIC, to Betterment clients. Betterment is not a bank. See more below.

Commitment Amount (Maximum Drawing Power)	Variable Rate <sup>1,2</sup> Calculation	Floor	Advance Rates <sup>3</sup>	
\$99,999.99 and under	WSJP - 0.25%	None	Equities	50%
\$100k - 249,999.99	WSJP - 0.25%	None	Equity Mutual Funds & ETFs	50%
\$250k - 499,999.99	WSJP - 0.50%	None	Investment Grade Muni and Corp Bonds	80%
\$500k - 999,999.99	WSJP - 0.75%	None	Investment Grade Bond Funds & ETFs	80%
\$1MM+	WSJP - 1.00%*	None	Treasuries	90%
			Cash <sup>4</sup>	100%

\* Negotiated pricing may be available based on providing The Bancorp Bank, N.A. ("Bank") with supporting documentation of competing offer. Pricing subject to change.

## Eligible assets

- Publicly traded
- Listed on a major U.S. exchange
- Priced daily
- Priced at more than \$5 per share for Equities
- Priced at more than \$2 per share for Mutual Funds
- Cannot make up more than 40% of collateral value (concentrated positions)<sup>5</sup>

## Ineligible assets

- Cannot be classified as restricted or control stock
- Cannot be held in a retirement account
- Cannot be the stock of The Bancorp Bank, N.A., or an affiliate

888-646-2581 | [connect@bettermentadvisorsolutions.com](mailto:connect@bettermentadvisorsolutions.com) | [betterment.com/advisors/sbloc](https://betterment.com/advisors/sbloc)

1. Changes to the Commitment Amount may result in a change to the interest rate tier.

2. Collateral additions, subtractions, or market value changes may reassign the loan to a different interest rate tier. Interest rate review requests must be made in writing, using the change in terms request form that is available on our website.

3. These are maximum percentages. Securities in a pledged account, which may also include cash, must meet the bank's collateral eligibility requirements including portfolio composition and concentration. All percentages are subject to change in the bank's sole and absolute discretion, at any time.

4. The advance rate for an all-cash portfolio is 95%.

5. Any single equity or bond that makes up more than 40% of the total MV of the collateral account will be considered a concentrated position & capped at 40%

SBLOCs require credit approval, cannot fund securities purchases or margin loans, and carry unique risks. Terms may change without notice. Betterment earns revenue on SBLOCs.

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