

IBLOC

CORPORATE-OWNED LIFE INSURANCE

Access to liquidity for your business needs



An **Insurance-Backed Line of Credit for Corporate-Owned Life Insurance (IBLOC COLI)** gives your business the freedom to access the cash value of eligible whole life insurance policies.

- An IBLOC is an interest-only revolving credit line that lets you tap up to 95% of the cash value of a whole life insurance policy.^{1, 2, 3}
- Interest rates tied to The Wall Street Journal Prime Rate (WSJP) - .50%; fixed-rate option available.
- Minimum credit line: \$200,000⁴
- Available to entities (no income verification)
- Streamlined application process using DocuSign®
- No application fee or closing costs⁵
- Interest payments can be capitalized and may be tax deductible⁶
- Easily request credit limit increases⁷
- Access funds via line of credit checks, online banking and wire transfers
- Online and phone access to loan information

1. Collateral Lending Value is an amount equal to the sum of the then cash surrender value of the policy to which the pledgor is entitled, multiplied by such percentage as The Bancorp Bank, N.A. ("Bank") may determine in its discretion, not to exceed ninety-five percent (95%).

2. Subject to credit approval and underwriting.

3. Policy must be in effect for at least 12 months at the time of credit application. Line of credit is contingent on life insurance policy remaining in good standing. The insurance policy owner must be the borrower. Insurance policy must be issued by one of the following approved insurance providers to be eligible as IBLOC collateral: Guardian, MassMutual, Northwestern Mutual, NY Life, John Hancock, Penn Mutual, Ameritas Life Insurance Corp, Security Mutual Life.

4. Minimum requested amount must be \$200,000.00 or such greater amount as may be prescribed from time to time pursuant to 12 C.F.R. Section 1026.3(b) of Regulation Z issued by the Consumer Financial Protection Bureau as the minimum threshold necessary to qualify the Line of Credit as an exempt consumer credit transaction thereunder.

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

6. There may be an adverse tax consequence when pledging the policy and as such, we strongly advise consulting with a tax advisor before pledging the policy as collateral for a loan.

7. No credit line increase is permitted within one-hundred-eighty (180) calendar days of the loan origination date. Maximum number of credit line increases is two (2) within a twelve-month period. Credit line change requests must be made in writing by using the Change In Terms Request Form available at bancorplending.com.

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

Collateral-based borrowing may not be suitable for everyone. Consult a financial advisor about any associated risks. Consult a tax advisor for tax-related matters and an attorney for legal matters. Bank does not provide tax or legal advice. Rates, terms and conditions of loan products are subject to change without notice. Read all documents carefully.

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.

All trademarks are property of their respective owners and their use does not represent or imply endorsement of, or association with the products or services offered by the Bank. The Bancorp is a federally registered service mark of The Bancorp, Inc.

USES MAY INCLUDE:



Real estate investment



Business improvements



Business investment/costs



Debt consolidation



Taxes



Other liquidity needs⁸



CONTACT US

Phone: 855.804.0288

Email: bancorplending@thebancorp.com

Web: bancorplending.com