

RBC Credit Access Line

Strategic financing.
Ready before you need it.



Wealth
Management

You are preparing financially for your future. Then life happens. Whether you need portfolio liquidity for an unexpected opportunity or expense, selling investments may compromise your other financial goals. With an RBC Credit Access Line offered by the Royal Bank of Canada, you gain access to financing while maintaining your investment strategy.

Take a holistic approach to your financial life — Strategic use of credit may help you finance almost anything. Your credit score will be reviewed prior to line approval to help ensure a balanced and prudent liquidity strategy. Even if you never access your line, you know you have it—just in case.

Enjoy lower rates, flexible terms — As an interest-only demand loan, you benefit from competitive interest rates and flexibility to pay the balance when you choose.

Option of variable- or fixed-interest rate periods — Choose a variable- or fixed-interest rate most suitable to your needs. If your borrowing needs are longer term, your financial advisor can highlight all of your options.

Pay nothing until you use it — There is no cost to set up and there are no fees until you take an advance. Plus, you avoid tax liabilities and fees associated with selling securities.

Skip the paperwork — Your line will be ready to use within days.¹ Simply complete the straightforward

online application and e-sign loan documents. (Note: Wet signature is available upon request.)

Enjoy convenient online servicing — Once approved, you will have online access to monitor your loan balance and the value of collateral, request draws and make payments, all at your fingertips.

Risk monitoring — With the real-time online portal, you always know where your loan stands and can better manage risks.

Use credit to your advantage²

	Prepare for the unexpected	Refinance higher interest debt	Gain short-term liquidity
Background	A natural disaster destroyed a client's home. His line of credit offered emergency financing for living expenses while his family rebuilt. When the insurance check arrived, he paid off the line.	Clients financed their daughter's \$35,000 wedding with their credit card. Instead of paying 16 percent interest over nine months, the clients used a draw from their credit line to pay off this credit card debt immediately.	A client's father needed to move into an assisted care home as soon as possible. She used her credit line to cover expensive room reservation costs and paid off the line after the sale of her father's home.
Value	Immediate access to resources for basic family needs; expedited construction of the family's home.	The clients saved \$4,000 they would have otherwise paid in credit card annual interest.	Immediate access to funds for the down payment and a major stress reduction for the family.

¹ Subject to credit approval and acceptable collateral.

² For illustration purposes only and not based on actual events.

Fast facts

Minimum line size: \$75,000

Minimum advance: \$1,000 via Automated Clearing House (ACH) and \$25,000 via Fed Funds Wire (minimum \$75,000 for fixed rate advance)

Key considerations

Interest rates: Fixed or variable most suitable to your needs

Lending rates: 50–95% (generally 70% on U.S. equities, 80% on municipal bonds)

Eligible accounts: All non-qualified accounts (Note: Some restrictions may apply)

Loan term: Daily demand

Payment options: ACH (automatically deducted monthly) or check

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

Sample borrowing rates³

Line size	Interest rate ³
\$75,000 to \$249,999	LIBOR plus 4.0%
\$250,000 to \$499,999	LIBOR plus 3.5%
\$500,000 to \$999,999	LIBOR plus 3.0%
\$1,000,000 to \$1,999,999	LIBOR plus 2.5%
\$2,000,000 to 2,999,999	LIBOR plus 2.0%
\$3,000,000 to 4,999,999	LIBOR plus 1.75%
\$5,000,000 to 9,999,999	LIBOR plus 1.5%
\$10,000,000+	Negotiated (deal specified)

Rate table includes RBC Credit Access Line.

³ LIBOR as of 8/24/20 is 0.17513%. Spreads are indications only. Actual spreads can change depending on, but not limited to, the credit worthiness of the borrower. Spreads are subject to change at the discretion of Royal Bank of Canada.

A balanced approach to borrowing

Prior to taking an advance and whenever you have an outstanding balance, it's important to understand the following risks:

- With an outstanding balance on your line, your accounts are pledged to the line of credit and are subject to certain collateral requirements.
- When your line is in use, you must maintain sufficient collateral to meet the maintenance requirements of the line of credit.
- If you choose a variable-interest rate, LIBOR⁴ rates are floating and update weekly, which means they are subject to change and may increase.
- If you choose a fixed-interest rate, your rate is not subject to change and will not increase over the term of your loan.
- If you sell assets to cover your loan, you will be responsible for transaction fees and/or tax liabilities.
- Your RBC Credit Access Line can never be used to purchase additional securities.

For more information

The RBC Credit Access Line can be an important element in your overall wealth planning strategy. Contact your financial advisor today to discuss the benefits and risks as they relate to your goals and circumstances.

Additionally, your financial advisor can review the advantages of either a fixed- or variable-interest rate most suitable to your liquidity needs.

⁴ After December 31, 2021, the panel banks that submit rates required to calculate the LIBOR will no longer be required to do so. The transition away from LIBOR will require changes to the way that interest is calculated on loans that use the LIBOR as a benchmark. Borrowers with affected loans will be notified of such changes in advance of them taking effect.

RBC Credit Access Line is a securities-based, demand line of credit offered by Royal Bank of Canada, an Equal Opportunity Lender and a bank affiliate of RBC Capital Markets, LLC. Subject to credit approval. Securities-based loans involve special risks and are not suitable for everyone. You should review the provisions of the RBC Credit Access Line agreement and related disclosures, and consult with your own independent tax and legal advisors about any questions you have prior to using RBC Credit Access Line. Considerations should be given to loan requirements, portfolio composition and diversification, time horizon, risk tolerance, portfolio performance expectations, and individual tax situations. **There are important risks associated with securities-based loans that you should consider:**

- You will be required to deposit additional cash or securities, or pay down the line of credit, should the value of your securities decline below the percentage equity you must maintain or the percentage equity you must maintain increase. During a market downturn in which the securities in your portfolio decline in value, the percentage equity you must maintain will cause your losses to be greater than if there were no loan against your portfolio. Your losses can exceed your original collateral amount.
- You are not entitled to an extension of time to satisfy equity percentage requirements.
- Should you be unable to maintain the required percentage equity, some or all of your securities may be sold without prior notice to you. In the event of such a sale, you will not be entitled to choose which securities are sold, your long-term investment strategy may be interrupted and you will be responsible for all resulting fees and tax consequences.
- Royal Bank of Canada may increase equity percentage requirements at any time without prior notice to you and may require you to pay down your line of credit, in part or in full, at any time and for any or no reason.
- The rates, terms and conditions of your RBC Credit Access Line are subject to change in accordance with the terms of the RBC Credit Access Line agreement.
- Should the rate of your RBC Credit Access Line be set to float against an index, you will be subject to greater interest costs in a rising interest rate environment.

RBC Credit Access Line is a non-purpose facility. The proceeds of an RBC Credit Access Line may not be used to purchase, trade, or carry margin stock or repay a margin debt that was used to purchase, trade, or carry margin stock. Royal Bank of Canada may demand repayment of all proceeds of RBC Credit Access Line advances that it has reasonable basis to believe were used to purchase or carry margin stock.

RBC Wealth Management, a division of RBC Capital Markets, LLC, is a registered Broker-Dealer, Member FINRA/NYSE/SIPC, and is not a bank. Where appropriate, RBC Capital Markets, LLC has entered into arrangements with the Royal Bank of Canada to help facilitate and service your RBC Credit Access Line. RBC Capital Markets, LLC and its affiliates and their employees do not provide tax or legal advice.