

RBC Credit Access Line



Wealth
Management

Gain financial flexibility

You are preparing financially for the future you want. Then life happens. Whether because of an unplanned business opportunity, life event or emergency, selling investments for money you need right now may force you to compromise what you envision for yourself and for your loved ones. With an RBC Credit Access Line, you can increase your liquidity while keeping your long-term goals in place.

Be prepared for anything

With no cost to set up and no ongoing fees, an RBC Credit Access Line through the Royal Bank of Canada can be a source of liquidity for when you need it most. Even if you never access your line, you know you have it—just in case.

Low rates. Flexible terms.

As an interest-only demand loan, you enjoy competitive interest rates and the flexibility to pay down the balance when you choose.

Take a holistic approach to financing

Strategic and prudent use of credit may help you finance almost anything. Additionally, it may help you avoid tax liabilities and fees associated with selling securities, which could further set you back financially.

Easy setup

Your line will be ready to use within days.¹ Simply complete the straightforward online application and e-sign loan documents. Additionally, your credit score will be reviewed to help ensure a balanced and prudent liquidity strategy.

Online servicing

Once approved, you will have online access to monitor your loan balance, request draws, and make payments all at your fingertips.

Risk monitoring

Pledging securities as collateral for a line of credit presents risks. See benefits and risks section. With the real-time online portal, you will always know where your loan stands and can better manage the risks, including monitoring your balance and the value of the collateral backing it.

Use credit to your advantage²

	Prepare for the unexpected	Refinance debt	Finance elder-care bridge loan
Background	A natural disaster destroyed a client's home. His line of credit offered immediate access to cash for food and lodging while his family rebuilt. The insurance company check arrived six months later and the client used these funds to pay off the line.	Clients financed their daughter's \$35,000 wedding with their credit card with an annual interest rate of 16%. Instead of paying off the credit card debt over nine months, the clients used a draw from their credit line to pay off the high interest credit card immediately.	A client's father could no longer live on his own and needed to be moved into an assisted care home as soon as possible. To make the significant down payment on the space, the client used her credit line and was able to move her father immediately. She was able to pay off the line six months later 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.

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.

1. Subject to bank approval and acceptable collateral.

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

Fast facts

Minimum line size: \$100,000

Minimum initial draw: \$1,000 via Automated Clearing House (ACH) and \$100,000 via Fed Funds Wire

Sample borrowing rates¹

Line size	Interest rate ¹
\$100,000 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%

Rate table includes RBC Credit Access Line and RBC Premier Line of Credit
 2.34694% LIBOR rate as of 12/03/18. 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.

Key considerations

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

Eligible accounts: Individual, joint and revocable trust accounts

Ineligible accounts: Retirement accounts (IRA, 401(k), etc.), irrevocable trusts, corporate accounts

Loan term: Daily demand

Payment options: ACH (automatically deducted monthly from a desired checking account) or check

A balanced approach to borrowing

Having immediate access to liquidity can be an effective risk mitigation strategy to help protect your wealth from unexpected consequences of a forced liquidation of assets. When you have an outstanding balance on your RBC Credit Access Line, it’s important to weigh the benefits with the risks. Discuss how these may apply to your wealth planning with your RBC financial advisor.

Benefits	Risks
Easy to set up and view accounts all in a digital experience at your fingertips	With an outstanding balance on your line, your accounts are pledged to the line of credit and are subject to certain collateral requirements.
Avoid selling assets when you need cash with an alternative source of liquidity	When your line is in use, you must maintain sufficient collateral to meet the maintenance requirements of the line of credit.
Lower rates compared to most traditional consumer financing, ranging from 1-month LIBOR + 2-4%, depending on line size	LIBOR rates are floating and update weekly, which means they are subject to change and may increase in the future.
No fees of any kind, including setup and maintenance, even if you never use it	If you must sell assets to cover your loan, this may result in transaction fees and/or tax liabilities that you will be responsible for paying.
Use your line to finance most anything, such as a car, boat, second home, small business, or life event.	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. To learn more, contact your financial advisor.

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. 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.