

# Wells Fargo Bank Priority Credit Line

Access funds while preparing for the future



## Use your Wells Fargo Bank Priority Credit Line for:

- Unplanned expenses
- Real estate financing
- Debt consolidation
- Education expenses
- Tax payments<sup>1</sup>
- Business financing<sup>3</sup>

Planning for liquidity needs in the context of your larger financial picture may help you gain the flexibility to achieve your long-term goals.

## Meet today's liquidity needs without selling assets

The Wells Fargo Bank Priority Credit Line, offered by Wells Fargo Bank, N.A. in partnership with Wells Fargo Advisors, is a line of credit backed by the value of eligible account assets at Wells Fargo Advisors (WFA). Designed to help you meet personal or business cash-flow needs, it offers an alternative to selling securities, so you can avoid an untimely asset sale and defer any resulting capital gains taxes.<sup>1</sup>

### Flexible, convenient source of liquidity

- Can be used for most purposes other than purchasing or carrying margin stock or paying down a margin account debit.
- Competitive interest rates based on your WFA relationship assets and are generally lower than credit cards and possibly lower than other forms of borrowing.
- Streamlined application process with most decisions in a few days.<sup>2</sup>
- No application, maintenance or termination fees.
- No required monthly payments. Interest will be added to your outstanding balance.
- Easy access to funds through online banking, ACH transfers, Fed Funds wire or checks.

#### Investment and Insurance Products are:

- Not Insured by the FDIC or Any Federal Government Agency
- Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate
- Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested

## Carefully consider whether securities-based borrowing is right for you

Securities-based borrowing has special risks and is not appropriate for all investors. If the market value of pledged securities declines below required levels, you may be required to pay down your line of credit or pledge additional eligible securities in order to maintain it; otherwise Wells Fargo may require the sale of some or all of the pledged securities. The sale of pledged securities may also cause adverse tax consequences.<sup>1</sup>

*To learn how a Wells Fargo Bank Priority Credit Line may help meet your liquidity needs in the context of your long-term financial goals, contact me today.*

### To be eligible for the Wells Fargo Bank Priority Credit Line you need:

- Eligible WFA account assets to support a \$75,000 minimum initial borrowing power
- \$300,000 liquid net worth and \$500,000 net worth including real estate assets
- No bankruptcies or foreclosures in the prior 36 months.

<sup>1</sup>Wells Fargo Advisors and its affiliates are not tax or legal advisors.

<sup>2</sup>Wells Fargo does not report Wells Fargo Bank Priority Credit Line applications or usage to credit agencies.

<sup>3</sup>Certain restrictions apply to entity borrowers including sole proprietorships and irrevocable trust borrowers. For details, refer to the Wells Fargo Bank Priority Credit Line Agreement and Account Terms and Conditions delivered with your loan documents, or ask your financial advisor for a copy of the Agreement.

*Securities-based lending has special risks and is not appropriate for everyone. If the market value of a client's pledged securities declines below required levels, the client may be required to pay down the line of credit or pledge additional eligible securities in order to maintain it, or the lender may require the sale of some or all of the client's securities. Wells Fargo Advisors, on behalf of Wells Fargo Bank, N.A., will attempt to notify clients of maintenance calls but is not required to do so. Clients are not entitled to choose which securities in their accounts are sold. The sale of their securities may cause clients to suffer adverse tax consequences. Clients should discuss the tax implications of pledging securities as collateral with their tax advisors. An increase in interest rates will affect the overall cost of borrowing. All securities and accounts are subject to eligibility requirements. Clients should read all lines of credit documents carefully. The proceeds from the Wells Fargo Bank Priority Credit Line may not be used to purchase or carry margin stock or pay down a margin account debit. Margin stock includes any equity security registered on a national securities exchange, any over-the-counter (OTC) security trading; any debt security convertible into a margin stock; and most mutual funds. Securities held in a retirement account cannot be used as collateral to obtain a securities-based loan. Securities in a Wells Fargo Bank Priority Credit Line collateral account must meet collateral eligibility requirements.*

*There are conflicts of interest when Wells Fargo Advisors recommends that you use a loan secured by your Wells Fargo Advisors account assets as collateral. Wells Fargo Advisors and its financial advisors have a financial incentive to recommend the use of securities-based lending products rather than selling securities to meet client liquidity needs. Financial advisors will receive compensation on the outstanding loan balance in your Wells Fargo Bank Priority Credit Line account. In addition, your financial advisor's compensation will be reduced if your interest rate is discounted below a certain level. This creates an incentive for financial advisors to recommend Wells Fargo Priority Credit Lines and other securities-based lending products, such as Margin, as well as an incentive to encourage you to maintain a larger loan balance and to discourage interest rate discounts below a certain level. The interest you pay for the loan is separate from, and in addition to, other fees you may pay related to the investments used to secure the loan; such as ongoing investment advisory fees (wrap fees) and fees for investments such as mutual funds and exchange traded funds for which Wells Fargo Advisors and/or our affiliates receive administrative or management fees or other compensation. Specifically, Wells Fargo benefits if you draw down on your loan to meet liquidity needs rather than sell securities or other investments, which would reduce our compensation. When assets are liquidated pursuant to a maintenance call or demands for repayment, Wells Fargo Advisors and your financial advisor also will benefit if assets that do not have ongoing fees (such as securities in brokerage accounts) are liquidated prior to, or instead of, assets that provide additional fees or revenues to us (such as assets in an investment advisory account). Further, different types of securities have higher release rates than others, which can create a financial incentive for your financial advisor to recommend products, or manage the account, in order to maximize the amount of the loan.*

*Wells Fargo Bank, N.A. has a lien on the account assets that are used as collateral for Wells Fargo Bank Priority Credit Line accounts. We will act to protect ourselves as the lender in connection with the loan and this may be contrary to your interests and/or investment objectives. This lien also creates a conflict of interest with respect to the recommendations your financial advisor makes to you. For example, your financial advisor may recommend that you allocate your investments to your account with a lien rather than to another account without such a lien. Also, your financial advisor may recommend an investment solely to minimize the risk of loss with respect to the collateral.*

*Wells Fargo Wealth and Investment Management (WIM) is a division within Wells Fargo & Company. WIM provides financial products and services through various bank and brokerage affiliates of Wells Fargo & Company.*

*Wells Fargo Bank Priority Credit Lines are offered by Wells Fargo Bank, N.A. as the lender, in partnership with Wells Fargo Advisors as agent, servicer and intermediary holding the collateral accounts. Wells Fargo Bank, N.A. (Member FDIC) is a banking affiliate of Wells Fargo & Company. Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, separate registered broker-dealer and non-bank affiliate of Wells Fargo & Company.*