

# IBLOC

UNIVERSAL LIFE INSURANCE

An innovative way to generate liquidity based on life insurance assets.



An **Insurance-Backed Line of Credit (IBLOC)** from The Bancorp gives you the freedom to access the cash value of your universal life and indexed universal life insurance policies at competitive rates and terms.

- An IBLOC is an interest-only revolving credit line that lets you tap up to 95% of the cash value of eligible universal life and indexed universal life insurance policies.<sup>1-3</sup>
- Tiered interest rates tied to The Wall Street Journal Prime Rate.
- Minimum credit line: \$75,000<sup>4</sup>
- Available to individuals and trusts (no income verification)
- Streamlined application process using DocuSign®
- No application fee<sup>5</sup> or closing costs
- Interest payments can be capitalized and may be tax deductible.<sup>6</sup>
- Easily increase credit limit<sup>7</sup>
- Access funds via line of credit checks and wire transfers
- Online and phone access to loan information

## USES MAY INCLUDE:



Real estate investment



Home improvements



Debt consolidation



Business investment/costs



Taxes



Tuition



Other liquidity needs<sup>8</sup>

1. Subject to credit approval and underwriting.

2. 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.

3. 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. may determine in its discretion, not to exceed ninety-five percent (95%).

4. Minimum requested amount must be \$75,000.00 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. For an IBLOC secured with a universal life or indexed universal life insurance policy, annual reviews will be completed to determine eligibility for credit limit increases.

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 nonsecure email correspondence.

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## CONTACT US

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