Goldman Sachs | Private Bank SELECT

5 Things to Know About Securities-Based Lines of Credit

We're all about ease and speed at GS Select. That means ease to borrow (online, no financial docs), speed to view collateral and account information (all in one place), and valuable insights at your fingertips (a two-minute read, below). Here are five things to know about a GS Select securities-based line of credit.

It is secured by non-retirement investment assets.

Diversified, non-retirement account(s) can serve as collateral to secure the borrowing. An investor can still manage their investment holdings, but note that these changes may increase or decrease the amount of credit available.

Borrowers can repay and re-borrow on their own schedule.

It's a revolving line, meaning borrowers can decide if and when to borrow, how much credit to use and when to repay principal. A borrower can repay the balance and borrow again as many times as they'd like.

It can be used for just about anything...

With one exception! The line cannot be used to purchase additional margin securities.

The interest rate fluctuates and is tied to a benchmark.

GS Select's rates are calculated based on 1-month Libor plus a spread determined by the loan amount. The actual rate charged is reset once a month based on changes in the 1-month Libor rate.

There are risks, particularly in a steep market tumble.

A broad market downturn could decrease how much you could borrow, and it's possible we could call for additional collateral or require a partial repayment. Read more about the risks of securities-based lines of credit here.

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