

Private Banking Solutions

LENDING AND MORTGAGE STRATEGIES,
EXCLUSIVELY FOR HIGH-NET-WORTH CLIENTS



BNY MELLON | PERSHING



Experience total wealth management for your high-net-worth clients

The number of wealthy investors is growing and so is the complexity of their needs. Consider private banking solutions as part of your comprehensive approach to wealth management.

With lending solutions from BNY Mellon, N.A., you can go beyond helping clients protect and grow their wealth and start putting it to work. We work across the BNY Mellon enterprise to help you meet your clients' liquidity needs, purchase real estate and support their other financial goals. With BNY Mellon's private banking solutions, you can create a distinct value proposition for yourself with your wealthy clients as well as open up new channels for growing your business.

KEY BENEFITS

1 | Deepen Relationships

Serve as a resource for your clients' credit needs.

2 | Retain Investments

Help keep investment strategies intact and on track, rather than liquidating securities.

3 | Gather Assets

Manage both sides of your clients' balance sheets to strengthen relationships and bring in and gather additional assets.

4 | Increase Flexibility

Assist clients with achieving complex financial and business goals.

5 | Deliver Comprehensive Wealth Management

Strengthen your position as a wealth manager.

Enhance liquidity with a flexible line-of-credit

With an Investment Credit Line (ICL), your clients can maximize their investment opportunities without interrupting their long-term wealth management strategies. This revolving line-of-credit is secured by qualifying marketable securities and liquid assets held in existing investment or custody accounts. An ICL, typically structured for financing needs of over \$1 million, is an ideal solution for individuals and business owners who require highly flexible lending options.

POTENTIAL ICL USES

- Business acquisition, start up or expansion
- Cash flow or working capital
- Estate planning and charitable strategies
- Home improvement
- Letters of credit
- Luxury purchases
- Medical, education, child care, elder care and other family obligations
- Real estate investments
- Tax obligations

TALKING TO YOUR CLIENTS ABOUT AN ICL

Financing Business Needs

Consider your clients who own a business or are looking to invest in one. Perhaps they have a start-up idea and need capital funding. Or, they need a cash infusion to expand an existing business. While a client's first thought may be to sell assets, this may not be the best option. In addition to the potential tax consequences, this short-sighted action could disrupt your client's long-term investment strategy. On the other hand, a client who establishes an ICL would have ready access to liquidity for business needs while keeping the investment strategy intact.

Satisfying Tax Obligations

Think for a moment about your wealthy clients nearing retirement. When it's time to pay tax on a large retirement payout, these individuals may face a hefty tax burden. Rather than pay a tax liability of \$1 million or more, consider an ICL. Instead of selling securities, your client can borrow funds by pledging their investments as collateral. Secured credit can be a cost-effective alternative to liquidating appreciated or low cost basis assets, particularly when the interest expense may be lower than tax implications.

ICL IMPORTANT INFORMATION

- May not be used to purchase or carry securities or fund an investment account.
- May not be appropriate for all investors.
- If market value depreciates, client may be required to deposit additional funds.
- Failure to satisfy account maintenance requirements will result in restrictions on the client's account and/or liquidation of securities to acceptable equity levels.

Credit services, which are subject to application and credit approval, are provided by BNY Mellon, N.A., member FDIC, and a wholly owned subsidiary of The Bank of New York Mellon Corporation.



Open doors to your clients' mortgage needs

A robust suite of specialized residential mortgage solutions from BNY Mellon arms you with powerful lending strategies to address your clients' home financing requirements. Whether your clients are borrowing to purchase a single-family home, condominium or co-op as a primary residence or a vacation home, BNY Mellon's customized jumbo mortgages provide you with the range of services to keep you agile in the marketplace and highly responsive to your clients' home financing needs.¹

HYBRID MORTGAGE

A hybrid mortgage solution allows your clients to combine two mortgage products into one closing, resulting in a lower blended rate and improved cash flow. Additionally, this strategy provides your clients with the ability to manage interest rate risk.

CONSTRUCTION FINANCING

Whether your clients are constructing a new home or renovating an existing property, this mortgage solution features the convenience of a single loan closing and substantial savings on closing costs and points. Clients can lock in the mortgage and rate at the beginning of the construction process rather than after completion. They also benefit from full control over the disbursements to pay contractors, allowing flexibility to cover any alterations during the construction.²

TALKING TO YOUR CLIENTS ABOUT MORTGAGES

Building a Second Home

Perhaps you have high-net-worth (HNW) clients seeking to build a beach house, lakeside getaway or ski retreat as part of their long-term plan. Even if they conduct their banking at another financial institution, you have an opportunity to retain their investment assets. Through BNY Mellon, your client can obtain a construction financing loan that provides a single closing and lower origination fees than other providers.

INTEREST-ONLY MORTGAGE

This specialized mortgage solution³ is available for clients who want greater control over monthly expenses or need to manage irregular income streams. It's also beneficial for those who require flexibility to free up funds for investments and other opportunities.

100% FINANCING OPTION

By using the full value of a new or existing residence, and pledging qualified assets as additional collateral, a 100% financing option opens new possibilities for clients to effectively manage their wealth. This mortgage feature provides the flexibility for your HNW clients to keep their portfolios fully invested, while accessing the value of their holdings for their home financing needs.

MORTGAGE PRE-APPROVAL PROGRAM

BNY Mellon's Mortgage Pre-Approval Program allows your clients to submit an application and get pre-approved for a mortgage prior to selecting a home for purchase. While a pre-approval is not a commitment to lend, it offers an indication that BNY Mellon may provide clients with a mortgage once a suitable property has been found.⁴ Clients can save time by narrowing their search for the perfect home and increasing their competitive advantage when bidding against other potential buyers.

TALKING TO YOUR CLIENTS ABOUT MORTGAGES

Using Mortgages to Deepen Relationships

Are you actively considering lending strategies to support your HNW clients' long-term planning needs? If your clients are working with retail lenders to support their mortgage needs, then another advisor may be reviewing their complete financial picture as part of that process. With direct access to customized mortgage solutions, your clients are less likely to contact a competitor for their credit needs. Protect the assets that belong within your business while you capture new assets.



Access additional private banking solutions

COMMERCIAL REAL ESTATE FINANCING

Commercial real estate investments are often an integral part of HNW investors' wealth. Now, you have access to flexible financing options to help your clients make these investments possible. Financing is available for a variety of property types, including office, retail, multi-family, warehouse/industrial, mixed use, such as combination retail/apartment or office/retail. BNY Mellon's private bankers work closely with you and your clients to understand their financing requirements in concert with their long-term strategies. With deep expertise in sophisticated financing techniques, BNY Mellon's credit specialists create customized loans and lines of credit, available nationwide.⁵

LIFE INSURANCE PREMIUM FINANCING

While a life insurance policy may provide the liquidity needed at the time of death, the insurance premiums during one's lifetime can be very high, and may also be subject to gift taxes. With BNY Mellon's Life Insurance Premium Financing,⁶ clients potentially can cover both the annual premiums and the loan interest, resulting in the ability to acquire the policy in a tax-efficient manner. The loan is secured by the net cash surrender value of the life insurance policy and the assets in the client's securities account, creating yet an additional benefit as the client's current portfolio allocation and long-term investment strategy can remain intact.

CUSTOMIZED FINANCING SOLUTIONS

BNY Mellon has the expertise and flexibility to craft creative lending solutions that meet ultra-high-net-worth clients' unique needs, too. Seeking a custom financing arrangement for a client purchasing a new aircraft or refitting an existing one? Interested in leveraging a client's personal art collection in order to purchase additional art, expand a business, fund new investments or diversify a portfolio? Turn to the experienced lenders on our dedicated banking team.

ESCROW SERVICES

BNY Mellon, N.A. provides third-party agent or depository escrow capabilities that are reliable, cost efficient and backed by a commitment to outstanding service. With BNY Mellon's proven experience with some of the nation's largest corporations, law firms and private equity organizations, your clients have access to a range of escrow agreements, including corporate mergers and acquisitions, public stock offerings and capital funding campaigns, settlements and other court-ordered proceedings and tax-deferred exchanges. As a result, you can enhance your client relationships through access to these exceptional services.

TALKING TO YOUR CLIENTS ABOUT COMMERCIAL REAL ESTATE FINANCING

- When you are fully engaged and understand all of your clients' needs, you can better position yourself as their comprehensive wealth manager. With access to structured financing solutions, such as commercial real estate financing, you can present innovative financing options and expand your client relationships.

TO LEARN MORE

You know us for the relationship we have built with you over time and the support we provide to meet your clients' complex investing needs. We'd like to help you further enhance your client relationships with access to customized lending and mortgage solutions that underscore your dedication to comprehensive wealth management.

We invite you to contact your dedicated Relationship Manager for a personal introduction to a BNY Mellon private banker or residential mortgage banker.

¹ Minimum mortgage loan amount: \$500,000. Subject to satisfactory appraisal and title report, fully executed purchase contract, verification of borrower information on mortgage application and no change to loan term or mortgage product. Pre-approval is effective for 90 days from the date of application.

Mortgage services, provided by BNY Mellon, N.A. are subject to credit approval. All product and loan terms are subject to change without notice. Neither Pershing nor BNY Mellon, N.A. provides tax or legal advice. Clients should be advised to consult with a legal or tax advisor about their individual circumstances.

² Restrictions may apply in some states, including Texas.

³ BNY Mellon, N.A.'s Interest-Only Mortgage allows clients to pay only the interest on the money borrowed for the first 10 years of the mortgage. If only the interest is paid during this period, clients should be aware of the following:

- When the interest-only period ends, the client will still owe the original amount borrowed, which must now be amortized over the remaining term of the loan.
- The monthly payment will increase after the interest-only period even if interest rates remain the same, as the payments would now include principal repayments as well as interest.
- If the property does not increase in value during the interest-only period, clients will not have built equity, which could mean:
 - It may be harder to refinance the mortgage.
 - The proceeds from the sale of the property might be less than the principal owed to the lender.

BNY Mellon's Residential Mortgage Bankers can review with clients the projected payments after the initial 10-year interest-only period and how ARM payments could change at each adjustment period. Interest rates are subject to change.

⁴ Subject to satisfactory appraisal and title report, fully executed purchase contract, verification of borrower information on mortgage application and no change to loan term or mortgage product. Pre-approval is effective for 90 days from the date of application.



⁵ Loan amount: \$2 million to \$30 million.

⁶ Target client profile: typically, \$25 million net worth, exclusive of private business valuation. Target minimum policy size: \$10 million (death benefit).

ABOUT US

BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment management and investment services in 35 countries and more than 100 markets. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK).

BNY Mellon's Pershing and its affiliates provide a comprehensive network of global financial business solutions to advisors, broker-dealers, family offices, hedge fund and '40 Act fund managers, registered investment advisor firms and wealth managers. Many of the world's most sophisticated and successful financial services firms rely on Pershing for clearing and custody; investment, wealth and retirement solutions; technology and enterprise data management; trading services; prime brokerage and business consulting. Pershing helps clients improve profitability and drive growth, create capacity and efficiency, attract and retain talent, and manage risk and regulation. With a network of 23 offices worldwide, Pershing provides business-to-business solutions to clients representing more than 6 million investor accounts globally. Pershing LLC (member FINRA, NYSE, SIPC) is a BNY Mellon company.

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