



Borrow

Use a securities backed line of credit to fund a home purchase

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The situation

Our clients hoped to purchase a \$5 million home in Palo Alto, but did not want to liquidate a portion of their investment portfolio to fund the entire down payment.

The strategy

Applying for both a securities backed line of credit (“SBL”) and UBS home mortgage for purchasing the home.

- Prior to our client making an offer on the home, we pre-cleared this “dual financing” approach with both the UBS Mortgage Team and Banking Credit Group.
- Together, these two groups expedited the documentation and underwriting process of both the line of credit and the mortgage, simultaneously, as well as the final pricing and closing.

The benefits

The client was able to close the home purchase and keep their investment portfolio intact.

- Interest rates on both the securities backed line of credit and home mortgage were struck at historical lows.
- Within a year, our clients received company dividends and used some of those proceeds to pay off the line of credit. The line is still open for future needs.
- Single-family real estate in Palo Alto has since appreciated in the short period that the clients have owned their home.

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