Transferring a non-purpose loan (NPL) from a contra firm to U.S. Bank Private Banking can be a simple process. The preferred transfer method involves having the client pay off the existing loan and transferring the assets to Fidelity Investments®. After the asset transfer occurs, the client works with the private banking team to establish a new NPL. If the client is unable to pay off the loan, the private banking team can assist with establishing a new NPL to transfer the debit. Once the new line is established, it can be used to pay off the debit at the contra firm, allowing the contra firm to transfer the associated collateral to Fidelity®.

The following outlines the steps in the loan transfer process. Completing these steps helps ensure an expedient transfer of assets necessary to secure the new line of credit.

**Step 1 - Bank Loan Application and Letter of Interest**

**Time frame: 2-3 Days**

**Documentation**

- U.S. Bank Private Banking Application
- Supporting documentation as outlined in the application
- Letter of Interest

**Process**

1) The client obtains the U.S. Bank Private Banking Application from the private banking team. The advisor will work with the client to complete the application and provide the supporting documentation as directed in the application. Note:
   - The U.S. Bank Private Banking Application is a dynamic, fillable PDF form. Please complete the application electronically to ensure completion of the proper sections. If you prefer to complete the form by hand, contact the private banking team for a print-friendly version.

2) In Section 2 of the application under “Accounts to be pledged,” the advisor should provide the client’s account number(s) at the contra firm that will transfer to Fidelity and submit the most recent account statement(s) for each account to be pledged with the application.

3) A Guarantor Addendum will be required if the applicant does not own the account(s)/collateral to be pledged. The addendum will automatically appear with the dynamic, fillable PDF application. The advisor completes this addendum with the guarantor(s), provides the required supplemental documents as outlined in the application, and secures the guarantor(s) signature(s).

4) The advisor will submit the application, along with the required supporting documentation as outlined in the application, in a secure, electronic format to privatebanking@usbank.com. If the file is too large to send via email, contact the private banking team to discuss delivery options.

5) The private banker will review the documentation and initiate a welcome call with the advisor to discuss the request and obtain any missing information. Once all of the information has been provided, the private banker will generate a Letter of Interest outlining the proposed terms of the credit request that will be emailed to the advisor to review and forward to the client.

6) The advisor schedules an introductory call with the private banker and client to review the terms of the request.

7) The client provides written acceptance of the terms outlined in the letter. The advisor returns the signed letter in a secure, electronic format to privatebanking@usbank.com.

Investment products and services are:

| NOT A DEPOSIT | NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY |
Step 2 - Account Setup and Loan Document Preparation

Documentation
- Copy of new account applications for accounts that will hold pledged collateral
- Copy of the Account Transfer Request
- Intermediary Payoff Information Form: This form is used to obtain the contact and payoff information for the loan at the contra firm to be used to create the Intermediary Payoff Letter. This letter supplements the account transfer request and loan documentation. The letter is addressed to the contra broker, contra bank and U.S. Bank to serve as confirmation of the contra firm’s intent to release the pledge on the assets upon the receipt of the payoff and to comply with the transfer of assets as requested.

Process
1) Following acceptance of the proposed terms found in the Letter of Interest:

Registered Investment Advisors (RIAs): RIAs work with your client service manager to establish the account(s) to hold the collateral once the assets transfer.

Broker Dealers: New account numbers need to be provided to the private banker for the accounts that will hold the collateral once assets transfer to Fidelity.

Accounts pledged as collateral should not have margin or money movement features such as bill pay, debit cards or check writing enabled. If the client requires these account features, consider opening a separate account to hold assets not required to support the loan. Assets must be held in Type 1.

2) The advisor provides the following information to the U.S. Bank Private Banking team via legible scan to privatebanking@usbank.com:
   a. Copies of new account applications that will hold pledged collateral, including the new account number(s)
   b. Copy of the Account Transfer Request
   c. Complete Intermediary Payoff Information Form

Step 3 - Final Signatures and Funds Disbursement

Documentation
- Loan document package including Control Agreement and Intermediary Payoff Letter.

Process
1) If the loan request is approved, the private banker will contact the advisor to review the closing process and discuss the delivery of the loan documentation.

2) The advisor will work with the client to facilitate the completion of these documents and return them to U.S. Bank in the overnight envelope provided in the package.

3) Upon receipt of the documents, the private banker will forward the Control Agreements to Fidelity for processing and the Intermediary Payoff Letter to the contra firm for signature.

4) Once the fully executed loan documents, including the Control Agreements and Intermediary Payoff Letter, have been returned, the private banker will notify the advisor that the loan proceeds are available for the payoff of the loan at the contra firm. The private banker will request that a call be scheduled with the client to confirm the transfer instructions.

Step 4 - Transfer of Assets

Process
1) The loan proceeds will be available to the client prior to the assets arriving in the client’s account at Fidelity for the payoff of the loan at the contra firm only. It typically takes 5–7 business days for the assets to transfer to Fidelity. Once the assets have transferred, the loan proceeds may be accessed according to the terms outlined in the loan documentation.

2) The advisor should ensure that assets are transferred to the Fidelity accounts the client is pledging to the loan.

Key Considerations
Refer to U.S. Bank Private Banking’s Liquid Collateral Advance and Margin Rate Schedule for release and margin rates.