

BANK LOAN VS. LOAN FOR LIFE™

Here is a comparison of a traditional bank loan against a policy versus a Loan For Life™, which may be a better option for your Client. Make sure you consider all options before making a decision.

	BANK LOAN	"LOAN FOR LIFE"™
COMMITMENT AMOUNT	\$100,000-\$5,000,000	\$150,000 - No maximum
LOAN INTEREST RATE	Variable 3.25%-9.50*	5%-6% Fixed
LOAN TERM	24-60 months	Permanent – To <u>earlier</u> of policy maturity date or passing of Insured
CASH ACCESSIBILITY	Line of Credit may require an account at bank. Use of funds may be restricted to business purposes.	100% of Loan Proceeds Paid at Closing. No Need To Open an Account or To Disclose Use.
CREDIT CHECK	Generally required.	No credit check required
INTEREST PAYMENTS	Paid current or accrued.	Paid current or accrued.
COLLATERAL REQUIREMENTS	Policy plus additional including personal guarantee.	No collateral other than policy ever required.
LOAN BALANCE	Can exceed cash value and result in a foreclosure which can trigger tax liability.	Can never result in foreclosure, even if it exceeds cash value
LOAN RENEWAL	At Lenders option. If not renewed, Loan becomes due. If Policy foreclosed, Borrower may suffer tax liability.	Loan is permanent, no renewal issue/no foreclosure/tax liability.
PREMIUM PAYMENTS	Generally required by Owner. Bank may advance premiums but is not required to do so.	Owner has the option to make payments. If not Lender guarantees to do so.
APPROVED CARRIERS	Guardian, John Hancock, Mass Mutual, MetLife New York Life, Northwestern Mutual, Ohio National, Penn Mutual Life.	Guardian, John Hancock, Mass Mutual, MetLife, New York Life, Northwestern Mutual, Ohio National, Penn Mutual Life, and many others.

*Prime Rate Range 2001-2020 (JP Morgan)

Not available in all states. Contact us today to see if your policy qualifies.