Goldman Sachs | Private Bank SELECT

Help Clients Meet Immediate and Near-Term Liquidity Needs... Without Selling

With the uncertain times and market volatility, it's very possible that clients will face a liquidity need at some point this year. When a cash need does arise—or even before it arises—consider helping them open a securities-based line of credit (SBLOC) as an alternative borrowing solution and avoid liquidating their assets before they are ready.

Whether their needs are anticipated months in advance or arise suddenly, an SBLOC can be a useful tool for providing liquidity to business owners, real estate developers, inconsistent earners, retirees and others who need access to cash. As you work with your clients to manage their investments during these turbulent times, they will still need to meet tax and other financial obligations.

Preparing for a Liquidity Need Discussion

A good place to start is by checking your book for clients with unanticipated liquidity needs.

An immediate need could be paying 2019 taxes. Since Tax Day was moved to July 15, some clients have not yet paid their bill. Are they ready? Do they have a way to pay? A securities-based line of credit (SBLOC) can provide them the flexibility they need to pay their bill and stay invested.

Other clients with short-term or unexpected cash needs include those with inconsistent income such as those who earn commissions, contractors, and retirement-age people. According to Anthony Rochte, Managing Director and Head of Goldman Sachs Private Bank Select®, "These clients tend to have a lot of assets, but may not have enough income and cannot take advantage of more traditional borrowing methods." An SBLOC gives them the access to cash and keep them invested.

Of course, there are clients who have anticipated liquidity needs, such as business owners. "As someone who's been in the industry for 30 years, I haven't met a business owner yet who doesn't need multiple sources of liquidity for cash flow management," says Rochte. Instances where SBLOCs can be helpful for business owners include tax obligations, mergers and acquisitions, capital expenditures and partner buyouts, as well as surviving a general business downturn.

Consider your clients who are invested in real estate or are developers who may benefit from an SBLOC. "Because they see a piece of real estate, or they have something they need to do on an existing property asset, their first inclination is to liquidate." says Rochte. And while SBLOCs can be a good bridge loan solution, many real estate developers can benefit from keeping them open as a revolving line of credit to be nimble enough to be ready for opportunities.

Anticipated or unanticipated, be sure to factor in the duration of your clients' cash needs. While SBLOCs are not 'permanent' financing (like a typical home mortgage), they can be useful for meeting both short- and medium-term needs—generally anything from a few weeks to a few years.

Whether your clients' liquidity needs are unexpected or expected, an SBLOC may be a useful tool for them to put in place. And once an SBLOC is open, a client can borrow and repay as needed, as long as they're paying the monthly interest with no fees.

No matter the state of the market, it's always a good idea to consider your clients' current and future liquidity needs.

Learn more about how SBLOCs can fit into your workflow

Regional Lending Managers			
Northeast	MA, NH, VT, ME, RI, NY state	Ossie Babson	617-204-2334
New York Metro	Greater NYC, NJ, CT	Suzette LaBonne	212-357-4823
Great Lakes	OH, PA, DE	Laura Latulippe	215-405-4909
Mid-Atlantic	KY, WV, VA, DC, MD	Jen Bernstein	202-585-6798
Southeast	NC, SC, GA	Pat Jubard	404-846-7394
Gulf	FL, AL, MS, TN	Carrie Calloway	561-650-2607
South Central	TX, OK, AR, LA, NM	Paul Sargis	214-855-1183
Midwest	WI, MO, MN, IL, IN, IA, MI, KS, ND, SD, NE	Christina Harmon	312-655-5607
Mountain	CO, UT, WY, MT, ID, WA, OR, AK	Brad Croft	801-741-5705
NoCal	NoCal, NV	David Esser	415-393-7649
SoCal	SoCal, AZ, HI	Mario DePasquale	949-790-3726
GS Select Transitions	National	Debbie White	212-357-2171
	National	Danielle Falcone	212-934-0037

GS Select Advisor Solutions Desk | 844-477-1155

Call (833) 280-1250 or email GSSelect@gs.com

welcome.gsselect.com and LinkedIn

Goldman Sachs Private Bank Select® (GS Select®) is a digital lending program that allows your clients to establish a securities-based revolving line of credit, providing ready access to liquidity. Our high tech, high service solution allows transparent oversight of your clients' loans. To learn more, please contact us at (844) 477-1155 Monday-Friday, 9:00 a.m-9:00 p.m. Eastern Time.