Margin Accounts/Personal Lines of Credit

What is a margin account/personal line of credit?
Margin accounts allow you to purchase securities or take cash loans by using your margin-eligible securities as collateral. Margin accounts are governed by Regulation T, FINRA and individual brokerage house rules. For more information, please see www.edwardjones.com/disclosures/marginloans.

How are we paid for our services?
We charge interest when you borrow against securities held in a margin account. The interest rate is tied to the effective prime rate, as long as the prime rate is equal to or greater than 4.0%. (We have a 4.0% base interest rate.) The prime rate is the prime rate as published in The Wall Street Journal. Your interest rate is determined monthly based on the total value of your "Relationship Pricing Group," which may include multiple accounts you and other related parties hold with Edward Jones. For more information, please see www.edwardjones.com/disclosures/marginloans.

How is your financial advisor compensated?
Your financial advisor earns a portion of the ongoing interest paid to Edward Jones on margin loan balances (which include the Personal Line of Credit, overdraft coverage or Write Your Own Loan). This creates a financial incentive for financial advisors to recommend that you use margin in your account and that you maintain a margin loan balance, even if you have funds available to reduce or pay off your loan. For more information, please see www.edwardjones.com/disclosures/marginloans.

