



GUIDE TO A BATTLE BANK MELOC™

Metals Equity Line of Credit

Hold on to your metal — borrow for liquidity.

A Note on Why This Guide Exists

Physical gold and silver are simple. You own metal. It has mass. It has a market price. Multiply and there's the value. You can hold it, store it or sell it.

Borrowing against that metal should be just as understandable. Too often, it is not. Important terms get reduced to a rate, the fine print is confusing, and the borrower is left to figure out the downside after the paperwork arrives.

We wrote this guide to clear things up.

It explains what a Battle Bank MELOC™ is, what collateral qualifies, where pledged metal is held, how the line is valued, what it costs and what happens if metal prices fall. It also explains where the product does not fit.

This is not a pitch, a prospectus, or tax, legal or investment advice. It is a working explanation of the product. The controlling loan documents, account agreements and disclosures govern your actual relationship with Battle Bank.

Verify the facts. Read the agreements. Run the numbers yourself. Then decide whether the structure makes sense for you.

— Battle Bank

How To Read This Guide

Most lending guides start with rates. This one starts with custody. If you own physical metal, the first question is not what you can borrow against it. The first question is who controls it while you borrow. Part One answers that question. The mechanics follow.

Part One: Custody, Counterparty and Control

A MELOC is secured lending. That means control of the collateral matters. While your line is open, your pledged metal cannot remain wherever you happen to store it. It must be held where Battle Bank can maintain its security interest.

1.1 Who Holds Your Metal

Pledged metal is held in a Battle Bank-controlled account at a secure storage partner facility. Battle Bank holds a first-priority perfected security interest in the collateral.

That control has a practical consequence: While the metal is pledged, you do not have the right to access it, withdraw it, substitute it or encumber it unless Battle Bank approves the action in writing. You still own the position, but the collateral is under Battle Bank’s control until the loan is repaid and the liens released.

Battle Bank does not lend, lease or otherwise use pledged metal in any way. While precious metals are not FDIC insured, Battle Bank’s secure storage partners maintain insurance coverage for metals held in custody. Battle Bank monitors this coverage to help ensure it continues to exceed the total value of client metals held with its storage partners.

1.2 Your Storage Election: Allocated Non-Segregated or Allocated Segregated

If you deposit eligible coins or bars, your metal is held in allocated storage. You choose whether the allocated storage is non-segregated or segregated. The difference is whether the exact pieces matter to you.

Storage election	Annual cost	What is held	What comes back
Non-segregated	0.50% of market value	Your quantity of a specific form and type of metal is recorded, while pieces may be stored alongside like metal.	The same form, make and quantity, but not necessarily the identical pieces.
Segregated	0.75% of market value	Your specific pieces are held separately.	The identical pieces you deposited.

Example: 10 American Gold Eagles placed in non-segregated storage means 10 American Gold Eagles of the same type and metal content will be returned after payoff and release. They may not be the exact same coins originally deposited.

In a segregated storage arrangement, the metals are stored separately and the exact items deposited are returned upon payoff and release.

Both storage elections are charged annually and billed quarterly at the borrower’s expense. The additional 0.25 percentage point fee for segregated storage provides piece-level identification and separation of your holdings. If receiving the exact coins or bars originally deposited is important to you, segregated storage may be the preferred option. If your primary concern is metal type and content rather than the specific pieces, non-segregated storage generally costs less.

1.3 Unallocated Metals: A Different Account

An Unallocated Metals account is not a third storage election. It is a separate account type.

In an Unallocated Metals account, you buy fractional ounces of gold or silver. Battle Bank buys those ounces, and they are added to the unallocated custodian account that accounts for Unallocated Metals account holders. You do not deposit specific coins or bars into this account. When you sell, you sell out of the gold or silver position rather than selling out of a specific coin or bar.

For MELOC collateral, an unallocated position acquired from Battle Bank may be pledged. An unallocated position held with another dealer is not eligible because Battle Bank cannot perfect a lien interest in that outside position.

1.4 The Dealer Relationship

Battle Bank has agreements with certain precious metals dealers. Metal held with an approved dealer may become MELOC collateral only after it is physically transferred into a Battle Bank-controlled vault account.

A dealer referral does not change the custody requirement. If your metals are outside Battle Bank's control, the bank cannot treat them as pledged collateral.

The specific custody and storage-billing arrangement depends on the client's relationship with Battle Bank and, when applicable, the referring dealer.

Battle Bank clients. If Battle Bank provides both the MELOC and storage, the pledged metals are held in a Battle Bank-controlled storage account. Battle Bank bills and collects the applicable storage fees and sends the client's statements.

Certain dealer relationships. With certain dealers, metals may remain at Brinks in an account owned by the dealer. A tri-party agreement gives Battle Bank control over the pledged collateral, including the ability to move the metals from the account if necessary. Under this arrangement, the dealer bills and collects the client's storage fees.

Grandfathered dealer arrangement. With this arrangement, metals previously stored at Brinks for the client by the dealer are moved from dealer storage into Battle Bank storage when they are pledged to a MELOC. The dealer continues to bill the client for storage even though the metals have been moved to Battle Bank storage. This is a grandfathered arrangement that will not be offered for new relationships.

Dealer referrals without dealer-provided storage. If a dealer refers a client to Battle Bank but is not involved in storing the client's metals, the standard Battle Bank arrangement applies: Battle Bank provides the storage arrangement, bills and collects the applicable storage fees, and sends the client's statements.

In all cases, metals pledged to a MELOC must be subject to Battle Bank's control so they cannot be sold, withdrawn or otherwise removed while securing the line except as permitted under the applicable agreements.

1.5 Who Battle Bank Is

Battle Bank was built by banking industry veterans around a straightforward premise: Clients should have access to sophisticated products without giving up clear explanations or human service. We serve self-directed individuals across the U.S. and Canada who think differently about their money and want to carve their own financial path. From full-service deposit accounts with competitive yields to precious metals,

global market access and premium service, we're building a better banking experience for those who aren't interested in settling for the status quo.

Battle Bank, N.A., is a nationally chartered bank regulated by the Office of the Comptroller of the Currency (OCC).

1.6 Privacy and Reporting

A MELOC does not eliminate normal bank identity-verification and reporting obligations. Battle Bank verifies identity and must comply with applicable banking, tax and legal requirements.

Rest assured, Battle Bank does not perform a credit check, and no financial statements are required. Underwriting confirms identity and confirms the metals are in the vault.

For more information about how Battle Bank collects, uses and protects consumer and customer information, please refer to Battle Bank's current [privacy practices](#).

Part Two: The Problem This Solves

2.1 The Liquidity Trap of Physical Metals

You can own a substantial position in gold or silver and still face a basic problem: The metal is an asset, not cash in a checking account.

When capital is needed, a holder generally has to choose among imperfect options. Sell the bullion and end some or all of the position. Find a lender willing to accept the metal on terms that may not resemble conventional bank credit. Or borrow against something else, including on an unsecured basis.

Selling can carry more than one cost. A gain may involve tax consequences. There is a dealer spread when you sell. If you later rebuild the position, you face another transaction and an unknown future metal price. Those consequences vary by holder and transaction, so tax treatment should be reviewed with your own accountant.

A MELOC addresses one narrow problem: turning part of the market value of eligible gold and silver into borrowing capacity without first selling the pledged position.

2.2 What a MELOC Is

A MELOC is a five-year, interest-only revolving line of credit secured by eligible gold and silver. You place qualifying collateral in a Battle Bank-controlled vault account. Battle Bank establishes a line of credit based on the collateral value and the advance rules. You may draw, repay and draw again while the line remains active and in compliance with its terms.

The metal stays pledged rather than being sold. Cash moves to you as a loan advance. The collateral stays under Battle Bank's control until the debt is satisfied and the bank releases its security interest.

2.3 What a MELOC Is Not

- It is not a metals leasing program. Battle Bank never lends, leases or otherwise uses pledged metal.
- It is not a sale with a contractual promise to buy the metal back later.

- It is not an income-underwritten loan. No financial statements are required and no credit check is performed.
- It is not a way to borrow against collectible value. Battle Bank only allows certain sovereign minted coins and LBMA-approved bars as collateral for advancement.
- It is not custody on demand. Pledged collateral remains under Battle Bank's control while the lien is outstanding.

Part Three: How It Works

3.1 Five Steps From Metal to Available Credit

Step	What happens	Expected time to completion
1. Apply	Submit the required MELOC application and identity information with detailed description of collateral proposed for the line of credit.	1 day
2. Verify	Battle Bank verifies identity and determines whether the proposed collateral meets eligible metals requirements.	1-3 business days
3. Transfer	Eligible physical metal is delivered into a Battle Bank secure storage partner location. Metal held elsewhere cannot remain there and count as pledged collateral.	Depending on the method of transfer: If metals are in a current Battle partner facility, then 1-2 business days. If at a non-affiliated facility, timing is dependent on facility shipping timing. If at a residential address, timing is dependent on how long it takes for partner location to receive the metals.
4. Establish	After collateral is verified and accepted, Battle Bank establishes the line, prepares loan documents and sends documents via DocuSign for e-signature.	2-3 business days
5. Draw	Once the line is available, you request an advance. Monthly payments are interest-only, subject to the loan documents.	Immediately

3.2 Acceptable Collateral

The purpose of an eligibility list is to make collateral readily identifiable, verifiable and marketable. Owning gold or silver by itself does not make an item eligible. Please refer to the links below:

- [Gold: 1 oz, 10 oz Good Delivery Current List - Gold | LBMA](#)
- [Silver: 10 oz, 100 oz Good Delivery Current List - Silver | LBMA](#)

Approved gold coins

- American Gold Eagles, standard bullion strikes in standard fractional and 1 oz denominations
- American Gold Buffaloes, standard bullion strikes in standard fractional and 1 oz denominations
- Canadian Gold Maple Leafs, standard bullion strikes in standard fractional and 1 oz denominations
- Austrian Gold Philharmonics, standard bullion strikes in standard fractional and 1 oz denominations
- British Gold Britannias, standard bullion strikes in standard fractional and 1 oz denominations
- Australian Gold Kangaroos, standard bullion strikes in standard fractional and 1 oz denominations
- South African Krugerrands, standard bullion strikes in standard fractional and 1 oz denominations

Approved silver coins

- American Silver Eagles
- Canadian Silver Maple Leafs
- Austrian Silver Philharmonics

- British Silver Britannias
- Australian Silver Kangaroos
- South African Silver Krugerrands

Approved bars

Bars must be produced by an LBMA-approved, COMEX- or NYMEX-approved, or otherwise recognized refiner and clearly stamped with the refiner name, metal type, weight and purity. Eligible sizes are limited to 1 oz and 10 oz gold bars and 10 oz and 100 oz silver bars.

Not eligible

Rounds, ingots, proofs and special editions, jewelry, scrap metal, commemoratives, medals, damaged or altered items, encased products, unapproved bar sizes, unapproved coin types, and mixed or unverified lots are not eligible under the supplied product specification.

Sovereign-minted alloyed coins

Standard sovereign-minted alloyed gold coins such as American Gold Eagles and Krugerrands may qualify despite lower fineness than some other bullion products. For collateral purposes, value derives from total precious-metal content.

Inspection and discretion

Collateral must be in good, marketable condition and acceptable on inspection. Battle Bank may require testing, third-party authentication or assay at the borrower's expense. Battle Bank may amend the eligible list, reject specific items and decline proposed collateral in its discretion.

If the eligible list changes after metal has already been pledged, existing pledged metal is grandfathered. A later eligibility change applies to collateral pledged going forward.

3.3 Valuation, Advance Margin and the Credit Limit

Two limits matter. They are not the same number.

The Advance Margin controls what you can borrow today. Advances are limited to 50% of Daily Collateral Value or the available Advance Margin Cap, whichever is lower.

The Advance Margin Cap creates room for the line to grow if collateral value rises. At origination, the cap is set at 75% of collateral value. The cap is fixed at origination and does not reset each year.

Raising that cap later requires an executed Change-in-Terms agreement, whether the reason is additional collateral or a higher metal price.

Example: \$200,000 eligible collateral	Amount	What it means
Daily Collateral Value at example point	\$200,000	Value of pledged ounces using the applicable daily spot valuation, subject to any bank valuation discounts.
50% Advance Margin	\$100,000	Maximum advance based on the 50% advance rule at this collateral value.
75% Advance Margin Cap at origination	\$150,000	Fixed cap established at origination. It does not mean \$150,000 is immediately drawable.

Available advance at origination	\$100,000	The lower of the 50% advance amount and available cap.
----------------------------------	-----------	--

Daily Collateral Value uses the Bloomberg spot price at 3:00 p.m. Central Time on each business day multiplied by pledged ounces. Initial Collateral Value uses the applicable spot price on the day the loan documents are prepared.

3.4 Rates, Fees and the Full Cost of Carry

A MELOC has three recurring cost categories in the supplied terms: interest, an annual fee and storage.

Cost	Current supplied term
Interest with automatic monthly payment from a Battle Bank account	Wall Street Journal Prime + 2.75%, floating daily
Interest with automatic monthly payment from an external institution	Wall Street Journal Prime + 3.25%, floating daily
Difference between the two payment arrangements	0.50 percentage point
Annual fee	0.167% of the Advance Margin Cap, charged at origination and each anniversary while the line is active
Allocated non-segregated storage	0.50% annually of market value, billed quarterly in arrears
Segregated storage	0.75% annually of market value, billed quarterly in arrears

The interest rate floats daily with Wall Street Journal Prime. The lower spread applies when the required monthly payment is automatically deducted from a Battle Bank account. Automatic payment from an external institution carries a spread that is a 0.50 percentage point higher.

Payments are monthly and interest-only. ACH must be established from a valid bank account and remain in good standing.

Annual fee example

The supplied term-sheet example uses \$100,000 of collateral and a \$75,000 Advance Margin Cap. At 0.167%, the annual fee is \$125.25. That fee is charged at origination and each anniversary while the line remains active.

All-in example

Because the interest rate depends on the then-current Wall Street Journal Prime rate and the amount actually borrowed, a final all-in dollar example must state both assumptions. The storage component also moves with market value.

Illustrative input	Formula
Interest	Outstanding balance × (WSJ Prime + applicable spread)
Annual fee	Advance Margin Cap × 0.167%
Storage — non-segregated	Applicable market value × 0.50% annually
Storage — segregated	Applicable market value × 0.75% annually
Total annual carrying cost	Interest + annual fee + storage

3.5 Moving Metal Into Storage

Pledged physical collateral must be held in a Battle Bank secure storage partner location. Metal at your home, a third-party vault or a dealer facility cannot remain there and simultaneously serve as MELOC collateral.

If your metal is held with an approved dealer, it may be pledged after physical transfer into the Battle Bank-controlled account and after verification and acceptance. Shipping, receiving, authentication and vault processing take time.

3.6 Drawing, Repaying and Revolving

The MELOC is structured as a five-year, interest-only revolving line. Subject to the line terms, available collateral value and margin requirements, you may borrow, repay principal and borrow again without selling the pledged metals.

Interest-only means the scheduled monthly payment does not, by itself, reduce principal. You can repay principal separately and at any time. A lower principal balance lowers your margin percentage and restores borrowing capacity, subject to the Advance Margin Cap.

3.7 Margin, Maintenance and the Downside Scenario

Margin is the outstanding line balance divided by Daily Collateral Value. A \$50,000 balance against \$100,000 of collateral is a 50% margin.

Battle Bank monitors collateral daily. Maintenance and liquidation margins are checked on business days at 3:00 p.m. central time. A margin-call notice is emailed on the day a deficiency occurs.

Margin level	What happens	Required action
65% — Courtesy Notice	Informational notice	No action required.
75% — Maintenance Margin Call	Deficiency notice	Within three business days, cure to 70% or less using the Daily Collateral Value on the notice date.
90% — Liquidation Margin	Immediate liquidation threshold	Battle Bank liquidates all collateral to repay the line and returns excess proceeds, if any, to the borrower.

The two paths of a maintenance cure

Path one: pay down principal until margin is 70% or less based on the Daily Collateral Value on the notice date.

Path two: post enough additional eligible collateral to bring margin to 70% or less on the same basis. While this option is available, borrowers should be aware that transferring and vaulting additional metals may take longer than the cure period if the metals are not already held at an approved storage facility.

Worked downside example

Assume \$100,000 of initial collateral value and a \$50,000 advance. Ignore interest accrual, fees and valuation discounts solely to isolate the margin mechanics.

Market move from \$100,000	Collateral value	Margin on \$50,000 balance	Result
0%	\$100,000	50.0%	No notice
-23.1%	\$76,923	65.0%	Courtesy Notice threshold
-30%	\$70,000	71.4%	Above Courtesy Notice, below Maintenance Margin Call
-33.3%	\$66,667	75.0%	Maintenance Margin Call threshold
-45%	\$55,000	90.9%	Above the 90% Liquidation Margin

At a 30% decline, collateral is worth \$70,000. A \$50,000 balance produces a margin of about 71.4%. The Courtesy Notice threshold has been crossed, but the 75% Maintenance Margin has not.

At the 75% Maintenance Margin threshold, collateral value is approximately \$66,666.67. To cure by principal paydown to 70%, the balance must be reduced to approximately \$46,666.67. That requires a paydown of about \$3,333.33.

To cure with additional collateral instead, the \$50,000 balance must be no more than 70% of total collateral value. Required collateral value is approximately \$71,428.57. Compared with \$66,666.67 on the notice date, that means approximately \$4,761.90 of additional eligible collateral value must be posted, subject to the Bank's valuation rules.

The number of ounces required depends on the metal and the applicable spot price on the relevant valuation basis. Divide the required additional collateral value by the applicable per-ounce collateral value. Do not use premiums in that calculation.

At a 45% decline, the example collateral is worth \$55,000 and a \$50,000 balance produces a margin of about 90.9%. That is above the 90% Liquidation Margin. Under the supplied terms, Battle Bank immediately liquidates all collateral, applies proceeds to the line and returns any excess proceeds to the borrower.

The margin structure is the central risk of borrowing against volatile collateral. A borrower who draws less than the full 50% advance begins with more distance between the initial margin and the notice, maintenance and liquidation thresholds.

3.8 Getting Your Metal Back

To release pledged metal, the secured obligation must be satisfied and Battle Bank must release its security interest. After payoff and closure, you may take delivery or continue storing the metal.

With allocated non-segregated storage, you receive the same form, make and quantity you deposited, but not necessarily the identical pieces. With segregated storage, you receive the identical pieces.

Part Four: Using a MELOC Deliberately

A line of credit is a tool. Whether it is useful depends on what you are trying to accomplish, how much you draw and how much price movement you can absorb without being forced into a cure or liquidation.

4.1 Common Uses

Bridge liquidity. A holder who needs cash for a defined period may prefer borrowing against metal to selling the position and attempting to rebuild it later.

Opportunistic capital. A revolving line can make capital available when timing matters, subject to collateral value and line availability.

Business or real estate needs. Because the supplied product structure does not require financial statements or a credit check, underwriting focuses on identity and eligible collateral rather than an income statement.

Tax timing. Borrowing rather than selling can change the timing and character of transactions, but individual tax consequences depend on facts outside this guide. Consult a qualified tax adviser before treating a MELOC as a tax strategy.

4.2 Where a MELOC Is the Wrong Tool

A MELOC may be a poor fit when you need guaranteed access to the pledged metal on short notice, cannot tolerate the possibility of a margin call, expect to keep the line near its maximum advance through a large metals decline, or have a cheaper source of capital after comparing all fees and storage costs.

It may also be a poor fit if your holdings are primarily collectibles, proofs, jewelry, rounds, unapproved bars or other assets whose value is not recognized under the collateral rules.

4.3 Sizing the Line

The product allows an initial advance up to 50% of Daily Collateral Value, subject to the Advance Margin Cap. That is a limit, not a recommendation.

A smaller initial draw creates more room for a decline before the margin thresholds are reached. You can test that yourself.

Stress-test input	Your number
Current eligible collateral value	\$_____
Planned initial draw	\$_____
Starting margin = draw ÷ collateral value	_____%
Collateral value after a 20% decline	\$_____
Margin after a 20% decline	_____%
Collateral value after a 30% decline	\$_____
Margin after a 30% decline	_____%
Collateral value after a 40% decline	\$_____
Margin after a 40% decline	_____%
Collateral value after a 50% decline	\$_____

Margin after a 50% decline	_____ %
----------------------------	---------

Compare each stressed margin with 65%, 75% and 90%. If a scenario reaches 75%, also calculate how much principal or additional eligible collateral would be required to return the margin to 70%.

4.4 MELOC Alongside Other Battle Bank Accounts

Battle Bank's broader product set includes the High Yield Cash Account, precious-metals purchase and sale capabilities, foreign currency, retirement products and business accounts. The MELOC's lower interest-rate spread requires automatic monthly payment from a Battle Bank account.

Part Five: The Questions You Are Actually Asking

If I choose non-segregated storage, do I get my exact bars back?

You get back the same form and make of metal you deposited, in the same quantity, but not necessarily the identical pieces. Segregated storage returns the identical items. Both are allocated storage. The annual storage cost is 0.50% of market value for non-segregated and 0.75% for segregated metals and is charged quarterly in arrears.

How is an Unallocated Metals account different?

Unallocated metals is an account choice, not a storage election. You buy fractional ounces of gold or silver, and those ounces are accounted for in the Battle Bank unallocated custodian account. You cannot send specific coins or bars into that account. Battle Bank does hold the amount of unallocated client metal in a custodian accounts at their secure storage partners facility for all unallocated metals client holdings.

Can Battle Bank lease or use my pledged metal?

No. Under the supplied product terms, Battle Bank does not lend, lease or otherwise uses pledged metal in any way.

What happens if the eligible collateral list changes after I borrow?

Metals already pledged are grandfathered under the supplied terms. A later eligibility-list change applies to collateral pledged going forward.

What happens to my metal if Battle Bank fails?

The metals securing your Battle Bank MELOC™ remain your assets. They're held through established custody arrangements while serving as collateral for your line of credit.

The details of how those assets are held, protected, and treated are outlined in your loan documents, custody agreements, and applicable law.

Can the government seize or freeze metal pledged as collateral?

Battle Bank fully complies with any lawful legal process including, but not limited to, valid court orders, levies, sanctions, or forfeiture orders, that pertain to our customers and their accounts.

Can you call the loan early or change the rate on me?

The rate is variable: it moves daily with Wall Street Journal Prime, plus the applicable spread. That can work for or against you based on the Prime rate movement.

Is a draw a taxable event, and what gets reported?

A draw is a loan advance under the product structure, but tax consequences and reporting can depend on the borrower and later events, including a sale or liquidation of collateral. You should consult with your tax advisor for any tax implications with respect to a MELOC account.

What if I want my metal back tomorrow?

Pledged metal is under Battle Bank's control and cannot be withdrawn while the secured obligation remains outstanding. You must satisfy the applicable payoff and release requirements first.

Who exactly has physical possession, and can I see it?

Pledged metal is held in a Battle Bank controlled account at a secure partner facility. Battle Bank receives third party audit reports, may visit, inspect, and validate client metals according to the terms of the secure storage partner agreements.

What are you making on this deal?

Battle Bank charges interest on outstanding advances and an annual fee equal to 0.167% of the Advance Margin Cap under the supplied terms. Storage is also charged at the stated annual rate.

Why don't you accept rounds or ingots if the metal and purity are the same?

The current collateral list excludes rounds and ingots. Because a MELOC is secured by the value of your precious metals, we need to ensure that collateral can be readily identified, valued, and liquidated if necessary. Rounds and ingots can vary significantly by manufacturer, purity, weight, market recognition, and resale liquidity.

By limiting eligible collateral to widely recognized bullion products from established sovereign mints and approved refiners, Battle Bank can more consistently verify the metal, determine its market value, and establish reliable liquidity. This helps us lend against the collateral efficiently while reducing verification and liquidation risk.

Why is the acceptable list narrow?

The current list focuses on specified sovereign bullion coins and bars from recognized refiners in specified sizes. Because precious metals securing a MELOC serve as collateral for the loan, Battle Bank must be confident that eligible products can be readily authenticated, valued, and liquidated if necessary.

For that reason, we focus on standardized, widely recognized bullion products with established secondary markets and reliable pricing. Maintaining a defined list of eligible products allows us to apply consistent standards for authentication, valuation, custody, and liquidity while keeping the lending process as efficient as possible.

A precious metal product that is not included on our eligible collateral list may still have significant value; it simply does not meet our standard eligibility requirements for MELOC collateral.

What is the smallest and largest line?

The minimum collateral requirement is \$100,000 in eligible gold or silver holdings. At that value, the 50% advance rule would support an advance of up to \$50,000, subject to the Advance Margin Cap, applicable valuation adjustments and final approval.

Battle Bank may provide MELOC lines of up to \$5,000,000 on its own. Requests above \$5,000,000 may be considered but would require participation by another financial institution and are subject to additional review, availability and approval.

Part Six: Getting Started

6.1 Eligibility Checklist

Use this page to determine whether the basic product structure fits before beginning an application.

- ☐ I hold at least \$100,000 in eligible gold or silver.
- ☐ My proposed collateral is on the eligible coin or bar list, or is an eligible Unallocated Metals position acquired from Battle Bank.
- ☐ I understand that collectible, numismatic and proof premiums do not count toward collateral value.
- ☐ I am willing to place physical collateral in a Battle Bank controlled vault account.
- ☐ I understand allocated metals applicable storage fee structure (non-segregated and/or segregated)
- ☐ I understand that pledged metal cannot be withdrawn or encumbered without Battle Bank's written approval.
- ☐ I understand the 50% advance rule and the separate 75% Advance Margin Cap.

- ☐ I understand the 65% Courtesy Notice, 75% Maintenance Margin Call and 90% Liquidation Margin thresholds.
- ☐ I understand that a Maintenance Margin Call must be cured to 70% or less within three business days.
- ☐ I understand that I may cure a Maintenance Margin Call with principal or additional eligible collateral, subject to operational timing.
- ☐ I have included interest, the annual fee and storage in my cost comparison.
- ☐ I understand the applicable storage fees associated with pledged metals, including non-segregated and/or segregated storage, as outlined in the current Battle Bank fee schedule.

Under the supplied product terms, no financial statements are required, and no credit check is performed. Underwriting confirms identity and confirms the metals are in the vault.

6.2 Applying

The process begins with the current MELOC application. If you came through an approved affiliate or dealer, use the current affiliate path and forms assigned to that relationship. After submission, Battle Bank verifies identity and collateral, coordinates transfer into the controlled vault, establishes the line and makes the approved borrowing capacity available.

Please complete the [MELOC Eligible Assets Review Form & Statement](#). Processing may take up to 2 business days.

6.3 Who You Will Talk To

Global Markets Team

855.922.8853

Monday through Friday, 8:00 a.m. to 3:30 p.m. Central Time

GlobalMarkets@BattleBank.com

Glossary

Term	Meaning
Advance Margin	The maximum percentage of Daily Collateral Value available for advances, subject to the available Advance Margin Cap. Under the supplied terms, advances are limited to 50%.
Advance Margin Cap	A dollar cap established at origination at 75% of collateral value. It is fixed at origination. Increasing it later requires an executed Change-In-Terms agreement.
Allocated non-segregated storage	Allocated storage in which the borrower is entitled to the same form, make and quantity of metal after release, but not necessarily the identical pieces.
Change-In-Terms	An executed agreement required under the supplied terms to increase the Advance Margin Cap after origination.
Daily Collateral Value	The applicable value of pledged ounces using Bloomberg spot at 3:00 p.m. central time on each business day, net of any applicable Bank valuation discounts.
Initial Collateral Value	Collateral value using the applicable spot price from the business day before application.
Liquidation Margin	A 90% margin under the supplied terms. At this level, Battle Bank immediately liquidates all collateral to repay the line and returns excess proceeds, if any.
Maintenance Margin	A 75% margin under the supplied terms. A borrower has three business days to cure to 70% or less using principal or additional eligible collateral.
Perfected security interest	A legally enforceable security interest for which the secured party has taken the steps required to establish priority against relevant third parties. The precise legal effect depends on applicable law and the transaction documents.
Segregated storage	Allocated storage in which the borrower's specific pieces are held separately and the identical pieces are returned after release.
Unallocated Metals account	A separate account type in which fractional ounces of gold or silver are accounted for in an unallocated custodian account. It is not a storage election for deposited coins or bars.

Cost Schedule

Item	Supplied term
Interest — Battle Bank autopay	WSJ Prime + 2.75%, floating daily
Interest — external autopay	WSJ Prime + 3.25%, floating daily
Annual fee	0.167% of Advance Margin Cap at origination and each anniversary while active
Allocated non-segregated storage	0.50% annually of market value, billed quarterly in arrears
Segregated storage	0.75% annually of market value, billed quarterly in arrears

Collateral Quick Reference

Gold coins: American Gold Eagles, American Gold Buffaloes, Canadian Gold Maple Leafs, Austrian Gold Philharmonics, British Gold Britannias, Australian Gold Kangaroos and South African Krugerrands, standard bullion strikes in approved standard denominations.

Silver coins: American Silver Eagles, Canadian Silver Maple Leafs, Austrian Silver Philharmonics, British Silver Britannias, Australian Silver Kangaroos and South African Silver Krugerrands.

Bars: recognized refiners; clearly stamped with refiner, metal, weight and purity; 1 oz and 10 oz gold, and 10 oz and 100 oz silver.

Excluded under the supplied specification: rounds, ingots, proofs and special editions, jewelry, scrap metal, commemoratives, medals, damaged or altered items, encased products, unapproved sizes or types, and mixed or unverified lots.

Important Disclosures

This Guide is not an offer to extend credit, a commitment to lend or tax, legal or investment advice. Credit availability, collateral eligibility, rates, fees, advance limits, margin requirements and other terms are subject to the final loan documents, account agreements, disclosures and Battle Bank approval. Please review the applicable [Terms & Conditions](#) for additional information.

Precious-metal prices can decline. A decline in collateral value can trigger notices, a requirement to pay down principal or post additional eligible collateral, and liquidation under the applicable loan terms. Borrowers should evaluate their ability to meet a margin call before drawing.

Any tax discussion in this guide is general. Consult your own tax adviser regarding your circumstances.

MELOC™ is a pending trademark of Battle Bank, N.A.