



Borrow Against Stocks & SBLOC Margin Call Risk Simulator

Calculate your safe loan-to-value (LTV) buffers to survive 30% to 50% market crashes.

PORTFOLIO LOAN-TO-VALUE (LTV) RISK SPECTRUM:

0% - 20% SAFE

20% - 35% MODERATE

35% - 50% DANGER

> 50% FORCED LIQUIDATION CASCADE

Tier 1: Safe Zone (0% to 20% LTV)

Survives a 60%+ market crash with zero risk of liquidation. Recommended for real estate down payments or emergencies.

Tier 2: Moderate Risk (20% to 35% LTV)

Requires active monitoring. Survives a 35% to 45% market pullback before reaching brokerage maintenance limits.

Tier 3: High Danger Zone (35% to 50% LTV)

Extremely vulnerable to routine 20% market corrections. Liquidation cascade risk if market gaps down.

Tier 4: Liquidation / Margin Call (> 50% LTV)

Brokerage automatically liquidates your shares at market bottoms, triggering involuntary capital gains taxes.

LOWEST-RATE PLATFORMS TO BORROW AGAINST STOCKS

* Interactive Brokers Pro (IBKR Pro):

Benchmark margin rates (Federal Funds + 0.75% to 1.50%). Automated lowest rates without negotiation.

* European SPX Box Spreads (Options Strategy):

Borrow at near Treasury yields via synthetically locked-in SPX box spreads on any options brokerage.

* Negotiated Bank SBLOC (Schwab, Morgan Stanley, Fidelity):

For \$500k+ to \$1M+ portfolios, request an off-sheet Secured Borrowing Line of Credit (SOFR + 1.25%).

* Robinhood Gold Margin:

First \$1,000 borrowed at 0% with low flat margin rates for active Gold members.

THE MARGIN CALL SURVIVAL FORMULA:

$$\text{Allowable Portfolio Drop \%} = 1 - (\text{Loan Balance} / (\text{Portfolio Value} * \text{Maintenance Requirement \%}))$$

Worked Real-World Example: \$100k loan against \$500k stock portfolio at 30% maintenance requirement:

Your portfolio can plunge from \$500k to \$333k (-33.3% crash) before triggering any margin liquidation.

Golden Risk Guardrail: Never borrow more than 20% LTV if you do not have external cash reserves to service calls.

Tax Benefit: Interest expense may be deductible against net investment income via IRS Form 4952.

