

Title: From Investopedia (source in comments)

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Disadvantages of Street Name

Holding securities in street name also comes with some drawbacks. Since your name is not on the record, you will not be apprised of important details from the company. This information may include reports or any other corporate communications the company sends out. Investors must rely on a brokerage or [advisor](#) to pass on information about their holdings.

Holding a physical certificate also gives investors the power to use them as [collateral](#) for a loan or most other types of credit. Securities held in street name can typically only be used as collateral in a [margin account](#).

While securities held in street name are safe for retail investors, [direct registration](#) may be a better choice for larger investors. **Stocks held in street name may be loaned to short-sellers and resold to others. So, it is possible for more than one person to own shares held in street name.** If the brokerage should fail, it may not be possible to recover 100% of all securities. Investors are protected by up to \$500,000 in insurance from the SIPC, but that may not be enough for [high-net-worth individuals](#) and large organizations.