

### LOAN GUIDELINES

Please note that your plan may have limitations on loan availability. Please contact your Plan Administrator for more information.

- A. **Cost** — A loan origination fee will be deducted from the loan amount and an annual fee of up to \$50.00 will be deducted from the Participant's account (or paid by the Employer) quarterly.
- B. **Amount of Loan** — The minimum and maximum amount which may be borrowed from the plan, as well as the term of the loan, are governed by the Internal Revenue Code (IRC), the Department of Labor, these loan provisions, and the plan documents. In general, the maximum amount that may be borrowed is an amount that, when added to the outstanding balance of all other outstanding loans from all plans of the Employer, does not exceed the lesser of 50% of the Participant's vested account balance, or \$50,000, reduced by the excess of the highest outstanding balance of loans during the 12 month period ending on the day before the date the loan is made over the outstanding balance of loans on the date the loan is made. Loans may be denied to individuals who have previously defaulted on a loan.
- C. **Interest Rate Determination** — The interest rate must be set by the plan fiduciary. Contact your Plan Administrator to find out the rate charged for the loans under the provisions of your plan.
- D. **Payment** —
1. Payment of the principal and interest of each loan shall be made through payroll deduction through your Employer. Other options may be available; please speak with your Plan Administrator for more information.
  2. Principal payments and interest payments shall be reinvested in a Participant's account in accordance with the Participant's investment election in effect at the time the payments are received.
- E. **Default** — A loan shall be in default if any of the following occurs: (a) The Participant or Beneficiary fails to make a payment by the due date. In the event payment is not received by the last day of the calendar quarter following the calendar quarter in which the loan payment is due, a deemed distribution will occur. This means that the outstanding loan amount (principal and interest) on the date of default is considered taxable income to the Participant. After a loan is deemed distributed, interest shall continue to accrue on the entire outstanding balance but shall not be considered taxable income to the Participant. Interest will continue to accrue on the entire outstanding balance and such outstanding balance shall be taken into account for purposes of determining the maximum amount of any subsequent loan. This additional accruing interest shall not be treated as an additional loan and shall not result in an additional deemed distribution. Such accruing interest shall, however, be included in the Participant's account balance for all other purposes of the Plan. (b) The Participant's or Beneficiary's (if applicable) leave of absence extends beyond twelve (12) months and the Participant or Beneficiary fails to make the loan payment by the earlier of (i) the due date following the suspension period or (ii) the due date of the last installment. The Participant or Beneficiary (if also a Participant) shall be suspended from making Elective Contributions until the Plan Anniversary following the date which is at least 12 months after the date of default.

Repayment during leave of absence - Loan repayments may be suspended by the Participant or a Beneficiary (who is also an Employee) during a period of unpaid authorized leave of absence of up to a maximum of twelve (12) months, but the term of the loan will not be extended due to the leave of absence. At the end of the 12-month suspension period, or, if earlier, the date repayment again commences, the amount of the installment shall be recalculated so that repayment is completed by the original loan term. If the term of the loan expires while the Participant or Beneficiary is on leave, repayment must nevertheless be completed by the end of the term.

Notwithstanding the foregoing, loan repayments may be suspended by such Participant or Beneficiary during a period of qualified military leave.

- F. **Prepayment** — Prepayment in full (partial payments are not allowed) of the outstanding loan principal and the accrued interest may be made by the next loan payment due date. Arrangements for a full payment must be made by obtaining a prepayment figure no more than two weeks in advance of the payoff. Full payments must be made by cashier's check or money order. If you would prefer to pay by personal check, please make arrangements with your Plan Administrator. Please call TransDirect® at 1-800-401-TRAN for a loan payoff amount.
- G. **Distributions** —
1. Loan recipients understand that any outstanding loan amount will reduce the amount available for distribution. A distribution request will not be allowed if the distribution would cause the vested account balance to be less than twice the amount of the outstanding loan balance.
  2. In the event of the Participant's death, all outstanding loan principal and accrued interest shall be treated as a distribution from the plan on the date of death. The loan cannot be transferred to or assumed by the Participant's beneficiary. If the loan was not repaid prior to the date of death, any cash distribution, including the qualified pre-retirement survivor annuity, will be made net of any outstanding loan obligation. In addition, the amount of the outstanding loan will be reported as a taxable distribution to the Participant or the Participant's estate, as applicable.
  3. All checks will be sent to the Plan Sponsor.
- H. **Source and Application of Funds** — The disbursement of monies for your account reduction loan may be made per your specifications or on a prorated basis from all available investment options. Only the Participant's vested account balance will be used to calculate the maximum loan amount if vesting applies.

### INCOMPLETE OR INACCURATE INFORMATION

In the event that any section of this form is incomplete or inaccurate, the loan requested on this form may not be processed and the Employer may require that you complete a new form or provide additional or proper information before the loan can be processed.

## SECTION A. Employer Information

Company/Employer Name

Plan Name

Contract Number

Division Number (if applicable)

Amount of Loan \$ \_\_\_\_\_

Interest Rate \_\_\_\_\_ %



Signature of Plan Sponsor or Authorized Signer  
for Authorization of Payroll Deduction

**PAYROLL DEDUCTION** – Please have the following completed by  
your payroll department:

Payroll Frequency: \_\_\_\_\_

Payroll Contact Name: \_\_\_\_\_

Payroll Dept. Phone No: \_\_\_\_\_

Payroll Dept. Fax No: \_\_\_\_\_

## SECTION B. Participant Information — Please print

Social Security No.

Date of Birth (MMDDYYYY)

Date of Hire (MMDDYYYY)

E-mail Address

Last Name

First Name/Middle Initial

Street Address/Apt. No.

Phone No.

Ext. (if any)

City

State

Zip Code

Marital Status

Married  Unmarried

## SECTION C. Type of Loan

If you currently have an outstanding loan, do you want to consolidate the loan?

Yes

No

**Please note:** You can only have one outstanding loan at any time.

**Maximum Loan:** Generally the lesser of 50% of your vested account balance or \$50,000.00

**Minimum Loan:** \$1,000.00

A. **GENERAL PURPOSE** Available for **ANY PURPOSE**.

➤ **Term of Payment in Years:**  1 Year  2 Years  3 Years  4 Years  5 Years

B. **PRINCIPAL RESIDENTIAL LOAN** Available **ONLY** to purchase or build a principal residence (not available to renovate or refinance a principal residence).

**PAYMENT:** You can elect to pay back the loan by checking any term listed from the options below.

➤ **Term of Payment of Years:**  6 Years  7 Years  8 Years  9 Years  10 Years  
 11 Years  12 Years  13 Years  14 Years  15 Years  
 Other (for term greater than 15 years please obtain approval from your Plan Administrator)

**SECTION D. Fund Withdrawal Election**

**Notice of fund withdrawal election:**

You may specify the fund(s) you wish to have your loan proceeds withdrawn from, or check the box below to have the withdrawal prorated against all investment options. Make your election in dollars or percentages (increments of 1%), your total must equal 100% or the dollar amount of your distribution. For assistance in selecting your fund choices(s), refer to your last Participant statement. Please be sure to print the complete name of the fund(s); an incorrect fund name could delay your request.

Please prorate the withdrawal against all investment options.

**PLEASE SPECIFY THE FUND(S)**

**PLEASE SPECIFY AMOUNT**

Check one:  %  \$

1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

**SECTION E. Spousal Consent**

Check with your Employer or Summary Plan Description to determine whether this plan is subject to spousal consent requirements. If it is, complete this section. Otherwise skip to Section F.

You must have your spouse's signature notarized or have the plan representative witness your spouse's signature if your vested account balance is greater than \$5,000 or your plan allows for joint and survivor annuities.

**Spousal Consent**

I, the undersigned spouse of the Participant, have read the IRS Special Tax Notice provided to me and understand the effects of the waiver. I understand that federal law requires that the retirement benefit of the Participant be paid under a joint survivor annuity, unless I consent otherwise in writing to another form of benefit payment. I hereby waive the annuity and consent to the form of benefit elected by my spouse.

**Signature of Participant's Spouse:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Statement Of Plan Representative Or Notary Public**

The spouse whose signature I have witnessed is known to me and signed this form in my presence.

**Plan Representative or Notary Public Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**SEAL** *if applicable*

**SECTION F. Required Signatures**

My signature acknowledges that I have read the entire Loan Application form, that I understand its contents, agree to its provisions, and affirm that all information that I have provided is true and correct.



\_\_\_\_\_  
**Signature Of Participant**

\_\_\_\_\_  
**Date**

This request is in compliance with plan provisions. If spousal consent is not provided, then in accordance with the terms and provisions of the plan and under the current law, spousal consent is not required for the payment of the benefit in the form requested. This certification must be signed by the Plan Sponsor or Authorized Signer on behalf of the Plan Sponsor.

**If a vesting schedule applies, the Participant is \_\_\_\_\_% vested. Hours worked/elapsed time YTD \_\_\_\_\_.**



\_\_\_\_\_  
**Signature Of Plan Sponsor Or Authorized Signer**

\_\_\_\_\_  
**Date**

*The Plan Sponsor or Authorized Signer must sign and approve form before request can be processed.*

*Please make a photocopy for your records.*

**TRANSAMERICA EAST:**

Mail to: 100-G Executive Drive  
Edgewood, NY 11717-8331

Fax #: 1-631-243-6427