

# LOAN APPLICATION

As a Participant in the \_\_\_\_\_ Plan, I, \_\_\_\_\_, hereby make application to the Trustees of the Plan for a loan in the amount of \$\_\_\_\_\_.

The purpose of this loan is: (fill in purpose)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If my loan is granted by the Trustees, I hereby agree that I will repay the loan in \_\_\_\_\_ installments (Cannot be less frequent than quarterly) and that payments must be made by payroll withholding. I further understand that the Plan shall charge me a reasonable rate of interest on my loan repayments.

I hereby acknowledge and understand that I will be required to pledge all or a portion of my Vested Account Balance or Vested Accrued Benefit as security for the loan.

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Trustee

# LOAN APPLICATION

## SPOUSAL CONSENT

I, \_\_\_\_\_, the spouse of \_\_\_\_\_, consent to the attached application for a participant loan requested by my spouse from the \_\_\_\_\_ Plan in the sum of \_\_\_\_\_.

I understand that this loan cannot be made to my spouse unless I give my consent and that my consent is irrevocable.

I understand that by consenting to this loan I may be giving up certain retirement benefits that I might otherwise receive at my spouse's death, disability or separation from service with the company.

\_\_\_\_\_  
Spouse's Signature

\_\_\_\_\_  
Date

Witnessed by:

\_\_\_\_\_  
Plan Representative  
/Notary Public

\_\_\_\_\_  
Date

**This side for Plan Administrator use only**

Present Value of Vested Account Balance: \$\_\_\_\_\_.

Amount of Loan Approved: \$\_\_\_\_\_

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

Loan Date: \_\_\_/\_\_\_/\_\_\_

Maturity Date: \_\_\_/\_\_\_/\_\_\_

Payroll Deduction (principal + interest) \$\_\_\_\_\_.

Payroll Period (Weekly, Monthly, etc...) \_\_\_\_\_

\_\_\_\_\_  
Plan Administrator

\_\_\_\_\_  
Date

**PROMISSORY NOTE**

Participant \_\_\_\_\_ \$ \_\_\_\_\_  
Amount of Note

Street Address \_\_\_\_\_

City \_\_\_\_\_ ST \_\_\_\_\_ Zip \_\_\_\_\_ Date of Note \_\_\_\_\_

FOR VALUE RECEIVED, on or before \_\_\_\_\_ the undersigned (the Maker) promises to pay to the order of the Trustees of The \_\_\_\_\_ Plan the principal amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), plus interest commencing on this date at the rate of \_\_\_\_\_% per annum on the principal balance from time to time unpaid.

**FORM OF PAYMENT**

Payment shall commence on \_\_\_\_\_, and shall continue on the last day of each pay period, by payroll deduction, thereafter until \_\_\_\_\_, when the amount of the accrued and then unpaid interest shall be due and payable. At the option of the Participant, at any time or times all or any portion of the unpaid principal sum and accrued interest on this Note may be prepaid without premium or penalty, the amount of the prepayment to be applied first to accrued interest and remainder to unpaid principal.

The payment of this Note is secured by the vested and nonforfeitable interest of the Participant in The \_\_\_\_\_ Plan.

At the election of the holder or holders hereof, upon notice to the Participant, the unpaid principal sum, together with accrued and unpaid interest thereon, shall become due and payable in the event of a default in the payment of any principal or interest when due in accordance with the terms hereof. Further, this Note shall be due and payable upon termination of service of the Participant, subject to section 414(u) of the Code. This note is due and payable 45 days after termination of employment.

The above paragraph shall not apply in the event the participant is entitled to, and does, consent to a direct transfer of this note to a qualified plan of his new employer. This provision shall be null and void if transfer is not completed prior to the due date of the note or if earlier, than the 90th date after the participant terminates service with the Employer.

Participant's Signature \_\_\_\_\_ Social Security Number \_\_\_\_\_

## IRREVOCABLE PLEDGE AND ASSIGNMENT

In consideration of a loan to me of \$ \_\_\_\_\_ by the trustees of the \_\_\_\_\_ Plan I, \_\_\_\_\_, hereby irrevocably pledge and assign as collateral that portion of my Vested Account Balance necessary to satisfy the outstanding balance of said loan, with accrued interest, plus the costs, if any, incurred by the trustees in collecting said loan, including reasonable attorney's fees. I understand and acknowledge that if I fail to repay this loan when due and payable or fail to pay any installment or interest payment may result in the trustees foreclosing on any property pledged as security for this loan.

If my employment terminates before my obligation under this pledge and assignment has been fully discharged and under circumstances in which the trustees would usually make distribution from the plan to me or my designated beneficiary, I hereby empower the trustees to reduce the amount of my distribution to me or my designated beneficiary by the amount of the outstanding indebtedness at the time of my termination, along with any accrued interest on the indebtedness.

This Irrevocable Pledge and Assignment shall bind my heirs, personal representatives or other legal representatives.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Witness