

LOAN APPLICATION PROCESS

Your Plan may allow loans to be made to participants within certain limits. The participant must complete a promissory note for all loans. Since the rules relating to loans are complex, you should always consult legal counsel or your Plan advisor prior to making a Plan loan. Violation of the rules governing Plan loans can result in severe penalties.

Participant must complete all applicable Loan forms as follows:

PLAN LOAN APPLICATION - Must be completed with all requested information and signed by the Participant. A Plan Representative must approve the application and sign at bottom of form. If you send the forms to EIP without authorization, EIP will obtain signature, however it will delay processing time.

IRREVOCABLE PLEDGE AND ASSIGNMENT – Must be completed, dated and signed by participant.

PROMISSORY NOTE – Must be completed, dated and signed by participant.

SPOUSAL CONSENT – This form is required for all Money Purchase Plans or plans that have transferred pension plan assets at the employer level. Must be dated and signed by spouse. Spouse's signature must be witnessed by Plan Representative or Notary Public.

Any incomplete forms will be returned by mail without processing. Please review to make sure all forms are completed and signed.

Loan distribution requests will be reviewed for good order and processed as received but may take 2-4 weeks for receipt depending on approval and processing timing of the investment company.

Loan Fees will be in addition to the requested distribution amount. The fees include a \$100.00 processing charge plus \$4.00 per month for the term of the loan, plus a custodial fee of up to \$15.00.

All loans taken from a retirement plan must pay back the loan through payroll deduction on a timely basis. Any Loan not paid in accordance with the amortization schedule may be considered a taxable event which means you may be required to pay any applicable taxes and penalties on the unpaid amount.

If the plan allows one loan and you already have a outstanding loan balance you will be required to pay the balance of the existing loan before obtaining a new loan.

You should review your Summary Plan Description for information on loan distributions and fees.

APPLICATION FOR PARTICIPANT LOAN

PLAN NAME: _____

The maximum amount of total loans cannot exceed fifty percent (50%) of your vested account balance or \$50,000.00. Your plan may have restrictions on number of loans outstanding. You should review the SPD or the Loan Policy for your plan. In applying for this loan, I acknowledge that I have read the section of the Summary Plan Description or Loan Policy governing Plan loans.

I understand that my loan will be deducted from the account (Employer or Employee) which has the highest balance available and deducted prorata. I also understand that my loan payments will be deposited in the manner as my investment selections at the time of payment.

I understand that I must repay the loan through payroll deduction in accordance with the amortization schedule. There is no prepayment penalty for paying off the entire loan balance earlier than the schedule outlines.

Loan Fees will be in addition to the requested loan amount and paid from your account at the time of distribution. The fees include a \$100.00 processing fee plus \$4.00 per month for the term of the loan and is not refundable if the loan is paid off early. The custodial fee of up to \$15.00 will apply depending on the method of payment.

The amount of the loan is \$_____ (Please round to nearest \$10) for a period of _____ months (if longer than 60 months, the purpose of the loan must be to acquire your principal residence).

Name: _____ Email/Phone #: _____

Date of Birth: _____ Current Account Balance: _____

() Married () Unmarried () Separated Spouses Name: _____

() I **DO NOT** have an outstanding loan balance in the plan.

() I have an existing loan balance in the plan of \$_____ Pay off date is _____

I understand the Administrator will make any loan in reliance on the statements on this APPLICATION FOR PARTICIPANT LOAN which I certify are correct and complete. If any statement proves false, then the Plan may declare my indebtedness immediately due.

I hereby authorize the Administrator to verify the statements in this application and to obtain any information the Plan or its authorized representative may require in connection with this application. **I understand that a check will be issued unless a copy of a voided check is attached for Direct Deposit.**

EXECUTED this _____ day of _____, 20_____.

Signature of Participant

Social Security Number

Street Address (include apartment no.)

City

State

Zip Code

PLAN ADMINISTRATOR'S ACTION

After reviewing the above application, the Plan Administrator hereby takes the following action:

The application is hereby denied. Reason: _____

The application is approved and the Trustee is hereby directed to distribute the loan to the applicant.

Plan Administrator/Authorized Signature

Date

IRREVOCABLE PLEDGE AND ASSIGNMENT

PLAN NAME: _____

In consideration of a loan to me of \$_____, from the above Plan, as evidenced by a copy of the Promissory Note attached to this pledge, I hereby irrevocably pledge and assign to the Plan, or to its successor or successors, 50% of my vested account balances, at any time existing under the Plan, but not less than 50% of my vested account balances determined on the date of the loan which is subject to this pledge, to the extent necessary to satisfy such loan, any unpaid interest on such loan, all reasonable attorneys' fees necessary for collection of this obligation and all costs of collection. Failure by me to repay this loan when due or to pay any installment or interest when due will authorize the duly authorized representatives of the Plan to foreclose on this security or to bring a lawsuit to collect the outstanding indebtedness and interest on the indebtedness.

Should my employment terminate with my Employer for any reason while this obligation is unpaid and under circumstances in which the Plan would ordinarily make a distribution from the Plan to me or to my named beneficiary, I authorize the Plan to reduce the amount otherwise distributable to me or to my named beneficiary, by this outstanding indebtedness, together with any accrued interest due on the indebtedness, unless, on the day after my termination of employment with the Employer, I am a "party in interest" with respect to the Plan.

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

EXECUTED this _____ day of _____, 20_____.

Witness

Loan Applicant Signature

**PROMISSORY NOTE
(Fixed Interest Rate)**

PLAN NAME: _____

BORROWER: _____

Your Payment Schedule will be:

Number of Months _____ Amount of Payments _____ When Payments are Due _____

Prepayment: If you pay your loan off early, you will not have to pay a penalty.

Security Interest: You are giving a security interest in your account in the plan.

See below: For any additional information about non-payment and default.

Promissory Note

For value received, _____, the undersigned BORROWER, promises to pay the above plan, the sum of _____ dollars \$ _____, together with interest on the unpaid balance at the rate of _____% per annum, said principal and interest thereon to be paid in the following manner:

- Payroll deduction to be over a period of _____ payroll periods (not to exceed 60 months).
- Monthly installments for a period of _____ months (not to exceed 60 months).

with like payments due each month thereafter until the BORROWER has made all payments under this Note.

The BORROWER will make all payments by agreeing to payroll deduction or by making payments at such other place as the HOLDER designates. If not sooner paid, this Note in any event is due and payable pursuant to the amortization schedule or upon a distributable event.

At the option of the HOLDER of this Note until payment in full or maturity, upon default, all monies payable under this Note are due and immediately payable. The Note is in default if any payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the BORROWER missed the scheduled payment. Also, all monies payable under this Note are due and immediately payable on the date of termination of employment (unless the BORROWER is a "party in interest" as defined in the Employee Retirement Income Security Act of 1974) or upon termination of the Plan.

The BORROWER may prepay the loan without penalty. Each payment first applies to the payment of accrued interest and the balance of each payment applies to the payment of principal.

The BORROWER secures this loan by a pledge and irrevocable assignment of his/her vested interest in the above mentioned plan.

If the BORROWER does not pay this Note when due, the BORROWER promises to pay all costs of collection and reasonable attorneys' fees incurred by the HOLDER of this Note on account of such collection, whether or not the HOLDER files suit on this Note.

EXECUTED this _____ day of _____, 20 _____.

Witness

Loan Applicant Signature

SPOUSAL CONSENT
(Only required if plan has J & S rules)

I hereby consent to the loan described above and to the above pledge of the Participant's Vested Accrued Benefit as collateral security for the loan. I understand that if I am the beneficiary of the Participant the amounts payable to me as such beneficiary will be reduced by the amount of any unpaid balance on the loan, plus interest, outstanding at the time of such payment.

I have executed this consent this _____ day of _____, 20_____.

Signature of Borrower's Spouse

(_____) N/A if unmarried Borrower

Signature of spouse witnessed this _____ day of _____, 20_____.

Plan Representative

OR

STATE OF _____ }

COUNTY OF _____ }

Before me, the undersigned, a Notary Public, personally appeared _____ and executed the above Consent of Spouse as a free and voluntary act.

IN WITNESS WHEREOF, I have signed my name and affixed my official notarial seal this _____ day of _____, 20_____.

Notary Public

Expiration Date of my Commission: