

LOAN APPLICATION

CONTACT INFORMATION

Distribution Department

Phone
(925) 956-0505 ext. 233 or 232

Fax
(925) 956-0506

Email
distributions@pensiondynamics.com

Address
2300 Contra Costa Blvd., Suite 400
Pleasant Hill, CA 94523

pensiondynamics.com

- Costs, limits and requirements vary from plan to plan. Check with your in-house Benefits Administrator to find out what applies in your case.
- The maximum amount you can borrow is based on your retirement plan's rules and on the value of your account. Be aware that a market downturn could reduce your maximum between the time you submit your request and when it is approved and processed.
- Most retirement plans allow you borrow up to \$50,000 or 50% of your vested account balance, whichever is less. There may be a loan minimum of \$1,000.
- If you have taken a loan from your plan before, the amount that you can borrow will be reduced by the highest loan balance you've had during the past 12 months (if any).
- Loan costs may include a one-time set-up fee and quarterly maintenance fee. If you withdraw money that you recently invested, you may be charged a short-term sales charge, as described in the applicable fund prospectus(es). Any fees will be deducted from your account.
- It is your responsibility to keep current with your loan payments. Failure to do so can have tax and financial consequences.

Important information before you begin

Cost: There is a one-time **Non-Refundable** loan processing fee that will be deducted from your account. Please refer to your plan's Administrative Policy Regarding Participant Loans or contact your in-house Benefits Administrator for information regarding this fee.

Fees: A quarterly maintenance fee will be deducted from your account as long as your loan is not paid off or is taken as part of a distribution in the event of your termination. Please refer to your plan's Administrative Policy Regarding Participant Loans or contact your in-house Benefits Administrator for information regarding this fee.

Overnight Delivery: A \$25.00 **Non-Refundable** charge for overnight delivery is available for Monday through Friday delivery only and is not available to P.O. Boxes. Delivery is not guaranteed to all areas.

Loan Amount: Per IRS regulations, the maximum loan amount, when added to the outstanding balance of all other loans from all qualified plans sponsored by your employer, is the lesser of 50% of your vested account balance, or \$50,000.00 reduced by the excess, if any, of your highest total outstanding loan balance of all such loans in the last 12 months. Your retirement plan may have additional restrictions on loan amounts. Please refer to your Administrative Policy Regarding Participant Loans for the maximum loan amount.

Interest Rate: The interest rate is fixed for the life of the loan. The interest rate is 1% over the prime rate published in the Wall Street Journal at the time the loan is processed.

Repayment: Repayment will be done by payroll deduction.

Default: If the sum of all loan payments due in a calendar quarter is not made and payment is not received by the end of the following quarter, pursuant to Internal Revenue Service Code rules and regulations, the loan will be in default and the entire outstanding loan balance, including accrued but unpaid interest, will be deemed distributed and will be tax reported to you. This entire amount must be included as gross income in the calendar year of default. An IRS premature withdrawal penalty may also apply. The unpaid amount of any loan reduces the amount available under a subsequent loan. The loan must continue to be repaid even in the event of default until the entire outstanding loan balance, plus all accrued interest, is repaid in full or until you experience an event allowing the Plan to offset the outstanding loan amount(s) against your account balance, whichever comes first. Such events include separation of service and death.

Leave of Absence: If you take a leave of absence, contact your in-house Benefits Administrator for a Leave of Absence form.

LOAN REQUEST

INSTRUCTIONS: Return the completed form by e-mail to distributions@pensiondynamics.com or fax to (925) 956-0506.

Plan Name: _____

Example "ABC Company 401(k) Retirement Plan" If you are unsure about your Plan Name, please contact your human resources or benefits department.

SECTION 1. EMPLOYEE INFORMATION

Name _____ Social Security Number _____

Home Address _____

City _____ State _____ Zip Code _____ Marital Status _____ Date of Birth _____

Personal E-mail Address _____ Daytime/Cell Phone Number _____ Evening Phone Number _____

SECTION 2. LOAN AMOUNT & TYPE

If you request more than your available maximum, you will receive the available maximum instead, and your loan may be delayed. Please refer to your Administrative Policy Regarding Participant Loans for the maximum loan amount.

Maximum amount available

Check if applicable

This Amount: _____

Amount

This loan is a Principal Residence Loan (Available only to purchase a principal residence. Not available to renovate or refinance a principal residence). Attach an executed sales contract for the principal residence being purchased.

SECTION 3. LOAN TERM

The loan cannot exceed 60 months (5 years) unless it is for the purchase of your primary residence, in which case your plan may have additional options (for example, a 180 month term or fifteen-year term). Refer to your Administrative Policy Regarding Participant Loans to confirm your maximum possible term.

Requested Loan Period _____
Month(s)

SECTION 4. DELIVERY METHOD (Select all that apply)

Check sent to home address. *Default if no choice indicated.*

Check sent to work/alternate address.

Address _____ City _____ State _____ Zip Code _____

Check sent regular mail. *Checks sent via regular mail may take up to 1-2 weeks for delivery (no charge).*

Check sent overnight. *A fee of \$25 will be deducted from your account in addition to the processing fee.*

SECTION 5. EMPLOYEE AUTHORIZATION

By signing below you :

- Accept all terms and conditions described in this form.
- Certify that all the information you provided is correct to the best of your knowledge.
- Acknowledge that your loan will be funded based on your current investment directions. If there are insufficient funds in your current investments, Pension Dynamics Company LLC will fund the loan from other investments.
- Acknowledge that loan payments will be deducted from your paycheck.
- Acknowledge that you will not be able to apply for another loan if your current loan from the plan is in default.
- Understand that a prohibited transaction may occur if you fail to make interest payments as called for by the Administrative Policy Regarding Loans.
- Acknowledge that a quarterly maintenance fee may be deducted from your account as long as your loan is not paid off or is taken as part of a distribution in the event of your termination.
- Understand that in the event of your termination, you are obligated to pay off the outstanding loan balance. Otherwise, your outstanding loan balance will be deemed distributed and will be subject to income taxes and possible early withdrawal penalties.

Signature _____

Date _____