



## QUALIFIED PLAN LOAN DOCUMENTS

### SAMPLE LOAN FORMS

**Note:** The following loan forms are supplied as samples only. You should check with your legal counsel to make sure that these documents are complete and accurate in your situation.

If either credit worthiness or financial need is a factor to be considered in determining whether to make loans, then the Plan Loan Application must be modified to request detailed financial information.

## QUALIFIED LOAN APPLICATION

<b>PLAN INFORMATION</b>		
Employer Name		
Name of Plan		
Participates in other plan <input type="checkbox"/> Yes; or <input type="checkbox"/> No. If Yes, name of other plan		
<b>PARTICIPANT INFORMATION</b>		
Name of Participant	Social Security Number	
Address		
Business Phone	Phone	
Email	Date of Birth	
<b>REQUEST FOR LOAN</b>		
I hereby apply for a loan in the amount of \$ _____ from the current vested value in the above referenced qualified plan.		
If multiple accounts or investments are involved, please specify the accounts or investments from which this loan amount should be taken:		
PLEASE NOTE: If the balance in your account has decreased between the date on the paperwork and the date returned, the amount you receive may be less than requested.		
<b>PURPOSE OF LOAN</b>		
Select one:		
<input type="checkbox"/>	Principal Residence Purchase (Repayment period will not exceed _____ years).	
<input type="checkbox"/>	Other (Repayment period may not exceed 5 years).	
If Principal Residence Purchase is selected for the purpose of the loan, then the following condition must be met if loan repayment period is to exceed 5 years. The proceeds of the loan must be applied toward acquiring or constructing any house, apartment, condominium, or mobile home (not used on a transient basis) which is used or is to be used within a reasonable time as a principal residence of the participant. The determination as to whether a dwelling is to be used as a principal residence of the participant is to be determined at the time the loan is entered into.		
<b>REPAYMENT OF LOAN</b>		
Select one:		
<input type="checkbox"/>	My loan is to be repaid in _____ payments;	
<input type="checkbox"/>	Please deduct \$ _____ per <input type="checkbox"/> pay period; <input type="checkbox"/> other: _____, until my loan principal and interest is repaid.	
Highly Compensated	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Key-Employee	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Job Category	<input type="checkbox"/> Hourly (non-exempt)	<input type="checkbox"/> Salaried (exempt)
	<input type="checkbox"/> Sales	<input type="checkbox"/> Other (specify)

<b>BORROWER'S ACKNOWLEDGEMENT</b>	
I, the undersigned borrower, certify that I have read and understood the Participant Loan Rules outlined in the Employer's Loan Policies and Procedures. I assume all responsibilities for tax consequences if monthly payments are not made on a timely basis.	
Signature of Participant	Date:
<b>SPOUSAL CONSENT</b>	
I hereby consent to the making of a loan by the Plan to my spouse and to my spouse's pledge and assignment of a portion of his/her vested account balance as security for the loan by signing the foregoing Plan Loan Note and Security Agreement. I hereby acknowledge that I understand that the effect of my consent may be to forfeit benefits that I might otherwise be entitled to receive, and that this consent is irrevocable.	
Signature of Spouse	Date
Plan Representative or Notary Public	Date
<b>ADMINISTRATOR APPROVAL</b>	
	Date

## PLAN LOAN NOTE AND SECURITY AGREEMENT

LOAN INFORMATION
Date:
Name of Plan:
Employer Name:
Name of Borrower:
Loan Number:
Principal Amount: \$
FOR VALUE RECEIVED, the undersigned hereby promises to pay to the order of the Trustee of the above referenced plan (the "Plan"), the principal amount of \$ _____ DOLLARS, plus interest at the rate of _____ % per <input type="checkbox"/> annum; <input type="checkbox"/> other _____, on the unpaid principal balance, subject to the following conditions:
1. The principal and interest shall be payable in _____ consecutive, equal installments of principal and interest of \$ _____ beginning on _____, and continuing thereafter until paid.
2. All payments on this note shall be applied first to the payment of interest due hereunder and second to the unpaid principal amount hereof.
3. This agreement is being made pursuant to and shall be governed by the terms of the above referenced Plan, and the written Plan Loan Policies and Procedures, which are hereby incorporated herein by reference, and the determination of whether a failure to pay any installment of the principal and interest when due in accordance with the terms of this Agreement constitutes a default shall be determined according to the terms of the Plan.
4. Notwithstanding any provision of this Agreement to the contrary, the unpaid balance of principal and interest of this Agreement shall become immediately due and payable on the earlier of (a):  <input type="checkbox"/> 5 years; or <input type="checkbox"/> Other (Specify term): _____  from the date of this Agreement, or (b) the date on which the undersigned ceases to be employed by the Employer as defined in the above referenced Plan.
5. The borrower hereby authorizes the Employer to deduct from his/her paycheck an amount not exceeding the installment payment stipulated in item (1) above beginning with the payroll period following receipt of the loan. If the Borrower's pay period changes, the Plan Administrator may, at his option, adjust the amount deducted accordingly so that proper repayment of the loan occurs; however, the Plan Administrator may, at its option reamortize the loan over the remaining term and adjust the amount withheld accordingly. The Employer may allow for loan payments to be made directly by the Participant in lieu of payroll deduction pursuant to the Employer's Loan Policies and Procedures.
6. In the event that the Borrower begins an approved leave of absence which does not last more than 12 months or any periodic payment is not made due to a temporary reduction in the amount payable to the Borrower for a payroll period, the Plan Administrator may waive any payments due during such leave of absence to the payment on the loan for such payroll period and reamortize the loan over its remaining term. Borrower hereby authorizes the Employer to adjust the amount to be deducted from his/her paychecks accordingly.
7. The outstanding loan amount including any unpaid interest due on this loan may be prepaid in full or in part at any time without incurring a prepayment penalty or charge. Partial prepayments will be credited to principal, and installments shall continue as scheduled. In the event of a partial prepayment, no reamortization of the loan shall occur.
8. In order to secure the prompt payment of this loan when it is due, either at its stated maturity date or by acceleration as a result of a default of the loan, the Borrower hereby pledges and grants a security interest (hereinafter referred to as "collateral") in his or her accrued nonforfeitable benefit under the Plan, plus all accruals and earnings thereon. The Plan's security interest in Borrower's accrued nonforfeitable benefit under the Plan shall at all times be equal to 100% of the unpaid principal balance of the loan together with interest accrued thereon, but no more than 50% of the nonforfeitable balance in the Participant's account. Upon payment in full of the loan, the Plan's security interest shall terminate without necessity of further authorization, approval, confirmation or consent.

9. In the event the Borrower fails to make an installment loan payment; dies; is no longer a party-in-interest; requests a distribution from the plan which would result in the amount of the outstanding loan balance exceeding the Borrower's nonforfeitable account balance under the Plan; the loan is not repaid at the maturity date of the loan; or any other reason that would cause the Plan Administrator to determine that the loan is otherwise in default, the Borrower shall have:

- until the end of the calendar quarter following the calendar quarter that the loan payment was due:
- days; or
- Other: ;

to cure the default.

If the Borrower fails to cure the default within such period, then the following procedure(s) shall apply (check all that apply under this plan):

- If permitted under the maximum loan limits, a new loan will be created in the amount of the default amount.
- The default amount will be reported as a deemed distribution for the tax year in which the cure period ends.

10. This Agreement shall be governed by, construed under, and enforced in accordance with the laws of to the extent not preempted by applicable federal law.

11. The undersigned hereby assigns to the Trustee of the Plan, as collateral to secure the payment of principal and interest due under this Note and Security Agreement his or her entire right, title and interest in and to such Plan not to exceed the security limitations.

**BORROWER'S SIGNATURE**

Signature of Participant:	Date:
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**SPOUSAL CONSENT**

I hereby consent to the making of a loan by the Plan to my spouse and to my spouse's pledge and assignment of a portion of his/her vested account balance as security for the loan by signing the foregoing Plan Loan Note and Security Agreement. I hereby acknowledge that I understand that the effect of my consent may be to forfeit benefits that I might otherwise be entitled to receive, and that this consent is irrevocable.

Signature Of Spouse:	Date:
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Plan Representative or Notary Public:	Date:
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