

**SUPPLEMENTAL INCOME 401(K) LOAN APPLICATION**

**PARTICIPANT INFORMATION**

Name: \_\_\_\_\_ Union Name & Local: \_\_\_\_\_  
 Social Security Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Employer: \_\_\_\_\_  
 Home Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone Number: (H) \_\_\_\_\_ (W) \_\_\_\_\_

I request a loan from my accounts in the Plan. I understand this request is subject to approval by the Fund. I further understand that I will be required to sign the attached promissory note for the amount of the loan, that loan repayments will be made through payroll deductions and that in most cases the loan term will extend no more than five (5) years, except for loans for the purpose of purchase of my primary residence. I also understand that if I do not receive a paycheck or if my employer fails to make loan deductions, but I am still an employee (example: leave of absence), I must make arrangements to continue making payments on schedule by personal check. I also understand that upon my separation of service, retirement or death, my loan will become due and payable, and the amount of my distribution may be reduced by the outstanding balance of my loan.

You may request a loan from the Plan after you have been a Participant for one (1) year, subject to the following requirements.

- (a) The minimum loan amount is \$2,500.
- (b) The maximum loan amount within any 12-month period (computed from the date the loan is made) is the lesser of (i) \$50,000 (reduced by any outstanding loans you have from this Plan or any other plans of your employer) or (ii) 50% of the value of your account(s).
- (c) Loans must be repaid with interest at a rate determined by the Trustees at the time the loan is made.
- (d) Generally, loans must be repaid within five (5) years, except in limited circumstances, such as the purchase of your principle residence, in which case repayment may be made over a period not exceeding 30 years. **Consolidated loans must be repaid by the maturity date of the original loan.**
- (e) Loan repayments must be made in installments not less frequently than monthly.
- (f) If you are married, your spouse must consent to each loan.
- (g) A default will occur on your loan if payment is delinquent and not paid by the last day of the calendar quarter following the quarter in which the loan payment was due.
- (h) A new loan will not be granted if an outstanding loan balance remains on a previous loan. Only one loan will be made during any 12 month period. If you default on a loan, no new loan will be made. If you currently have an outstanding balance you may borrow an additional amount provided you meet the Plan requirements.

Requested amount of loan: \_\_\_\_\_ (subject to limits)

Term (years): \_\_\_\_\_ (five-year maximum unless for purchase of primary residence)

**Loan repayments must be made through the payroll process.**

Please withdraw my loan amount from the following investment options:

<b>Fund</b>	<b>Amount (\$ or %)</b>
_____	_____
_____	_____
_____	_____
_____	_____

**NOTE: If no choice is made, the loan will be spread proportionally across my current fund investments.**

The loan  will  will not (**check one**) be used to acquire a dwelling unit which within a reasonable time will be used as my principal residence. **A purchase and sales agreement verifying home purchase must be provided with this form.**

In the event I default on this loan while still employed by an employer participating in the Plan, I understand I will be deemed to have received a taxable distribution which will be subject to federal and state income tax. I understand the mandatory 20% withholding will apply at the time of default. However, I do understand that I will be responsible for payments of estimated taxes and may incur penalties if my withholding and estimated tax payments are not sufficient to pay income tax due for amounts received by me as income.

Further, I understand that if I separate from service and do not repay my loan, the amount of my unpaid loan will be part of my taxable distribution subject to a required 20% withholding for federal income tax.

- I am currently married
- I am not currently married

I acknowledge and consent that this loan constitutes a *bona fide* loan and is not a distribution from my Plan account.

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

**Please also complete the Promissory Note on page 4.**

**IF MARRIED:**

**SPOUSAL CONSENT TO LOAN**

I hereby consent to my spouse's application to borrow from the Plan. I understand and acknowledge that by giving this consent I am allowing my spouse to pledge, as collateral for a loan, funds that otherwise would be payable in the form of a Qualified Joint and Survivor Annuity (QJSA) for the benefit of my spouse and I, and that my spouse's failure to repay any part of this loan will result in collection of any unpaid balance from funds held by the Plan for that benefit. I further understand that my consent to this application cannot hereafter be revoked or changed in any manner.

\_\_\_\_\_  
Name of Spouse (please print)

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Date

This Spousal Consent to Loan must be witnessed by a Notary Public.

**Statement of Notary**

The spouse whose signature we have witnessed is known to us and signed this form in our presence.

\_\_\_\_\_  
Signature of Notary Public

\_\_\_\_\_  
Date

\_\_\_\_\_  
State of Notary Commission Registration

\_\_\_\_\_  
Expiration Date

The following recordkeeping and administrative fees will be charged to your account for any loan outstanding:  
\$75.00 Set-up fee (one-time)  
\$7.50 Quarterly administrative fee

**NYLIM Section- To be completed by NYLIM**

Date of Loan: \_\_\_\_\_ (payment due dates will be calculated on this date) Interest Rate: \_\_\_\_\_.\_\_\_\_%

Loan Payment Frequency: \_\_\_\_\_

\_\_\_\_\_  
Reviewed by

\_\_\_\_\_  
Approved by

**PROMISSORY NOTE AND IRREVOCABLE PLEDGE AND ASSIGNMENT**

Name of Participant: \_\_\_\_\_ Social Security Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

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

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

On or before \_\_\_\_\_ (Loan Maturity Date), the Borrower promises to pay to the order of the Trustees of the Plan, the sum of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_.\_\_\_\_), plus interest at the rate of \_\_\_\_\_.\_\_\_\_% [to be completed by loan administrator] per annum from the date of this Note.

This obligation shall be repaid in \_\_\_\_\_ installments of level amounts to be withheld from each regular payment of compensation to me by my employer. The first installment shall be due one (1) month from the date of this Note. Each installment thereafter shall be an amount equal to accrued interest plus the scheduled principal reduction. In any event, however, all accrued interest and principal shall be paid in full \_\_\_\_\_(months/years) from the date of this Note.

At any time after this Note is in default, the unpaid balance of principal and interest will, at the option of the Trustee, and without notice or demand, become immediately payable, unless notice to the Borrower and an opportunity to cure is required under applicable law, and, in that event, shall become payable if such default is not cured as provided under such law, and interest shall continue to accrue at the rate of \_\_\_\_\_% (same interest rate as initial loan) per year until the Note is paid in full or judgment is obtained, whichever occurs first.

Under the terms of the Plan, the Borrower has the right to name and change the beneficiary to whom his/her account is paid in the event of his/her death. It is understood that as long as there is a loan outstanding against the Borrower's account, only the net amount remaining after payment of the loan (plus accrued interest to the date of death) will be paid to the named beneficiary.

The Borrower grants to the Trustee a security interest in 50% of the value of Borrower's vested Account in the Plan as it exists from time to time, to secure the payment of this Note. This Note may be prepaid in full at any time without penalty.

This Note will be in default if the Borrower fails to make any payment on time, or if the Borrower's employment with the Plan terminates. At any time after default, the Trustee may declare this Note payable in full immediately, and enforce its security interest or set off the unpaid balance against any distribution from my account.

This loan is made under and subject to the terms and conditions of the Plan and any amendments thereto.

\_\_\_\_\_  
Signature of Participant/Borrower

\_\_\_\_\_  
Date



NYLIM Center, 169 Lackawanna Avenue  
Parsippany NJ 07054  
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Retirement Plan Services  
www.nylim.com/sip

**Please forward completed forms to:**  
**Supplemental Income 401(k) Plan**  
**P.O. Box 8338**  
**Boston, MA 02266-8338**