

BENEFIT PLANNING, INC.

4640 ADMIRALTY WAY, 9TH FLOOR
MARINA DEL REY, CALIFORNIA 90292
TELEPHONE: (310) 577-1444
FACSIMILE: (310) 821-1529

ANTHONY S. DELFINO
RICHARD L. KAPLAN, C.P.A.

ADMINISTRATION GUIDE

Instructions for Processing Plan Loans

- If your plan allows for borrowing, you may borrow, in total, up to 50% of your vested account balance or vested accrued benefit. In no event can the total balance of all your plan loans exceed \$50,000 during any 12 consecutive month period. The minimum loan that can be applied for is \$1,000; you need at least \$2,000 of vested account balance / vested accrued benefit to qualify for this.
- Plan loans must generally be repaid over a period not exceeding 5 years. This period may be extended if the purpose of the loan is to purchase your primary residence.
- The interest rate for the loan is set by the Plan's loan policy. Commonly the interest rate is tied in with "Prime Rate" (for example prime rate plus 1%). Once established, the interest rate is fixed for the lifetime of the loan.
- Your employer may require you to use payroll deductions to repay your loan. Your payments must not vary from the payment schedule that will be provided to you, except if you want to repay the outstanding balance in full. There is no interest penalty for doing so.
- You may be charged with fees to set up and to administer your loan. Set up fees generally range from \$90 to \$150. For further fee information, please contact your personnel department.
- Upon acceptance of your loan application, you will be sent additional loan forms to complete and a repayment schedule. If you are married, your spouse may be required to give his/her written and witnessed consent to the loan. Once completed, the forms should be returned to Benefit Planning, Inc. for processing of your loan.
- Your loan check will be directed to your personnel representative for delivery to you.

Name of Plan

APPLICATION FOR PARTICIPANT LOAN

I am hereby requesting a loan to be secured by my vested account balance / vested accrued benefit under the subject plan. I agree that in the event of default of any payment, the value of my vested account balance / vested accrued benefit shall be reduced in an amount equal to the balance of the loan outstanding, plus interest, as set forth in the statement of disclosure.

Name of Participant: _____ Soc. Sec. # _____

Amount of Loan applied for: \$ _____ (if maximum, state "maximum")

Purpose of Loan: Purchase of Principal Residence
(check 1 box) Other than for purchase of Principal Residence

Frequency of Payments (check one): weekly bi-weekly semi-monthly monthly quarterly
(Note: frequency must match your payroll if payroll deductions are used to repay loan)

Repayment Period: (enter number of years)

_____ Years (cannot exceed 5 years unless for purchase of principal residence)

OR: I would like to make payments of approximately \$ _____

I hereby certify that I (check one) am am not currently married.

Participant's Signature

Date

TO BE COMPLETED BY PLAN ADMINISTRATOR (Employer):

The plan administrator hereby (check below):

accepts the participant's loan application and authorizes the withdrawal of funds made payable to the participant from the trust fund for the amount applied for.
The loan interest shall be (*fill in rate*) _____ % per annum in accordance with the plan's loan policy.

does not accept the participant's loan application because _____

Signature of Employer

Date