

**Instructions**

Please print using blue or black ink. Keep a copy of this form for your records and send the original of this form to your Benefits Office.

Check here if you are sending in a loan payoff with this application.

**About  
You**

Plan number

0 0 3 5 1 4

Social Security number

Daytime telephone number

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

area code

First name

MI

Last name

\_\_\_\_\_

\_\_\_\_\_

Address

\_\_\_\_\_

City

State

ZIP code

\_\_\_\_\_ - \_\_\_\_\_

Date of birth

Sex

Original date employed

\_\_\_\_/\_\_\_\_/\_\_\_\_

M  F

\_\_\_\_/\_\_\_\_/\_\_\_\_

month

day

year

month

day

year

Marital status:  Married - spousal signature required\*  Not married**Questions?**

Call (800) 562-8838  
for assistance.

**Loan  
Amount**

**Participant Loans - available provided you have had an account balance for at least 3 years and is limited to 50% of your account balance or \$50,000, whichever is less. Loans are available for the following purposes. Please select one of the following as a purpose for your loan. You must submit evidence for your request to IE Shaffer with your loan application.**

- Medical expenses of at least \$500 incurred by you, your spouse, or dependent child that have not been reimbursed by insurance.
- Tuition and/or room and board expenses for you, your spouse or dependent child to attend an educational institution above the high school level or a school for handicapped children.
- Purchase of a home, cooperative or condominium apartment for your principal residence for which you have incurred down payment, contract or title expenses.
- Funeral expenses incurred due to the death of your spouse, child or parent or spouse's parent.
- Unpaid mortgage payments for a primary residence due to financial hardship.
- Expenses due to being disabled for at least 14 consecutive days (not to exceed the New Jersey State disability benefit amount).
- Home improvement to your primary residence of at least \$5,000
- Wedding expenses of at least \$5,000

The maximum amount available for a loan (when added to the current outstanding amount of any loans) is the lesser of:

- (1) 50% of the total vested account balance, and/or
- (2) \$50,000 reduced by the highest outstanding balance of loans during the one year period immediately preceding the date of the loan.

Depending upon the terms of your plan, the loan will either be prorated across all available contribution types and investments or taken in a specific sequence.

A. \$ \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (minimum \$1,000)

If the amount available at processing time is less than the amount indicated above, the loan amount will be reduced to the maximum amount available.

B. Maximum amount available.

**Loan Duration**

I elect the term of this loan to extend over the following number of years: 1  2  3  4  5

I understand that the duration of my loan may not exceed 5 years except for the purchase of a primary residence. I am purchasing a primary residence. I have enclosed a copy of the Sales Agreement signed by myself and the seller and dated within the last 90 days as documentation for proof of purchase. **Please extend the number of years for repayment to \_\_\_\_\_ (maximum 15 years).**

**Loan Fees**

A \$75 loan application fee will be deducted from your account.

I wish to have my loan check sent via express mail. Therefore, please deduct \$85.50 from my account. This is for the application fee (above) and express mail costs. Express mail is **not** available to post office boxes.

There is an annual maintenance fee of \$25. This fee will be deducted from your account on a quarterly basis in equal amounts for the life of the loan.

**Reinvesting of Loan Payment**

Your loan payments will be reinvested according to your **current** contribution investment direction. If you would like to change your **loan payment** investment direction and it is permitted by your plan, please call our toll-free number.

**\*For Married Participants**

• I consent to the foregoing request by my spouse for a loan under the plan, which is secured by the Participant's account balance.

**Spousal Consent**

- I understand that, unless I consent otherwise, I am entitled to a spousal death benefit based on the Participant's account balance at the time of his or her death.
- I understand that a default in the loan may result in a reduction of the Participant's account balance (and may therefore reduce the benefit payable to me).
- I recognize that in the event of the death of the Participant, the value of any benefit otherwise due me will be reduced by the amount of the unpaid loan balance.

SPOUSE'S SIGNATURE: **X** \_\_\_\_\_ DATE: \_\_\_\_\_

SPOUSE'S NAME (PLEASE PRINT): \_\_\_\_\_

**MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR AUTHORIZED PLAN REPRESENTATIVE**

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, a Notary Public in and for the State of \_\_\_\_\_, County of \_\_\_\_\_, personally appeared, \_\_\_\_\_ (Name of Spouse) who did in my presence execute the Spousal Consent, and acknowledged that he or she did so as a free and voluntary act and deed.

WITNESS my hand and Notarial seal the day of year aforesaid.

(Seal/Stamp)

Notary Public Signature: **X** \_\_\_\_\_

**OR**

I (We) acknowledge that the above Spousal Consent was executed in my (our) presence and that the information on this form is accurate, and I (we) hereby authorize Prudential to proceed as instructed above in processing this request for distribution.

**X** \_\_\_\_\_  
Plan Representative's Signature Date

\_\_\_\_\_ Date  
Plan Representative's Signature (if 2 required)

**Your  
Plan  
Authorization**

This section must be completed by your employer and signed by an authorized plan representative.

Vesting Percentage: \_\_\_\_\_ % (if applicable)

Date of Hire/Adjusted Hire Date \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**X** \_\_\_\_\_ Date \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_  
*Authorized plan representative's signature*

**Your  
Authorization**

I understand the information I have provided will be relied upon in processing my request. I further understand that I will be responsible for its accuracy in the event any dispute arises with respect to the transaction. I have carefully read this Loan Application form and the Loan Disclosure Statement and agree to make payments of my principal loan amount plus interest due for the term of the loan. I understand that if loan repayments are not received *in accordance with my Plan's loan policy*, the loan will be considered in default. I also understand that if default occurs, the unpaid balance of this loan plus outstanding interest will be treated as a taxable distribution, and that Prudential will report this distribution to the IRS, and I will be responsible for paying any resulting tax and penalties.

**X** \_\_\_\_\_ Date \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_  
*Participant's signature*

**Please return completed form to:**

IBEW Local 400 Annuity Fund  
c/o I.E. Shaffer & Co.  
830 Bear Tavern Road, 2nd Floor  
P.O. Box 1028  
Trenton, NJ 08628-0230

Phone: (609) 883-6688 ext. 6009  
Fax: (609) 530-1331

# Loan Disclosure Statement

## Loan Amount

Loans are available if provided for in your Employer's Retirement Program.

The minimum loan amount is \$1,000. The maximum loan amount (when added to the current outstanding amount of any loans) is limited to the lesser of:

- a. 50% of a participant's vested account balance.
- b. \$50,000, reduced by the highest outstanding balance of loans during the one-year period immediately preceding the date a loan is to be made.

### Loans are available for one or more of the following financial needs:

- Medical expenses of at least \$500 incurred by you, your spouse, or dependent child that have not been reimbursed by insurance.
- Tuition and/or room and board expenses for you, your spouse or dependent child to attend an educational institution above the high school level or a school for handicapped children.
- Purchase of a home, cooperative or condominium apartment for your principal residence for which you have incurred down payment, contract or title expenses.
- Funeral expenses incurred due to the death of your spouse, child or parent or spouse's parent.
- Unpaid mortgage payments for a primary residence due to financial hardship.
- Expenses due to being disabled for at least 14 consecutive days (not to exceed the New Jersey State disability benefit amount).
- Home improvement to your primary residence of at least \$5,000
- Wedding expenses of at least \$5,000

Prudential cannot process any loans which do not meet these requirements. For federal tax purposes, the \$50,000/50% limit applies as if all qualified retirement plans of the same employer in which you participate were a single plan and all related employer's plans were the same plan. Since Prudential cannot monitor your loan activity relating to any of your employer's other plans or programs, it is your responsibility to do so. Failure to adhere to these limits may result in undesirable tax consequences.

## Interest Rate

The default interest rate on your loan will be equal to the prime rate, as shown in the Wall Street Journal fifteen (15) days prior to each calendar quarter, plus 1%. This rate will not change during your loan repayment period.

Prudential will declare the loan interest rate quarterly; however, Prudential reserves the right to change the loan interest rate more frequently. Prudential also reserves the right prospectively to change the basis for determining the interest rate with 30 days notice to contract holders. These rights will only apply to a loan issued after the change(s) takes effect, not to an existing loan.

Interest on your loan is not deductible for Federal Income Tax purposes.

## Payments

For purposes of withdrawals, transfers, death benefits to your beneficiary, and annuity amounts, you are agreeing that a portion of your account balance, in an amount equal to the outstanding loan balance, will not be available.

Loan repayments will include both interest and a portion of the outstanding principal. Loan repayments will be invested according to your investment account allocation on the date of the loan repayment unless you elect otherwise. Loans may be paid off in full for both outstanding principal and accrued interest at any time.

The entire payment amount must be submitted to Prudential for each payment due date. If a "short" (less than expected) payment is received, the remaining payment amount must be submitted to Prudential within the allotted grace period (see **DEFAULT** section). A subsequent payment will satisfy the short amount and the remaining payment amount will be applied to principal. The next scheduled payment is still expected.

Payment amounts received in excess of the scheduled payment amount will be applied toward the current payment due (principal and interest) and the excess will be applied toward principal. The loan will then be reamortized according to the reduced principal balance, resulting in lesser interest due on the loan.

Principal only payments can be remitted under separate cover to the address listed below. You must indicate that you are remitting a principal pre-payment, otherwise the next scheduled payment (principal and interest) will be satisfied before the excess amount is applied toward the principal balance.

Prudential  
Loan Payment Processing Center  
P.O. Box 641513  
Pittsburgh, PA 15264-1513

The entire outstanding balance of the loan plus accrued interest may be repaid, without penalty, at any time. Please call our toll-free 800 number, 1-800-562-8838, to determine the amount necessary to pay off your loan. This quote is valid for five (5) business days.

You will receive a Loan Bill approximately 20 days prior to your payment's due date.

PLEASE RETAIN FOR YOUR RECORDS

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## Defaults

Loans default upon a determination by the Plan Administrator (or its agent) for the following reasons:

- Your failure to pay on time (including within any grace period allowed under the loan procedures used for the Plan);
- Your death;
- Your failure to pay on time any other or future debts to the Plan;
- Any statement or representation by you in connection with the loan which is false or incomplete in any material respect;
- Your failure to comply with any of the terms of this Note and other Loan Documentation;
- If you become insolvent or bankrupt;
- Any other action the Plan Administrator reasonably determines to adversely affect your ability or likelihood to repay the loan; or
- Your employment with the employer sponsoring the Plan terminates. However, to the extent allowed under the Plan, you may continue repayment after termination from employment provided you make regular payments no less frequently than quarterly on a revised schedule of amount and payment dates calculated by the Plan Administrator or its agent to repay the loan with interest in full in substantially equal payments over the remaining original period of the loan.

If you default, Prudential or your Plan may, at its option, without demand or notice, accelerate the loan so that the entire amount of unpaid principal and accrued interest will be considered in default and tax reported as income to you. Failure to take action when one of these events occurs does not constitute a waiver on the part of Prudential or your Plan.

If your loan is in default, the outstanding balance is required under federal tax law to be treated as a taxable distribution to you and will result in taxation in the year of default and the possible imposition of a federal income tax penalty. Prudential will send the appropriate tax information form to you and the IRS and you will be responsible for paying any tax consequences and penalties.

Loan defaults may effect your eligibility for future loans. Pursuant to IRS regulations, the defaulted loan (including interest) remains outstanding for purposes of determining your maximum loan. You may be required to payoff your defaulted loan (including interest) in order to be eligible to initiate another loan.

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## Fees

A loan application fee will be deducted from your account at the time the loan is initiated. The calculated loan amount will be determined against the participant's vested accrued account balance after the fee has been deducted.

There is an annual maintenance fee of \$25. This fee will be deducted from your account on a quarterly basis in equal amounts for the life of the loan.

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## Other

Unless specified in your Employer's plan, you are allowed only one outstanding loan at a time.

**Right of refusal:** In the event you elect to refuse this loan, you have ten (10) business days from the issue date to return the original loan check to Prudential. The full proceeds of the loan will then be reinstated into your account upon receipt of the returned check. The returned proceeds will then be invested as dictated by your current investment election, at current market prices as of the settlement date of such transaction. Please note: By not endorsing this check and refusing this loan, the amount of this check will still be considered a loan for purposes of determining the maximum loan allowed by law for future loans.

Please see your Plan Administrator to obtain a copy of the plan's loan policy.

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