

# SAN DIEGO ELECTRICAL ANNUITY PLAN

## Participant Loan Application

NAME \_\_\_\_\_ SSN \_\_\_\_\_  
ADDRESS \_\_\_\_\_ PHONE \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_  
EMAIL ADDRESS \_\_\_\_\_

- I am single. \_\_\_\_\_ (Initial)
  - I am married. \_\_\_\_\_ (Initial) If married, please include a copy of your marriage certificate. Spousal signature required below.
  - I am divorced. \_\_\_\_\_ (Initial) If divorced, please include a copy of the Marital Settlement Agreement or Judgment.
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**PARTICIPANT LOAN ELIGIBILITY.** Refer to your Summary Plan Description for a copy of the Plan's Loan Policy. This policy will provide you with the general rules (i.e. minimum loan amount, interest rate, term, number of loans permitted, etc.). This Participant Loan Application must be signed by you, your spouse (if applicable) and the Plan Administrator.

**LOAN COLLATERAL.** Your vested accrued benefit under the Plan will serve as collateral for the loan. If you are married, your spouse may be required to consent to the use of your vested accrued benefit as collateral.

**LOAN FUNDING.** This loan will be funded from your various investment funds and contribution sources in accordance with the Loan Policy. The interest rate on this loan will be the prime rate plus one percent (1%) determined at the time the loan is processed.

**LOAN AMOUNT. (CHECK ONE)**

- \$ \_\_\_\_\_ (FILL IN) If the amount requested is greater than the maximum available loan amount, then the maximum available loan amount will be issued.
- Maximum loan amount available.

You may have one loan outstanding at any one time. A loan cannot be less than \$1,000 and greater than one-half ( $1/2$ ) of your 401(k) account balance or \$50,000, whichever is less. The \$50,000 limit represents the highest available limit in any one year period. Please refer to your Summary Plan Description for more information.

**LOAN TERM.** The loan repayment frequency will be monthly. To be nontaxable, the loan must be repaid within 5 years (59 payments). The loan term can only exceed 5 years if the loan proceeds will be used to purchase a principal residence for the participant. If the loan is used to acquire a principal residence it must be repaid within 30 years.

- 1 yr     2 yrs     3yrs     4 yrs     5 yrs (59 payments)\*     Other \_\_\_\_\_

\*If greater than 5 years, I acknowledge that the purpose of this loan is to purchase a primary residence. \_\_\_\_\_ (Initial) ( PROVIDE COPY OF ESCROW DOCUMENTS).

**SIGNATURE(S) MUST BE WITNESSED BY A NOTARY PUBLIC.**

**PARTICIPANT ACKNOWLEDGMENT.** I understand that the interest and principal paid on the loan will be allocated to my participant account. I also understand that it is my responsibility to repay the loan balance. If I fail to repay the loan subsequent to my termination from the Plan, according to the terms thereof, the outstanding principal and interest accrued on the loan will be treated as a taxable distribution to me by the Plan. I also acknowledge that if a loan goes into default I cannot take out another loan until the amount owed, including interest which continues to accrue, is paid in full. I acknowledge that by signing this Loan Application I am authorizing the liquidation of assets from my participant account to fund the loan.

I, the Participant, by signing below consent to the loan according to the terms of this Loan Application. Upon funding of the loan, I will receive an amortization schedule and loan disclosure. I understand that funds will be disbursed directly to me, and I agree to the terms of this application, the promissory note, the amortization schedule, and loan disclosure **by the endorsement and/or negotiation of the loan check.**

\_\_\_\_\_

\_\_\_\_\_

Participant's Signature (notarized)

Date

I, the Participant's spouse, understand that this loan is secured by my spouse's vested accrued benefit under the Plan. I realize that failure to repay the loan will reduce the benefits available to my spouse and myself upon my spouse's retirement or other termination of employment. Knowing this, I consent to the loan of my spouse according to the terms of this Loan Application.

I agree to release and discharge the Trustees, Plan Administrator, and Plan Sponsor from all liability for acting upon this consent.

\_\_\_\_\_

\_\_\_\_\_

Spouse's Signature (notarized)

Date

**WITNESS OF NOTARY PUBLIC:**

A notary public or other officer completing this certificate verifies only the indemnity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of \_\_\_\_\_ )  
 ) ss  
County of \_\_\_\_\_ )

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_,  
20 \_\_\_\_\_, \_\_\_\_\_ proved to me  
on the basis of satisfactory evidence to be the person(s) who appeared before me.

\_\_\_\_\_

(Official Seal)

**Forward completed application to:**

San Diego Electrical Annuity Plan c/o Coast Benefits  
3444 Camino del Rio N., Suite 100, San Diego, CA 92108