

# 401(a) RETIREMENT PLAN LOANS

## LOAN PROGRAM GUIDELINES:

- The minimum loan amount is \$2,500. You may borrow up to 50% of your 401(a) VESTED Account Balance. The minimum 401(a) VESTED Account Balance must be at least \$5,000. The Maximum loan is the lesser of \$50,000 or 50% of your 401(a) VESTED Account Balance.
- The combined, total loans on ALL 401(a) and 457 plans may not exceed the \$50,000 Maximum loan amount. Participants may not borrow more than \$50,000 in Retirement Plan loans in one rolling 12 month period.
- Loans must be paid via payroll deductions within 1 to 5 years (or up to 15 years for a principal residence loan). Loans may be paid off early.
- Loans will reduce the participant's account balance by the amount of the loan and charge an interest rate equal to Prime + 1%.
- Participants will be charged a loan origination fee for new loans and refinances, as well as an annual maintenance fee. Please review current loan fees on Loan Application.
- All loans are 100% due and payable upon separation from service. If not paid off within default guidelines, they are reported as taxable distributions to the IRS, subject to taxes and potential penalties. Participants with In-Service loan defaults will be permanently disqualified from using the loan program.

## LOAN PROCESSING REQUIREMENTS:

1. All participants interested in a loan must "first" call the following CRA number to determine their Eligibility, and to obtain a **Loan Quote**.

**Loan Quotes: (800) 352-0313 and follow the prompts**

2. After obtaining a Loan Quote, you will need to complete a **Loan Application** provided by your Employer. However, it must be faxed to **Empower**.

**Empower Fax: (866) 745- 5766**

**Loan applications may be obtained through your employer's Payroll or HR department.**

**Applications may be submitted to Empower via the above fax number, upload from employee website or employer upload from the employee's account in the Plan Service Center (PSC) for processing. Please direct all phone calls to CRA or Empower. They will be reviewing and approving all Loan Applications.**

**CRA 401(A) Plan**

**98721-01**

**For My Information**

*I would use this form when I am requesting an Account Reduction Loan.*

**Additional Information**

- I may track the status of this withdrawal request by logging into my account on the website at [www.cra-online.org](http://www.cra-online.org).
- For questions regarding this form, refer to the attached Loan Provisions, visit the website at [www.cra-online.org](http://www.cra-online.org) or contact Service Provider at 1-800-352-0313.
- Return instructions for this form are in Section F.
- Use black or blue ink when completing this form.

**A Participant Information**

Account extension, if applicable, identifies a participant with multiple accounts.

Account Extension

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Social Security Number (Must provide all 9 digits)

Last Name

First Name

M.I.

Date of Birth (mm/dd/yyyy)

( )

Mailing Address on My Account

Daytime Phone Number

( )

City

State

Zip Code

Alternate Phone Number

- I have confirmed the address on my account by accessing my account online at [www.cra-online.org](http://www.cra-online.org). If the address on my account does not match the address provided above, there will be processing delays.
- If I require an address change, I must update my address with my employer who will then need to update the address Service Provider has on file.
- Once the address is updated on my account, I may submit this form with my new address entered above.

**Morgan County A1900**

Agency

Email Address



**Select One (Required):**

- I am a U.S. Citizen or U.S. Resident Alien.
- I am a Non-Resident Alien or Other.

**Required - Provide Country of Residence:** \_\_\_\_\_

(See Loan Provisions for IRS Form W-8BEN information.)

**B Loan Options (Please read Loan Provisions before completing)**

**Loan Refinance (Complete this section only if refinancing existing loan(s))**

- Refinance all outstanding loan(s)
- Refinance outstanding loan number(s): \_\_\_\_\_

**Type of Loan (Select ONE type)**

- General Purpose Loan (Available for any purpose)**  
Loan term will be 60 months unless otherwise indicated: \_\_\_\_\_ (12 - 59 months)
- Principal Residence Loan (Available only to purchase or build a principal residence. Not available to renovate or refinance a principal residence)**  
Loan term will be 180 months unless otherwise indicated: \_\_\_\_\_ (61 - 179 months)  
**Required Documentation:** Attach a copy of the contract to purchase a principal residence.

**C Amount of Loan**

Amount of Loan:	\$ _____	<ul style="list-style-type: none"> <li>• <b>Refinancing Existing Loan(s):</b> Indicate the additional amount of loan on the Amount of Loan line provided.</li> <li>• <b>Minimum Loan:</b> \$2500.00</li> <li>• <b>Maximum Loan:</b> Generally the lesser of 50% of my vested account balance or \$50,000.00 reduced by my highest outstanding loan balance during the previous 12 months.</li> <li>• <b>Amount Requested:</b> If the amount requested exceeds available funds, the loan will be processed for the maximum amount available.</li> <li>• <b>Fee Information:</b> Please refer to cost section in the Loan Provisions for fee information.</li> <li>• <b>Documentary Tax:</b> If I am a resident of the State of Florida, please see the Loan Provisions for documentary tax information.</li> </ul>
Loan Origination Fee:	\$ _____ -50.00	
<input type="checkbox"/> Express Delivery (Optional) \$30.00 will be deducted	\$ _____ -30.00	
Estimated Check Amount:	\$ _____	

**D Method of Payment (To be verified by my Employer)**

Payroll Deduction

Payroll Contact Name:           **Lori Crispin**           Payroll Frequency:           **Monthly**            
(weekly, bi-weekly, semi-monthly, monthly or quarterly)

**E Participant Consent (Please sign on the 'Participant Signature' line below.)**

My signature acknowledges that I have read, understand and agree to all pages of this Loan Application and Loan Provisions and affirms that all information that I have provided is true and correct. I also understand that:

- Funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information.
- Under penalty of perjury, I certify that the Social Security Number shown in Section A is correct. I am a U.S. person if I marked the U.S. Citizen or U.S. Resident Alien box of Section A.
- Service Provider accepts no responsibility for any tax consequences to me resulting from my failure to adhere to the terms of this loan and all applicable federal and state loan laws, and I hereby hold Service Provider harmless from any claim, of whatever nature, from myself, my creditors, my family, my heirs, successors and assigns in connection with this loan.
- **Additional authentication may be necessary before my loan is processed and/or payment released.**
- **It is entirely my responsibility to ensure that timely loan payments are being remitted to Service Provider to avoid the tax consequences associated with a defaulted Plan loan.**
- Service Provider is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, Service Provider cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC website at: [http:// www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx](http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx).

Any person who presents a false or fraudulent claim is subject to criminal and civil penalties.

Participant Signature \_\_\_\_\_ Date (Required) \_\_\_\_\_

*A handwritten signature is required on this form. An electronic signature will not be accepted and will result in a significant delay.*

**F Mailing Instructions**

After all signatures have been obtained, this form can be sent by

Fax to:	<b>OR</b>	Regular Mail to:	<b>OR</b>	Express Mail to:
Empower Retirement		Empower Retirement		Empower Retirement
<b>1-866-745-5766</b>		PO Box 173764		8515 E. Orchard Road
		Denver, CO 80217-3764		Greenwood Village, CO 80111

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## Loan Provisions

Loans may be denied to individuals who have previously defaulted on a loan, subject to the terms of the Plan's Loan Policy.

### Non-Resident Alien or Other Status

- If I selected non-resident alien or other on page 1, I must attach a current version of the IRS Form W-8BEN with an original signature and this must be sent by mail or express delivery. Service Provider cannot accept a fax of this form.
- I may call 1-800-TAX-FORM (829-3676) or visit <http://www.ira.gov> to obtain a current version of the IRS Form W-8BEN.

### Changes to My Request

- Any changes to this Loan Application must be crossed-out and initialed. If I do not initial all changes, this Loan Application may be returned to me for verification.

### Incomplete or Inaccurate Information

- In the event that any section of this Loan Application is incomplete, inaccurate or approvals have not been obtained, Service Provider may not be able to process the transaction requested. I may be required to complete a new form or provide additional or proper information before the transaction will be processed.

### Refinance Option

#### Loan Refinance

- If sufficient funds are available and I meet the requirement for the refinance loan, I will be allowed to replace an existing loan with a new loan and request an additional amount.
- The refinance loan term cannot exceed the shortest term of all outstanding loans and cannot be refinanced if less than the minimum term allowed by my Plan.

### Detailed Loan Information

#### Amount of Loan

- The maximum loan amount is generally the lesser of 50% of the vested account balance or \$50,000.00.
  - This amount must be reduced by any current total outstanding loan balance from all qualified plans sponsored by the employer.
  - Additionally, this amount must be reduced by the excess, if any, of the highest total outstanding loan balance of all loans for the previous 12 months ending on the day before the date this loan is made minus the current outstanding loan balance.
- Service Provider is not responsible for aggregation of loans under different plans maintained by the same employer.

#### Cost

- A loan origination fee in the amount of \$50.00 will be deducted from the loan approved amount.
- An additional annual loan administration fee of \$25.00 will be deducted from the account in quarterly installments of \$6.25 until the loan is paid in full.
- If I am a resident of the State of Florida, a documentary stamp tax is payable to the state. More information is available at: <http://www.myflorida.com/dor/>.

#### Interest Rate Determination

- The interest rate is the Prime Rate published in the Wall Street Journal on the first business day of the month the loan is originated plus 1% and is fixed for the life of the loan.
- The interest I pay on this loan is not tax deductible.

#### Source and Application of Funds

- All money sources and investment options will be disbursed according to the Plan rules.
- If I have a self-directed brokerage account, the loan cannot be processed unless I have sufficient funds in the core investment options (Non-self-directed investment options) to cover the loan amount plus the core minimum investment amount.
- The funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents.

### Delivery Method

#### Loan Check

- A check made payable to me will be mailed to my address on file.
- I may confirm my address on file by accessing my account online at [www.cra-online.org](http://www.cra-online.org) or by calling 1-800-352-0313.

#### Express Delivery (Optional)

- Estimated delivery time is 1-2 business days.
- In addition to any loan fees, a \$30.00 non-refundable charge will be deducted from my loan amount.
- Available for delivery Monday - Friday, with no signature required upon delivery.
- If address is a P.O. Box, check will be sent by USPS Priority Mail and estimated delivery time is 2-3 business days.
- Delivery is not guaranteed to all areas.

### Detailed Payment Information

#### Repayment

- Payments are made by payroll deduction and are deducted on an after-tax basis.
- Notification will be sent to my employer's payroll department at the time the loan is made, indicating the repayment dollar amount and frequency.
- Principal repayments and interest payments shall be reinvested in accordance with my investment election in effect at the time the payments are received by Service Provider.

#### Prepayment

- Full Prepayment of the outstanding loan principal and the accrued interest may be made by the next loan payment due date. Consider submitting payment by certified check or bank money order. I must obtain a payoff quote by accessing the website at [www.cra-online.org](http://www.cra-online.org) or by calling 1-800-352-0313 to obtain a prepayment figure no more than 15 days before the payoff.
- Partial prepayments may be accepted by checking with the Plan Administrator for details on what is applicable within the Plan.

#### Principal Reduction Method

- I can elect to send a payment to reduce the principal balance of my loan by contacting Service Provider for a required Loan Prepayment Request. Consider submitting payment by certified check or bank money order.
- The payment received will be applied first to the current payment due and then to the outstanding principal balance.

**Returned Payment Checks**

- If a check is returned for failed payment due to non-sufficient funds or account closure, my loan will become delinquent, which can result in adverse tax consequences.

**Default**

- Loans are in arrears and delinquent when any payment is missed.
- If the sum of all loan payments due in a calendar quarter are not made and payments are not received by the end of the following calendar quarter, pursuant to Internal Revenue Code rules and regulations, the loan will be in default. As a result, the entire outstanding loan balance, including accrued but unpaid interest, shall be deemed distributed and will be tax reported in the calendar year of default.
- An IRS premature withdrawal penalty may also apply.
- Borrowers who default on a loan from the Plan will be prohibited from obtaining future loans from the Plan.
- The loan must continue to be repaid even in the event of default until the entire outstanding loan balance, plus all accrued interest thereon, is repaid in full or until, I experience a qualifying event subject to the terms of the Plan Document, allowing the Plan to offset the outstanding loan amounts against my account balance, whichever comes first.

**Withdrawals****Full Withdrawals**

- A full withdrawal cannot be processed until I have experienced a qualifying event and elect either to treat the loan as a taxable withdrawal or pay the loan in full.

**Partial Withdrawals**

- A partial withdrawal cannot be processed until I have experienced a qualifying event.
- I am aware that I must maintain a minimum amount of \$2,500.00 or 10% of the account balance, whichever is greater, in my core investment options if I have a portion of my account balance invested in a self-directed brokerage account.

**Death Withdrawals**

- Any cash withdrawals from the Plan will be reduced by any outstanding loan obligation.
- Any loans outstanding at the time of death will be handled per the Plan rules.
- The loan cannot be transferred to, or assumed by, my beneficiary.

**Leave of Absence**

- Contact Service Provider or visit the website at [www.cra-online.org](http://www.cra-online.org) for a Loan Payment Change Request form.