

## IBEW LOCAL 910 ANNUITY FUND

### LOAN PROCEDURES

1. The Administrator is the entity authorized to administer the Loan program.
2. A participant who wishes to take a loan from the Fund must complete a loan application which includes:
  - a. the amount of the loan requested;
  - b. the period of payment (one through five years, unless for the principal residence);
  - c. effective date of the loan;
  - d. statement that repayments are made on at least a monthly basis;
  - e. signature of the participant; and
  - f. notarized signature of a spouse.
3. The Administrator then reviews the loan application for accuracy, and completeness. A loan request will only be approved if all of the following conditions have been met:
  - a. the participant requesting the loan has had contributions received on his behalf within the last two Plan Years;
  - b. the amount of the loan does not exceed the maximum amounts imposed by the Internal Revenue Code and its regulations, (the lessor of 50% of the participant's vested account balance of \$50,000), and it is not less than the current minimum amount established by the Plan, which is \$1,000;
  - c. the participant does not have a loan outstanding from the plan;
  - d. the repayment period selected by the participant is in accordance with the Internal Revenue Code and its regulations. Repayment periods cannot exceed 5 Years, except in the case of a purchase of the participant's primary residence. No repayment period may extend beyond the Participant's Normal Retirement Date; and
  - e. The criteria for need for loans will be based on such expenditures as purchase of a primary residence, unreimbursed medical expenses, payment of post secondary tuition expenses, purchase of an automobile, or other tangible asset, or other unanticipated financial hardship.
  - f. Effective July 1, 2001, new loans will not be made available to participants whose loan payments have been more than 30 days delinquent within the last six months.

In determining the approval or denial of a loan from the Plan, the Trustees will operate in accordance with the Internal Revenue Code and its regulations and the Department of Labor regulations, including:

- a. there will be no discrimination of loan availability based on race, color, religion, sex, age or national origin;
  - b. loans will not be made available to highly compensated employees in an amount greater than the amount made available to other employees; and
  - c. the credit – worthiness and financial need of the participant may be considered.
4. A loan may only be secured by the Participant's vested account balance (up to 50%) as limited by the Internal Revenue Code and its regulations, and the Department of Labor regulations.
  5. The interest rate applied to the loan will be based on the rate that will be equal to prime plus one percent on the day that all required paperwork is signed.
  6. Once the loan application has been approved, the Fund Office will process the loan by:
    - a. notifying the Participant of loan approval, amount of the loan repayments to the Plan and the rate of interest on the loan;
    - b. notifying the trustees to issue payment of the loan;
    - c. notifying the administrator/recordkeeper of the loan transaction and repayment schedule; and
    - d. setting up a loan repayment file.
  7. All loans will be effective on the fifteenth (15) day of the month.
  8. Repayments of the loan to the Fund will be through the Fund Office. If the Participant becomes inactive for any reason, the Participant may repay the outstanding loan amount in a lump sum by personal check to the Fund Office within 60 days after the termination date.

If the Participant elects to have his benefits distributed to him, then the distribution from the Plan will be adjusted to reflect the outstanding loan amount.
  9. The source of the loan will be taken on a from the Participant's existing account balance. Repayment of the loan will be made to the Participant's account.
  10. If a loan repayment is overdue beyond the end of the calendar quarter following the calendar quarter within the participant did not make a required payment, the loan will be considered in default. A Participant, who has a loan in default, will have the amount of the defaulted loan and interest accrued to the date of the default offset from his or her account balance upon default. A participant who has defaulted on a loan will not be eligible for another loan until the end of the maximum loan repayment period (Five Years). A participant shall not be eligible for a loan after a second default.
  11. All Participant loans will be amortized on a level basis with payments to be made not less frequently than quarterly. Payments are to be made over a period not to exceed 5 years, except for loans used to purchase the participant's primary residence, which may be for a period not to exceed 15 years.

12. This loan provision will be conducted in accordance with the provisions of the Plan Document.
13. The non-refundable \$100.00 loan application fee must accompany the completed application.

\*\*\*\*I have read and understood all of the above listed IBEW Local #910 Annuity Fund Loan Procedures.

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Signature

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Date