

# 401(k) Employee Loan Application

Use this form to request a loan from your Retirement Plan. Please note, your Plan must allow loans for you to request a loan. Please complete the following paper work to obtain a loan. 1.) Complete a Loan Application, Spousal Consent, Promissory Note, and Irrevocable Pledge & Assignment, and submit to your employer (Plan Administrator); 2.) If the amount you are requesting is greater than \$5,000.00 the spousal consent form will need to be signed by your spouse; 3.) Your employer (Plan Administrator) approves loan applications; 4.) Check is prepared and mailed to Employee; 5.) Loan payments are made by the employer deducting the payment amount from your pay as an additional salary reduction 6.) Loan application usually takes 10 to 15 business days to process once approved.

## Employee Information:

First Name/MI/Last Name

Street Address:

  

City

State

Zip

Social Security Number

Daytime Phone

## Employer Information:

Company Name

Contact Person

Date of Birth

E-mail

**Marital Status**

Single  Married

**Minimum Loan:** \$1,000      **Maximum Loan:** Generally the lesser of 50% of your vested account balance or \$50,000

General Purpose Loan Choose repayment term:     1 Year  2 Years  3 Years  4 Years  5 Years

Purpose of this loan is:

  
  

Amount of Loan:

## Employee Authorization:

I hereby acknowledge that I have read, understand and agree to all pages of this 401(k) Employee Loan Application form. I affirm that all information that I have provided is true and correct. I certify that the amount requested does not exceed the allowable amount as described. I understand that payments are to be made by payroll deduction and are due according to the amortization schedule that the employer will receive.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Plan Admin/Trustee Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## Promissory Note

Employee Name

Amount of Note

FOR VALUE RECEIVED, on or before the assigned date of the loan the undersigned promises to pay to the order of the Plan as listed below for the amount request plus interest commencing on this date the loan was approved at the rate of (prime rate plus one) per annum on the principle balance from time to time unpaid.

Employer (Plan)

Rate (prime plus one)

### FORM OF PAYMENT

Loan repayments of principal and interest must be made through payroll deductions.  
Indicate your payroll frequency below:

Weekly       Bi-Weekly       Semi-Monthly       Monthly

Payments shall commence 30 days after the approval of the loan, and shall continue to be made each pay period thereafter until the loan has been paid in full. At the option of the Participant, at any time or times all or any portion of the unpaid principal sum and accrued interest on this Note may be prepaid without premium or penalty, the amount of the prepayment to be applied first to accrued interest and remainder to unpaid principal.

The payment of this Note is secured by the vested and non-forfeitable interest of the Participant in the Employee's 401(k) Plan and Trust as listed in the loan application.

At the election of the holder or holders hereof, upon notice to the Participant, the unpaid principal sum, together with accrued and unpaid interest thereon, shall become due and payable in the event of a default in the payment of any principal or interest when due in accordance with the terms hereof. Further, this Note shall be due and payable upon termination of service of the Participant, subject to section 414(u) of the Code. This Note is due and payable 45 days after termination of employment.

The above paragraph shall not apply in the event the participant is entitled to, and does, consent to a direct transfer of this Note to a qualified plan of his/her new employer. This provision shall be null and void if transfer is not completed prior to the due date of the note or if earlier, than the 90th date after the participant terminates service with the Employer.

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Participant's Signature

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Social Security Number

Personalized Pensions, Inc  
10197 N 92<sup>nd</sup> Street, Suite 102  
Scottsdale AZ, 85258

## Irrevocable Pledge and Assignment

In consideration of a loan to me in the amount of \$ \_\_\_\_\_ by the trustee(s) of the \_\_\_\_\_ (Employer) 401(k) Plan and Trust I, \_\_\_\_\_ (Employee's Name), hereby irrevocably pledge and assign as collateral that portion of my Vested Account Balance necessary to satisfy the outstanding balance of said loan, with accrued interest, plus the costs, if any, incurred by the trustee(s) in collecting said loan, including reasonable attorney's fees. I understand and acknowledge that if I fail to repay this loan when due and payable or fail to pay any installment or interest payment may result in the trustee(s) foreclosing on any property pledged as security for this loan.

If my employment terminates before my obligation under this pledge and assignment has been fully discharged and under circumstances in which the trustee(s) would usually make a distribution from the plan to me or my designated beneficiary, I hereby empower the trustee(s) to reduce the amount of my distribution to me or my designated beneficiary by the amount of the outstanding indebtedness at the time of my termination, along with any accrued interest on the indebtedness.

This Irrevocable Pledge and Assignment shall bind my heirs, personal representatives or other legal representatives.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness