



# Loan Application

## Eighth District Electrical Pension Fund Annuity Plan

### Instructions

Please print using blue or black ink. Send completed form to the following address or fax it to 1-866-439-8602. If faxing, please keep original for your records.

**Prudential**  
PO Box 5410  
Scranton, PA 18505-5410

**Questions?**  
Call 1-877-778-2100  
for assistance.

### About You

Plan number 7 0 0 2 3 4 Sub plan number 0 0 0 0 0 1

Social Security number \_\_\_\_\_ Daytime telephone number \_\_\_\_\_  
\_\_\_\_\_ area code \_\_\_\_\_

First name \_\_\_\_\_ MI \_\_\_\_\_ Last name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP code \_\_\_\_\_

Date of birth \_\_\_\_\_ Gender \_\_\_\_\_  
month day year M F

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

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

### Loan Limits

The maximum amount currently available for a loan is the lesser of:

- (1) \$50,000, reduced by the excess (if any) of -----
  - (i) the sum of the highest outstanding balance of each individual loan from the plan during the 12 month period ending on the day before the date on which such loan was made, over
  - (ii) the outstanding balance of loans from the plan on the date on which such loan was made, or
- (2) one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan.

- 1. Do you participate in another plan sponsored by the same employer?  YES  NO
- 2. If yes, did you have a loan balance in any of the other plan(s) during the past year?  YES  NO (If no, skip to question 4.)

**NOTE:** If you answered yes to question 2, in no event may the combined balance of all loan(s) from a single employer to you exceed \$50,000, reduced by the amount of the highest outstanding loan balances during the 1-year period (ending on the day before the date on which such loan is made).

3. Is Prudential Retirement the record keeper for the employer-sponsored plan?  YES  NO (If no, please supply the highest outstanding loan balance during the 12 month period \$ \_\_\_\_\_ and the current outstanding loan balance \$ \_\_\_\_\_.)

4. Have you defaulted on a previous plan loan from your current employer?  YES  NO  
(Please see the Loan Disclosure Statement for the definition of a default.)

5. If you answered yes to question 4, did this loan begin on or after January 1, 2002?  YES  NO

**NOTE:** If you answered yes to question 5, defaulted loans that were initiated on or after January 1, 2002 will limit the maximum loan amount available.

**Important Information:** If you failed to respond to the questions above, Prudential will interpret the lack of response as your confirmation of the prerequisites in order to qualify for the requested loan amount. Please reference the section entitled "Your Authorization" for potential consequences of answering any of the above questions incorrectly.

**Loan  
Amount**

The loan disbursement will be prorated across all available contribution types and investments.

A. \$ \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (minimum \$1,000) If you have answered 'yes' to question 2 in the previous section, please be sure to calculate the combined balance as instructed to confirm the amount you request here is allowable.

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.

I DO NOT wish my requested Loan amount to be reduced. **DO NOT** process this request if available amount is less than I indicated.

B. Maximum amount available.

**Loan  
Purpose  
and  
Duration**

Please check the type of loan you are requesting:

General Purpose. The duration of your loan will be 5 years with 20 equal quarterly coupon payments.

Primary Residence Loan. The purchase of a primary residence duration of your loan will be 10 years in either  monthly or  quarterly coupon payments.

If requesting a Primary Residence loan, the following documentation is required:

- A copy of the purchase agreement or sales contract (must be physical structure and not the land only)
- Closing date (closing date can be 90 days in the past or 90 days in the future if purchasing a home/home construction can be up to 1 year in the loan request)
- Signature of the buyer/seller
- Member's name
- The address of residence to be purchased
- The total purchase price
- Purchase contract must be dated within 90 days

\*Note: A Purchase of Primary Residence Loan is only allowed once during your lifetime.

**Express  
Fee**

A \$50 loan application fee will be deducted from your account.

I wish to have my loan check sent via express mail. Therefore, please deduct \$75.00 from my account. This is for the application fee (above) and express mail costs. **Express mail is *not* available for delivery to post office boxes.**

**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.

Important information and signatures required on the following pages

Social Security number \_\_\_\_\_

**\*For Married Participants**

**Spousal Waiver**

I certify that I am the member's spouse. I understand that I am entitled to a spousal death benefit under the Plan payable as a joint and survivor annuity based on the member's account balance at the time of his or her death or retirement. I further understand that the Plan and federal law require that I consent in writing to any type of distribution from the Plan unless that distribution is in the form of a joint and survivor annuity. I understand that the member cannot obtain a loan unless I consent. I understand that I may refuse to provide my consent. I acknowledge that the loan requested by the member may reduce or eliminate any benefit (payable as a joint and survivor annuity or other form of payment) otherwise payable to me at the time of the member's retirement or death and I hereby waive my right to such benefit with respect to amount of the loan. I also acknowledge that my consent is irrevocable with respect to the value of the loan (including any outstanding interest) that remains to be paid upon the member's death or retirement. I voluntarily consent to the member's loan request and authorize the request.

X  \_\_\_\_\_ Date \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_  
*Spouse's signature - must be witnessed by a notary public OR authorized plan representative. Spouse and Notary must sign and date the form at the same time and on the same date. The dates must match.*  
(Seal/Stamp)

Subscribed and sworn before me on the \_\_\_\_\_ day of \_\_\_\_\_, the year \_\_\_\_\_  
State of \_\_\_\_\_, County of \_\_\_\_\_  
My commission expires \_\_\_\_\_

X  \_\_\_\_\_  
*Notary's signature*

**OR**

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

**Your Authorization**

I understand that I have the right to receive my benefits as a joint and survivor annuity if I am married or a life annuity if I am not married based on my account balance at the time of distribution. I also understand that the Plan and federal law require that if I am married my spouse must consent to my waiver of a joint and survivor form of payment. I also understand that if I am married I cannot take obtain a loan unless my spouse consents. I understand that my spouse may refuse to provide consent. I acknowledge that the loan I am requesting may reduce or eliminate any benefit (payable as a joint and survivor or any other form of payment) otherwise payable to my spouse at the time of my retirement or death. I hereby waive my right to such benefit with respect to the amount of the loan. I also acknowledge that my consent is irrevocable with respect to the value of the loan (including any outstanding interest) that remains to be paid upon my death or retirement.

By signing below, you affirm that you will have received a general description and explanation of the optional forms of benefits, if any, available to you and a written notice describing the general tax rules applicable to this distribution.

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

Social Security number \_\_\_\_\_

# Loan Disclosure Statement

## Loan Amount

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

The minimum loan amount is \$1,000. The maximum loan amount currently available is limited to the lesser of:

- (1) \$50,000, reduced by the excess (if any) of ----
  - (i) the sum of the highest outstanding balance of each individual loan from the plan during the 12 month period ending on the day before the date on which such loan was made, over
  - (ii) the outstanding balance of loans from the plan on the date on which such loan was made, or
- (2) one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan.

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 interest rate will be based upon the bank prime loan rate (as stated on [www.federalreserve.gov](http://www.federalreserve.gov)) on the last business day of each quarter plus 1%. This rate will not change during your loan repayment period. For your plan's current interest rate, you may call our toll-free number at 1-877-778-2100.

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.

Notwithstanding the foregoing, if you provide the appropriate notice and if permitted by your Plan and unless waived by you, any loan that is outstanding on the date that you begin active military service will accrue interest at annual percentage rate (APR) of no more than 6% during the period of uniformed service in accordance with the provisions of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942, 50 USC App. §526 Servicemembers Civil Relief Act of 2003 as amended. This limitation applies even if loan payments are suspended during the period of uniformed service as permitted.

## 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.

## Payments (continued)

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, 1-877-778-2100, to determine the amount necessary to pay off your loan. This quote is valid for ten (10) business days.

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

If permitted by your Plan, Loan payments shall be suspended during a leave of absence for qualified Military Service.

If the Plan permits a leave of absence on account of the participant performing service in the uniformed services (as defined in Chapter 43 of Title 38, United State Code), whether or not qualified military service, a suspension of loan payments may be permitted. Such suspension shall not be taken into account for purposes of meeting the requirements of sections 72(p), 401(a) or 4975(d)(1) of the Internal Revenue Code. For example, if the loan was payable over five years, the five-year repayment period would be calculated by extending the repayment period by the length of the leave of absence.

## 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
- Any outstanding loan balance at the time an Employee elects a distribution from his Individual Account and/or Individual 401(k) Account must be paid off in full.

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.

If permitted by the plan and if you take an unpaid Leave of Absence or your employment terminates, you have the right to continue your loan even though you are no longer an active employee. If you fail to take action to repay your loan, it will be considered in default.

## 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.

## Other

You are allowed 5 outstanding loan(s) 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.

\*A loan shall be considered to be in default if the missed loan payment is not made by the end of the quarter following the quarter in which it was due.