

\_\_\_\_\_ [insert name of plan]

## LOAN POLICY

Effective as of \_\_\_\_\_.

As an Employee of \_\_\_\_\_ (the “Company”) and a Participant in the \_\_\_\_\_ (“Plan”), you may be permitted to borrow from your vested account under the Plan.

The following summarizes the rules governing loans from the Plan including loans from or against any underlying insurance products maintained under the Plan.

### **GENERAL LOAN REQUIREMENTS**

#### *Who May Borrow*

Loans are only available to Participants who remain employed by the Company at the time the loan is requested. Loans are available to all such Participants without regard to the Participant's race, color, religion, sex, age, or national origin.

In determining whether to grant a loan, however, the Plan Administrator may apply the same criteria that a commercial lender in similar circumstances would apply including such things as the Participant’s credit worthiness, general ability to repay, as well as the period of time the Participant has been employed by the Company. However, in all events, a Participant may be denied future loans if any previous loan is or has been in default.

#### *Applying for a Loan*

All loans must be pre-approved by the Plan Administrator.

A Participant must apply, in writing, for a loan on the Plan’s Loan Application Form. The completed Loan Application must specify the amount of the loan desired as well as the repayment period requested. If a loan is approved, the Participant must execute a Promissory Note in favor of the Plan provided by the Administrator. The Participant must consent and agree to the irrevocable pledge and assignment of up to 50% of the Participant’s vested interest under the Plan as security for the loan.

### **LOAN FEES**

The processing of a loan costs the Plan both time and money. In order to recoup some of this cost, the Plan will charge you a loan initiation fee of \$\_\_\_\_. In addition,