

PARTICIPANT LOAN APPLICATION

# SPS Retirement Plan

Return to: Felicia Barlow  
 Business Manager  
 Shonto Governing Board of Education, Inc.  
 P.O. Box 7900  
 Shonto, AZ 86054

**NOTICE TO PLAN PARTICIPANT:**

Loans are only available to Participants who are currently employed by Shonto Governing Board of Education, Inc. If my loan is granted by the Trustees, I understand that the Plan shall charge me a reasonable rate of interest on my loan repayments, plus a \$125 setup fee and a \$2 per month maintenance fee. If requesting a loan consolidation, or "refinance," an additional \$125 setup fee will be charged, for a total loan setup fee of \$250. I hereby acknowledge and understand that I will be required to pledge all or a portion of my Vested Account Balance or Vested Accrued Benefit as security for the loan, and failure to repay the loan exactly as per the amortization schedule and promissory note will result in taxable income to me. I also understand that if my employment is terminated, my outstanding loan balance will be deducted from my distributable benefit. If I am married, my spouse **MUST** consent to the loan and this Loan Application must be notarized below under the Spousal Consent section.

**AMOUNT OF LOAN REQUESTED:**

As a Participant in the SPS Retirement Plan, I hereby make application to the Trustees of the Plan for a loan in the amount of \$\_\_\_\_\_.

*Note:* The Internal Revenue Service limits loans such that the sum of all outstanding Participant Loans from the Plan may not exceed the lesser of 50% of my vested account balance, or \$50,000.00. The Plan also has a minimum loan requirement of \$1,000.00 per new loan issued; and a maximum of one (1) outstanding loan at any time; and you may only borrow from your Employee Salary Reduction Account.

In the event that my vested account balance does not support the full loan amount requested above, then I may make application to the Trustees of the Plan for a loan for the maximum available amount, even though such maximum available amount is less than the amount I requested above. *Check one box and initial below:*

- Yes, I will accept the smaller loan amount that is supported by my vested account balance. \_\_\_\_\_ [Participant initial]
- Yes, I accept the smaller loan, however only if it is at least: \$\_\_\_\_\_ \_\_\_\_\_ [Participant initial]  
[Enter minimum acceptable loan]
- No, I only request the larger loan amount at the top of this page. \_\_\_\_\_ [Participant initial]  
 Do not process for any smaller amount.

**PURPOSE OF LOAN:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**INSTALLMENT FREQUENCY:**

*(Repayments must be made by payroll deduction)*

- Biweekly - each pay period

**LOAN TERM: (Check one)**

*(Cannot exceed three years unless to purchase primary residence)*

- One Year
- Two Years
- Three Years
- Other \_\_\_\_\_

**SPOUSAL CONSENT:**

As the lawfully married spouse of the Participant, I hereby consent to this loan being made from SPS Retirement Plan and I understand that in the event of default in the payment of the Promissory Note, the Trustees may deduct the outstanding balance of such loan(s), plus accrued and unpaid interest thereon, from my spouse's vested interest in the Plan which will result in a reduction of benefits otherwise paid to me.

As a Notary Public in and for the County of \_\_\_\_\_, State of \_\_\_\_\_, I do hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me came \_\_\_\_\_, to me known to be the person whose name is subscribed below as "Participant's Spouse," and that he/she did in my presence execute the Spousal Consent, having acknowledged to me that he/she did so as a free and voluntary act.

( ) \_\_\_\_\_  
 ( ) Notary Public  
 ( ) \_\_\_\_\_  
 ( SEAL ) \_\_\_\_\_  
 ( ) My Commission Expires: \_\_\_\_\_  
 ( ) \_\_\_\_\_  
 ( ) \_\_\_\_\_

**SIGNATURES:**

\_\_\_\_\_  
 Participant's Name (printed)  
 \_\_\_\_\_  
 Social Security Number  
 \_\_\_\_\_  
 Participant's Signature Date  
 \_\_\_\_\_  
 Plan Administrator/Trustee Date

Marital Status: (Check one)  Single  Married

\_\_\_\_\_  
 Participant's Spouse (printed)  
 \_\_\_\_\_  
 Participant's Spouse Signature Date



RETIREMENT PLAN SERVICES

# Loan Request

## Important information about this form

- Your plan may require you to provide supporting documents or additional information before your request can be processed.
- As the participant, you complete Sections 1, 2 and 3 of this form and return it to your Plan Representative.
- As the Plan Representative, you review Sections 1 - 3, and complete Sections 4 - 8 of this form.
- If the participant address provided below is new or different than what is currently on record with John Hancock Retirement Plan Services, we will update our records accordingly. Ensure your next census submission includes revised employee information to avoid your file superseding the information supplied on this form.

## 1 General Information

The Trustee of **SPS RETIREMENT** Plan (the "Plan") **22976**

Contractholder Name \_\_\_\_\_ Contract Number \_\_\_\_\_

Participant Name (Last Name, First Name, Initial) \_\_\_\_\_ Participant Social Security Number \_\_\_\_\_

Participant Address - Street Address \_\_\_\_\_ Participant Phone No \_\_\_\_\_

City, State, Zip Code \_\_\_\_\_

## 2 Payment Instructions to Participant Directly

Unless Electronic Fund Transfer information is provided, a check will be issued. (Allow 7-10 business days for regular mail delivery.)

### Electronic Fund Transfer Details

Direct Deposit - Payment directly to me, my personal bank account is  Checking OR  Savings (Allow 2-3 business days)

OR  Wire - Verify with receiving bank if they accept wires and/or charge a fee (Allow 1-2 business days)

To \_\_\_\_\_

Bank Name \_\_\_\_\_

Bank ABA/Routing (9 digits) \_\_\_\_\_ Bank Account No. \_\_\_\_\_

## 3 Participant Signature

For participants under a contract issued by John Hancock Life Insurance Company of New York, any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claims for each such violation. For all other states, civil penalties may apply.

Signature of Participant \_\_\_\_\_ Name \_\_\_\_\_ Date \_\_\_\_\_

## TYPE OF LOAN - Complete Section 4 or 5 (not both)

## 4 New Loan Request

Total Amount of Loan \$ \_\_\_\_\_ Loan Maturity Date \_\_\_\_\_ Loan Interest Rate \_\_\_\_\_ %

Month Day Year

Loan Type  General Purpose  Hardship  Purchase of Primary Residence

## 5 Refinance Existing Loan Request

Amount of Increase to Existing Loan \$ \_\_\_\_\_ Existing Loan No(s). \_\_\_\_\_

Your amortization schedule should equal the amount of increase to existing loan plus the existing loan amount.

Loan Maturity Date \_\_\_\_\_ Loan Interest Rate \_\_\_\_\_ %

Month Day Year

GP1422US (06/2012)

## 6 Loan Withdrawal Order - Optional

John Hancock Retirement Plan Services' Standard Loan Withdrawal Order will be used unless completed below.

The total amount listed in this section must equal the **Total Amount of Loan** indicated in Section 4 **OR** the **Amount of Increase to Existing Loan** in Section 5.

Money Types to be used.

Amount	Money Type (Mandatory)
\$	
\$	
\$	

## 7 Third Party Administrator (TPA) Loan Issue Fee

A standing loan fee established by the Trustee may apply if this section is blank. Indicate a specified amount if you wish to override the standing loan fee. If the Waive Fee option is selected, no fee will be applied, including the standing loan fee. The fee will be deducted from the Participant's account after the loan amount has been removed using John Hancock Retirement Plan Services' standard protocol and will be paid to the TPA currently on record with John Hancock Retirement Plan Services. John Hancock Retirement Plan Services is not responsible for any uncollected fee amounts as a result of insufficient funds. These shortages will be reported on the transaction and summary confirmations.

Waive Fee **OR**  Loan Issue Fee \$ \_\_\_\_\_ will be applied.

## 8 Trustee/Authorized Signer Signature

I hereby certify that the requested loan is not a taxable or a deemed distribution under the Internal Revenue Code, and that the loan complies with the plan document and all pertinent laws. I certify also that spousal consent (as required by Internal Revenue Code Section 417), if applicable, has been properly obtained and that the loan is not a prohibited transaction as defined in the Internal Revenue Code Section 4975 or under the Employee Retirement Income Security Act.

I hereby direct John Hancock Retirement Plan Services to pay to the Third Party Administrator currently on record the above referenced fee (if applicable). I understand that this fee will be deducted from the participant's account balance at the time of the distribution using standard withdrawal protocol, and will be held in the general business account of John Hancock Retirement Plan Services until

paid to the Third Party Administrator. I hereby represent that this fee is in accordance with the fee schedule that has been approved by the plan's trustee or named fiduciary as reasonable and authorized under the terms of the plan.

On behalf of the Plan sponsor, the Plan and its related trust, and the Plan Trustee or named Fiduciary, I further agree to indemnify and hold harmless John Hancock Retirement Plan Services, its employees, agents, directors, and officers from any liability, penalties, and taxes that may be incurred as a result of the requested distribution giving rise to one or more prohibited transactions or for implementing requests (including, if applicable, a direct rollover request) based solely on the instructions provided on this form, or if any of the certifications provided on this form are incorrect.

**FELICIA BARLOW**

Signature of Trustee/Authorized Signer

Name

Date

## Important Information about Loans

- It is the responsibility of the plan administrator to ensure that:
  - participant loan qualification requirements are met (according to the plan document);
  - each granted loan meets the tax law requirements and is not treated as a distribution;
  - if the participant named above has more than one outstanding loan or the loan requested on this form is used to refinance an outstanding loan, the loans collectively, as well as each of the prior loan and the additional loan, meet the applicable tax law requirements and are not treated as distributions under the participant's plan;
  - any restriction that the plan may have on the number of outstanding loans that a participant may have at any one time is complied with;
  - each plan loan is not a prohibited transaction;
  - John Hancock Retirement Plan Services will be notified if and when a loan is deemed to be a distribution for tax purposes.  
John Hancock Retirement Plan Services is not responsible for preparing and filing any tax reporting until and unless such notification has been provided by the plan administrator, and if such service is available under your contract.
- When John Hancock Retirement Plan Services receives a payment, we will reduce the Loan Account balance by the amount of the repayment. Loan repayments will be applied first to interest owing on the loan, and then to the principal. All loan repayments must be remitted through your plan trustee. Please do not send personal checks directly to John Hancock Retirement Plan Services.
- This loan request does not constitute a promissory note or loan agreement.