

I.B.E.W. LOCAL 25 401(K) FUND LOAN PROCEDURE

PLEASE CAREFULLY READ THE FOLLOWING TERMS AND CONDITIONS:

1. A PARTICIPANT CANNOT APPLY FOR A LOAN UNTIL (S)HE HAS HAD EMPLOYER CONTRIBUTIONS MADE ON HIS/HER BEHALF DURING THE TWO (2) PLAN YEARS PRECEDING THE LOAN APPLICATION.
2. PARTICIPANTS MUST USE THE LOAN APPLICATION SUPPLIED BY THE FUND.
3. SPOUSAL CONSENT TO THE LOAN MUST BE SIGNED BEFORE THE FUND MANAGER, AN EMPLOYEE OF THE FUND OR A NOTARY PUBLIC.
4. THE MINIMUM LOAN AMOUNT IS \$1,000. THE MAXIMUM LOAN AMOUNT SHALL NOT EXCEED THE LESSER OF \$50,000 OR 50% OF THE CURRENT BALANCE (INCLUDING INTEREST) OF THE PARTICIPANT'S ELECTIVE ACCOUNT.
5. THE LOAN INTEREST RATE SHALL BE BASED ON THE PRIME INTEREST RATE PLUS 1% BUT NOT LESS THAN 6%.
6. THE FUND MONITORS LOANS TO ASSURE THEY ARE BEING USED FOR THE PURPOSE STATED ON THE LOAN APPLICATION.
7. LOANS MUST BE REPAID IN CONSECUTIVE MONTHLY INSTALLMENTS OVER A PERIOD NOT TO EXCEED 60 MONTHS, WITH INTEREST CHARGED ON THE UNPAID BALANCE.
8. PARTICIPANTS WHOSE LOAN PAYMENTS ARE DELINQUENT SHALL BE NOTIFIED BY THE FUND OF THE AMOUNT OF PAYMENT DUE AND THE DATE BY WHICH PAYMENT MUST BE MADE TO AVOID DEFAULT.
9. IF PAYMENT IS NOT TIMELY MADE AND A DEFAULT OCCURS, THE PARTICIPANT WILL BE NOTIFIED OF THE AMOUNT OF THE DEFAULT AND ADVISED THAT THE DEFAULTED AMOUNT WILL BE DEEMED A DISTRIBUTION FROM THE FUND FOR INCOME TAX PURPOSES.
10. IN THE EVENT OF A LOAN DEFAULT, THE PARTICIPANT SHALL NOT BE ELIGIBLE TO APPLY FOR FUTURE LOANS.
11. LOANS MAY BE PREPAID, IN WHOLE OR IN PART, AT ANY TIME, OR FROM TIME TO TIME, WITHOUT PREMIUM OR PENALTY.
12. A PARTICIPANT CAN TAKE A NEW LOAN OR REFINANCE A CURRENT LOAN ONCE EVERY 12 MONTHS FROM THE DATE OF A PRIOR LOAN.
13. PARTICIPANTS MUST CALL THE FUND OFFICE PRIOR TO AN EARLY PAYOFF OF A LOAN. ALL LOAN PAYOFFS MUST BE PAID WITH A BANK CHECK, CERTIFIED CHECK OR MONEY ORDER. THE FUND DOES NOT ACCEPT CASH PAYMENTS.
14. MONTHLY LOAN PAYMENTS MAY BE MADE BY PERSONAL CHECK OR MONEY ORDER. THE FUND DOES NOT ACCEPT CASH PAYMENTS

