

Account Reduction Loan Application
403(b) Plan



MONTGOMERY COUNTY PUBLIC SCHOOLS

1013900-01

Participant Information

_____			_____		
Last Name	First Name	MI	Social Security Number		
_____			_____		
()	()		E-Mail Address		
Home Phone	Work Phone				
			<input type="checkbox"/> Married	<input type="checkbox"/> Unmarried	
				Mo	Day
					Year

			Date of Birth		

Your loan check made payable to you will be mailed to your address on file unless otherwise requested in the Address Change/Alternate Mailing Address section below. You may confirm the address on file by accessing your account online at www.mlr.metlife.com. If you have recently changed your address or have any questions regarding the address on file, please contact our Client Service Department at 1-800-543-2520. **If you require an address change that is submitted the same day this request is submitted, or if you are requesting an alternate mailing address, you must have your signature notarized in the section below.**

Type of Loan - Choose One

- GENERAL PURPOSE LOAN:** Available for any purpose.
Indicate term in whole numbers: _____ (Available term: 12 - 60 months)
- PRINCIPAL RESIDENCE LOAN:** Available **ONLY** to purchase or build a principal residence (not available to renovate or refinance a principal residence). If you elect this option, you must also attach a copy of the contract to purchase a principal residence.
Indicate term in whole numbers: _____ (Available term: 61 - 360 months)

Loan Amount

Amount of Loan	\$	_____
Loan Origination Fee	\$	-50.00
<input type="checkbox"/> Express Delivery Fee		
Deduct from my check amount	\$	-25.00
Non-refundable charge - Express delivery available Monday through Friday. Not available to P.O. boxes.		
CHECK AMOUNT	\$	_____

Minimum Loan: \$1000.00
Maximum Loan: Generally the lesser of 50% of your vested account balance or \$50,000.00.
Note: If a specific amount was requested and the amount requested exceeds available funds, Service Provider will process the loan for the maximum amount available.
If you live in the state of Florida, please see the Loan Provisions for documentary tax information.
Please refer to cost section in the Loan Provisions for fee information.



Last Name

First Name

MI

Social Security Number

Method of Payment

Automated Clearing House (ACH)

I would like my payment deducted on the _____ day of each month.*

- Checking Account - must attach preprinted voided check**
- Savings Account - must attach preprinted voided deposit slip**

Financial Institution Name

Account Number

ABA Number

Financial Institution Mailing Address

City

State/Zip Code

* I understand that if my payment date falls on a weekend or bank holiday, my payment will be deducted the following business day. You can choose any day of the month with the exception of the 29th, 30th, or the 31st. If you do not provide a date, your payment will be deducted on the 15th of each month.

****Note:** Money Market or Brokerage Accounts cannot be used.

I understand that it is my responsibility to ensure sufficient funds are available in my checking/savings account on the due date of my payment each month. I understand if the ACH debit fails for any reason, my checking/savings account will not be debited again for the failed payment and my loan will become delinquent, which can result in adverse tax consequences. It is my responsibility to make any failed or missed payments within the required time frame and submit them to the below address (please consider submitting payment by certified check or bank money order):

METLIFE C/O FASCORE, LLC

Dept 0408

Denver, CO 80256-0408

Express delivery mail address for a.m. delivery:

US BANK

10035 East 40th Avenue

Dept #0408

Denver, CO 80238

LOAN PROVISIONS

Cost - A loan origination fee in the amount of \$50.00 will be deducted from your loan check. An administrative fee of \$25.00 will be deducted on a pro-rata basis from your account annually, until the loan is paid in full. If you are a resident of the state of Florida, a documentary stamp tax is payable to the state. More information is available at: <http://www.myflorida.com/dor/>. The maximum fee under my state's laws and regulations will be charged for all returned checks.

Express Delivery - \$25.00 non-refundable charge - Express delivery is available for Monday through Friday delivery only and is not available to P.O. boxes. Delivery is not guaranteed to all areas.

Amount of Loan - The maximum loan amount, when added to the outstanding balance of all other loans from all qualified plans sponsored by my employer, is generally the lesser of 50% of my vested account balance, or \$50,000.00 reduced by the excess, if any, of my highest total outstanding balance of all such loans for the one year period ending on the day before the date the loan is made, over the outstanding balance of loans from all such qualified employer plans on the date the loan is made.

Source and Application of Funds - Loan disbursements will be made on a prorated basis from each of my current investment options.

Loans may be denied to individuals who have previously defaulted on a loan, subject to the terms of the Plan and the determination of the Plan Administrator/Employer.

Interest Rate Determination - For loans originating in any given month, interest due will be based on the rate published in the Wall Street Journal on the first business day of each month, and such rate is fixed for the life of the loan. The applicable interest rate will be disclosed in the Truth-in-Lending Disclosure.

Repayment - I agree to allow an Automated Clearing House (ACH) debit of my checking/savings account for the exact amount due.

Principal repayments and interest payments shall be reinvested in my account in accordance with my investment election in effect at the time the payments are received by Service Provider.

General ACH Information - By choosing ACH payments from your financial institution account, you are authorizing Service Provider to initiate debit entries, and if necessary, credit entries and adjustments for any debit entries in error to your checking or savings account. It is your responsibility to ensure sufficient funds are available in your checking/savings account on the due date of your payment each month. If the ACH debit fails for any reason, your checking/savings account will not be debited again for the failed payment and your loan will become delinquent, which can result in adverse tax consequences. It is your responsibility to make any failed or missed payments within the required time frame and submit them to the below address (please consider submitting payment by certified check or bank money order):

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Default - If the sum of all loan payments due in the quarter is not made and payment is not received by the end of the following calendar quarter, pursuant to Code rules and regulations, the loan will be in default and the entire outstanding loan balance, including accrued but unpaid interest, shall be deemed distributed and will be tax reported to me. This entire amount must be included in my gross income in the calendar year of default. An IRS premature withdrawal penalty may also apply. The unpaid amount of any loan reduces the amount available under a subsequent loan. Even in the event of default, the loan must be repaid. Interest continues to accrue on the outstanding loan balance from the date of default until the entire outstanding loan balance, plus all accrued interest thereon, is repaid in full or until the participant experiences an event allowing the Plan to offset the outstanding loan amounts against the participant's account balance, whichever comes first. Such events include attainment of age 59 1/2 (if the Plan Document allows), severance of employment and death of the participant.

Leave of Absence - Contact Service Provider for a Loan Payment Change Request form.

Prepayment - Payment in full of the outstanding loan principal and the accrued interest may be made no earlier than the next loan payment due date. Arrangements for a full payment must be made by contacting Service Provider for a prepayment figure no more than 15 days before the payoff. Partial prepayments may be accepted in the following manner, based on your Plan's specific loan policy: (1) Prepayment Method - Additional amounts will be applied first to interest of the next payment, then to principal using the existing amortization schedule, and (2) Principal Reduction Method - To elect this option, mail the completed Loan Prepayment Request (to the address indicated on the front side of this form). The payment received will be applied first to the current payment due and then to the outstanding principal balance. A new amortization schedule will be generated reflecting the same interest rate, payment amount, and loan number with an accelerated maturity date. Please check with your Plan Administrator for details regarding what is applicable under your Plan.

Consider submitting payment by certified check or bank money order.

Partial Distributions - I agree that if I do not elect to treat an outstanding loan as a taxable distribution because I experience a distributable event, any outstanding loan amount will reduce the amount available for partial distribution. An amount equal to the current outstanding loan balance (principal and interest) must remain in the investment choices. This restriction does not apply to distributions due to reasons of approved hardship.

Full Distributions - I agree that before a full distribution can be processed I must have experienced a distributable event and elect to treat the loan as a taxable distribution.

Distribution on Death - All outstanding loan principal and accrued interest shall be treated as a distribution from the Plan on the date of death. The loan cannot be transferred to, or assumed by, my beneficiary. If the loan was not repaid prior to the date of death, any cash distribution from the Plan will be made net of any outstanding loan obligation. In addition, the amount of the outstanding loan will be tax reported as a distribution to me or my estate, as applicable.

Hold Harmless - I understand that Service Provider accepts no responsibility for any adverse tax consequences to me resulting from my failure to adhere to the terms of this agreement and all applicable federal and state loan laws, and I hereby hold Service Provider harmless from any claim, of whatever nature, from myself, my creditors, my family, my heirs, successors and assigns in connection with this agreement.