



**Loan Amount**

Depending upon the terms of your plan, the loan will either be prorated across all available contribution types and investments or taken in a specific sequence.

A. \$\_\_\_\_\_,\_\_\_\_\_,\_\_\_\_\_ (minimum \$5,000) 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 Duration**

The duration of the loan may not exceed 5 years.

I elect the term of this loan to extend over the following number of years: 1  2  3  4  5

**Loan Fees**

A \$25 loan application fee will be deducted from your account.

I wish to have my loan check sent via express mail. Therefore, please deduct \$50.00 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.

**\*For Married Participants**

I am the participant's spouse. I understand that I am entitled to a spousal death benefit under the Plan based on the participant's account balance at the time of his or her death. I realize that the participant cannot obtain a distribution or loan, unless I consent. I acknowledge that the transaction requested by the participant may reduce or eliminate any benefit otherwise payable to me. I voluntarily consent to the participant's distribution/loan request and acknowledge that this will authorize the request.

**Spousal Waiver**

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 the information I have provided will be relied upon in processing my request. I further understand that I will be responsible for its accuracy, including the maximum loan amount available to me, in the event any dispute arises with respect to the transaction. I have carefully read this Loan Application form and the Loan Disclosure Statement and agree to make payments of my principal loan amount plus interest due for the term of the loan. I understand that any loan is subject to the terms of my Plan's loan policy. I understand that if loan repayments are not received in accordance with my Plan's loan policy, the loan will be considered in default. I also understand that if default occurs, the unpaid balance of this loan plus outstanding interest will be treated as a taxable distribution, and that Prudential will report this distribution to the IRS, and I will be responsible for paying any resulting tax and penalties. Additionally, I understand that if this loan is in excess of the maximum loan amount available to me, and Prudential becomes aware of this, any such excess caused by this loan will be immediately taxable to me, subject to ordinary income, and Prudential will report this to the IRS.

X  \_\_\_\_\_ Date \_\_\_\_\_  
*Participant's signature*

**Your  
Plan  
Authorization**

This section must be completed by your employer and signed by an authorized plan representative.

I, the Plan Representative, have reviewed the information in this Application as completed by the Participant and hereby approve and authorize Prudential Retirement to process this loan.

Vesting Percentage: \_\_\_\_\_ % (if applicable)

Date of Hire/Adjusted Hire Date \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

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

\_\_\_\_\_  
*Print name and title*

X  \_\_\_\_\_ Date \_\_\_\_\_  
*Authorized plan representative's signature (if two signatures are required)*

\_\_\_\_\_  
*Print name and title*

Prudential fax number: 1-866-439-8602

# Loan Disclosure Statement

## Loan Amount

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

The minimum loan amount is \$5,000. The maximum loan amount currently available is limited to the lesser of:

- (1) \$48,000, 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, or

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. However, your plan may specify a different interest rate. This rate will not change during your loan repayment period. For your plan's current interest rate, you may call our toll-free number.

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 permitted by your Plan and unless waived by you, any loan that is outstanding on the date that you begin active duty 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. 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. The loan will then be reamortized according to the reduced principal balance, resulting in lesser interest due on the loan.

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

PLEASE RETAIN FOR YOUR RECORDS

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## Payments (continued)

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 of up to one year, if the participant's pay from the employer is insufficient to service the loan. Interest shall accrue during the suspension period. However, the loan must nonetheless be repaid within five years as provided by Internal Revenue Code section 72(p)(2)(B).

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.

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## 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
- Your employment with the employer sponsoring the Plan terminates. However, to the extent allowed under the Plan, you may continue repayment after termination from employment provided you make regular payments no less frequently than quarterly on a revised schedule of amount and payment dates calculated by the Plan Administrator or its agent to repay the loan with interest in full in substantially equal payments over the remaining original period of the loan.

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 remains in default at a time when you are entitled to a distribution under the Plan, the Plan Administrator will offset your vested Plan account balance by the outstanding balance of the defaulted loan to the extent permitted by law. The Plan Administrator will treat the defaulted loan as repaid to the extent of any permissible offset. Such offset is the sole remedy for non-payment to which you are subject.

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.

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## Fees and Costs

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.

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.

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**Other**

Unless specified in your Employer's plan, you are allowed only two outstanding loans 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.

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