

# Loan Application & Agreement - 457(b)

Mail Address:  
 MassMutual Retirement Services  
 P.O. Box 1583, Hartford, CT 06144-1583

Overnight Mail Address:  
 MassMutual Retirement Services  
 1 Griffin Road North, Windsor, CT 06095-1512

Group No. <b>150018</b>	Plan Name <b>County of San Mateo</b>	SSN
Employee Name: <i>Last, First, M.I.</i>		
Address: <i>City, State, Zip</i>		
Home Phone:	Work Phone/ Ext:	

## SECTION A. EMPLOYEE REQUEST FOR LOAN

I understand that my Loan request will be processed as of the date received in good order at MassMutual Retirement Services ("MassMutual"). All sections of this form must be completed for this Loan request to be considered in good order.

**Source of Loan Funds:** I understand that the proceeds of my Loan will be withdrawn from my account under the Plan against all available investment choices (except a Self Directed Brokerage Account) and from each contribution source on a pro-rata basis.

## SECTION B. PROMISSORY NOTE (MUST BE COMPLETED)

**This application *must be completed* with the information provided by the MassMutual Home Office on your loan quote.** Please call our Contact Center at 1-800-528-9009 for the required information.

I promise to repay to my Participant's Account the Total Repayment Amount shown below subject to the following terms. See Loan Agreement, Effect of Borrowing-Limitations. A loan amortization schedule will be prepared and mailed to you following the issuance of the loan proceeds. Please see the amortization schedule for your scheduled repayment due dates. If a repayment is not made, the entire outstanding loan balance including any accrued interest will be considered in default and, if not corrected, subject to immediate income and penalty taxes as a deemed distribution. (See Loan Agreement Sections, Event of Default.)

Loan amount requested: \$ \_\_\_\_\_

**I agree to repay this loan to my account within:**

1 Year     2 Years     3 Years     4 Years     5 Years

\_\_\_\_\_ Years (Greater than 5 Years is permitted for the purchase of principal residence only). **If the repayment period is more than 5 years (60 months), you must attach a copy of documents that show that you are requesting the loan so you can purchase or build your principal residence. Provide either an Agreement of Sale or Construction Contract as documentation.**

ANNUAL INTEREST RATE \_\_\_\_\_ %

FINANCE CHARGE (Total amount of interest to be paid over the loan term.) \$ \_\_\_\_\_

TOTAL REPAYMENT AMOUNT \$ \_\_\_\_\_

REPAYMENT PERIOD MONTHLY

AMOUNT OF PAYMENT PER PERIOD \$ \_\_\_\_\_

LOAN REPAYMENT DAY OF THE MONTH (SELECT A DAY FROM 1-28) \_\_\_\_\_

LOAN QUOTE EFFECTIVE DATE \_\_\_\_\_

LOAN QUOTE EXPIRATION DATE \_\_\_\_\_

If this loan request is not received by MassMutual within 15 business days of the loan quote effective date or if a withdrawal is made from your Participant's Account after the loan quote effective date and prior to loan issuance, a new loan quote will be required.

**Please make a copy for your records.**

**SECTION C. LOAN REPAYMENTS**

Loan Repayments will be made by Automatic Clearinghouse (ACH) Complete a Group Annuity Automatic Clearinghouse ACH Debit/Credit Authorization form to establish your repayment program and submit the form with your Loan Application. This form must be submitted for your loan request to be considered in good order. If no loan repayment day is selected on page 1, your loan repayments will be withdrawn on the 15th of the month. It will take us 2 weeks to establish and begin your loan repayment program once your request is received at MassMutual in good order. If the day you selected for loan repayment withdrawals is within 2 weeks of the date we process your request, loan repayments will begin the following month.

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**SECTION D. SIGNATURE**

I further understand that I may fully repay the outstanding amount of this loan without penalty. Partial prepayments are not allowed. Upon my death or termination of the Plan or in the event of a default prior to the full repayment of the loan, the outstanding amount of the loan (principal and accrued interest) will be considered due. My vested account balance will be reduced by the amount of outstanding principal balance of the loan before any distribution to me or my beneficiary, whichever is applicable. I agree that none of the terms or provisions of this Promissory Note may be waived, altered, modified or amended except in writing and duly executed by me and the Plan Trustees. I acknowledge that I have read and received this Promissory Note and agree to all the terms and conditions of the Loan Agreement on the following page. If I return the check to MassMutual unsigned, I authorize MassMutual to deduct a reprocessing fee of \$75 from my account under the Plan.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

# Loan Agreement

I agree that the following terms will apply to the Loan issued to me by the Plan.

**Terms of the Plan:** This Loan Agreement and the Loan being made to me are subject to the terms of the Plan as now in effect or later amended, including any rules made by the Plan Administrator under the authority of the Plan. The pertinent provisions and defined terms of the Plan and rules of the Plan Administrator are considered in the terms of this Agreement.

**Effect of Borrowing - Limitations:** I may not request a loan or have an outstanding loan, and also may not participate in the Installment (Systematic) Payment Option program.

**Minimum Loan Amount:** For all loans, the required minimum individual account value is \$2,000. The minimum loan amount is \$1,000.

**Maximum Loan Amount:** I understand that the amount of this Loan, when added to all loans made to me from this Plan (or any other retirement plan sponsored by the Employer) may not exceed the lesser of 50% of my vested Participant's Account balance or \$50,000 reduced by the highest outstanding balance on any Loan(s) made to me from this Plan (or any other retirement plan sponsored by the Employer) during the twelve-month period ending on the date this Loan is made. In calculating the maximum loan amount, MassMutual has no information about loans that you may have with other providers. MassMutual will use only information available under MassMutual contracts to determine the maximum loan amount and will not be responsible for any adverse tax consequences that may result.

**Number of Loans:** I may have only two outstanding loans at a time.

**Effect of Repayment:** As I repay this Loan, the repayments (both principal and interest) will be credited to my Account and invested in accordance with my existing investment election for incoming contributions. ***I will be provided with a complete repayment schedule for this Loan.***

**Loan Terms:** The basic terms of the Loan are specified on the Loan Application. I promise to repay this Loan in the manner and to the extent required by this Agreement and rules of the Plan Administrator.

**Deadline for Repayments:** All loan repayments are due at MassMutual on the last business day of each month. The basic terms of this loan are specified on the Loan Application. I agree to repay this loan in the manner and to the extent required by this Loan Agreement and any further regulations. The interest rate applicable to this loan will be the rate in effect on the date the Loan Application is approved by MassMutual.

## **Repayment Procedure**

**Repayments by ACH:** I agree to initiate an ACH loan repayment program by completing a Group Annuity Automatic Clearinghouse ACH Debit/Credit Authorization form. I understand that an automated clearinghouse (ACH) debit means that each loan repayment amount will be automatically withdrawn from my bank account each month. I understand that I must have sufficient funds (i.e., money) in my bank account each month to cover the amount withdrawn via ACH debit for my loan repayment, as well as additional funds to cover any checks or other withdrawals on my bank account. I agree that, in the event that my bank account does not contain sufficient funds and becomes overdrawn, I alone am responsible for any penalties, charges or other associated expenses, costs or fees.

**Event of Default:** If any of the following events occur before this Loan plus interest is repaid in full, there shall be an event of default: (1) upon death; (2) a distribution is required to be made under a qualified domestic relations order affecting my account and the distribution would exceed my interest in the Plan less the outstanding balance (principal and accrued interest); or (3) my failure to repay the Loan under the terms of the Plan; (4) upon termination and distribution of my entire account balance. Upon the event of default, I acknowledge that the entire balance of the Loan plus any accrued but unpaid interest shall be considered immediately due and payable. I authorize the Plan Administrator to foreclose on the outstanding Loan by deducting the unpaid Loan balance plus accrued but unpaid interest from my account, to the extent permitted by law.

**Early and Late Repayment:** I have the right to repay at the end of the month in full (but not in part) the outstanding principal balance of this Loan plus accrued but unpaid interest to the date of such repayment.

**Security Interest:** I understand that the Loan shall be secured by a lien on my interest in the Plan equal to the value of the outstanding principal plus interest. Accordingly, I grant a security interest in, and a general lien upon, the vested balance of my Plan account as security for the payment when due of the principal and interest on the Loan.

**Defined Terms:** Unless otherwise indicated above, all capitalized terms used above shall have the same meaning as defined in the Plan. The term Plan Administrator includes any individual or group designated to exercise discretionary control over Loans from the Plan.

**Making Loan Repayments After Termination of Employment:** I understand that I can continue to pay back this loan after termination via ACH/Debit as described above (see Repayments by ACH above). In the event I take a full distribution from my Account, I understand that the Loan will be defaulted (see Event of Default).

**MassMutual** - MassMutual Retirement Services (MMRS) is a division of Massachusetts Mutual Life Insurance Company (MassMutual) and affiliates.

Effective January 1, 2013, Massachusetts Mutual Life Insurance Company ("MassMutual") acquired The Hartford's Retirement Plans Group ("RPG") business. MassMutual has no affiliation, and the RPG business no longer has any affiliation, with The Hartford Financial Services Group, Inc. or any of its subsidiaries. MassMutual has been appointed by Hartford Life Insurance Company ("HLIC") to provide all administrative services necessary to support the insurance contracts issued by HLIC in connection with the RPG business.

## **WORKSHEET to CALCULATE the IRS MAXIMUM LOAN AMOUNT**

This worksheet is provided to the Participant and Employer for informational purposes only and is to be used to assist in the computing of the maximum participant loan amount available.

Do not return this worksheet to MassMutual.

1. Current MassMutual vested account balance, including any outstanding loan amount. <b>Note:</b> only include the balance of the account for which the loan is being requested. We do not aggregate the account balances.	\$	
2. Maximum % Limit: Line 1 x 50%.	\$	
3. Maximum \$ Limit: If there has been no outstanding loan balance for the last 12 months, enter \$50,000 on Line 3. Otherwise complete the following calculation and enter the result from (d) on Line 3.	\$	
(a) = Highest outstanding loan balance in the last 12 months. <b>Note:</b> Provide all highest outstanding loan balances that the participant has with any provider under your plan (including MassMutual's).	\$	
(b) = Current outstanding loan balance. <b>Note:</b> Provide all outstanding loan balances that the participant has with any provider under your plan (including MassMutual's).	\$0	
(c) = (a) minus (b).	\$	
(d) = \$50,000 minus (c).	\$	
4. Maximum Loan amount: Lesser of Line 2 or Line 3.	\$	
5. Current outstanding loan balance.	\$0	
6. Available Loan Amount: Line 4 minus 5. If the result is less than zero, enter zero.	\$	

**Do not return this worksheet to MassMutual.**

# Automatic Clearinghouse ACH Debit/ Credit Authorization Form

Use this Form to:

- set up, modify or terminate a program to make ACH loan repayments.

## Questions?

Call  
MassMutual's Customer  
Service Center  
1-800-528-9009

MassMutual Retirement Services ("MassMutual") will not process this form until it is received in good order. Please see the *Important Information* Section for information on "Good Order" requirements.

Fax  
1-860-843-3280

Online  
retire.hartfordlife.com

## Section A - Plan Information

Group No.	Plan Name
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## Section B - Participant Information

SSN	Participant Name	
* Legal Address	Daytime Phone Number	
City	State	Zip Code

\*We will change your account information to reflect the Legal Address above and all future mailings will be sent to this address unless changed by you or your Plan Administrator as described under "Stale Address" in the *Important Information* Section.

## Section C - Loan Information

Complete a separate form for each loan.

MassMutual Loan No. (from your amortization schedule)	Original Loan Amount	Loan Origination Date
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## Section D - Bank Account Information

Please be sure your bank or credit union allows funds to be withdrawn by means of electronic funds transfer. This form is to: (Select one option)

- set up a new program
  modify an existing program
  terminate a program\*

\*If you wish to terminate your repayment program, you must use an alternate method of repayment, such as personal check, if this method of repayment is allowed by the Plan.

Please attach a voided check or deposit slip. Money Market and Mutual Fund Accounts may not be used.

Name of Financial Institution	Address of Financial Institution	
Account Description (for your personal use)	Account Name (as it appears on check)	
ABA Routing Number (9 digits)	Account Number	Account Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings

You may attach another sheet if you wish to make loan repayments from additional bank institutions. Provide the payment amount for each account.

**Section E - Participant Certification and Authorization**

I authorize loan repayments to be made by ACH as payments become due in accordance with the terms of the Loan Agreement and Promissory Note, and as authorized in the ACH Debit Authorization form signed by me and any other necessary account holders. I understand that I am responsible to ensure that all repayments are timely made and received by MassMutual, including those payments that are due prior to, or after, the date(s) the ACH option is active.

I authorize MassMutual to initiate credit/debit entries to my bank account (and to initiate, if necessary, credit/debit entries and adjustments for debit/credit entries made in error) and I agree to provide the necessary information to allow MassMutual to initiate such entries, and authorize my depository institution (the depository) to credit and/or debit such amounts to my bank account. I understand that my authorization shall remain in full force and effect until MassMutual receives written notice from me terminating my authorization, provided that my notice is provided to MassMutual in such time and manner as to afford MassMutual and the depository a reasonable opportunity to act on it. I agree that MassMutual is not responsible for any loss, liability, cost or expense incurred from acting on these instructions.

\_\_\_\_\_  
Bank Account Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joint Bank Account Owner Signature

\_\_\_\_\_  
Date

**Completed and signed forms in "good order" may be Faxed to 860-843-3280; or mailed to the address below. You may also visit our website at [retire.hartfordlife.com](http://retire.hartfordlife.com) to establish your loan repayment program, if your Plan allows.**

Regular Mail Address:  
MassMutual Retirement Services  
P.O. Box 1583  
Hartford, CT 06144-1583

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MassMutual Retirement Services  
1 Griffin Road North  
Windsor, CT 06095-1512

**Section F - Important Information**

**Good Order** – "Good Order" means that all sections of the form are complete, the participant has provided their signature authorizing the transaction (if required) and the Plan Sponsor has provided their signature authorizing MassMutual to process the transaction requested on the form.

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