

# RETIREMENT ACCOUNT

## 401(k) Loan Request Form

---

**This guide includes:**

- FAQs
- Application Checklist
- Loan Application
- Terms & Conditions



5441 SW Macadam Ave.  
Suite 301  
Portland, OR 97239  
[www.impactbenefits.com](http://www.impactbenefits.com)

# FREQUENTLY ASKED QUESTIONS

---

**IMPORTANT: Aspire Financial Services, LLC (“Aspire”) provides the information in this document as a general guide to the loan process for a variety of retirement plans and accounts. It may or may not be applicable to your plan/account. Please verify with your Plan Sponsor as to whether loans are available for your plan/account and find out about any additional requirements and/or limitations that may apply to your plan.**

**Before taking a loan from your retirement plan/account, you should consult a financial and/or tax advisor.**

## **How do I apply for a loan?**

To apply for a loan from your account, complete the enclosed Retirement Plan Loan Application. Return the completed application to your Plan Sponsor or its Third Party Administrator. The Plan Sponsor or Third Party Administrator will notify Aspire when your loan has been approved for processing.

## **How much may I borrow from my retirement account?**

In many cases, you can borrow up to the lesser of 50% of your vested balance or \$50,000. If you’ve had an outstanding loan balance in any retirement plan offered by your Plan Sponsor within the past year, the maximum amount you can borrow may be reduced by the highest outstanding loan balance in the past 12 months. Your plan may also set a minimum loan amount.

## **How often may I borrow from my account?**

In most cases, you can request a loan at any time. Some plans allow for only one loan to be outstanding at a time. Other plans may allow for more than one loan.

## **What is the interest rate on the loan?**

In most cases, the loan’s interest rate will be equivalent to the federal prime rate plus 1% (based on when the loan is processed). Your plan, however, may require a different interest rate. The interest rate will be fixed for the duration of your loan, and all interest paid on the loan is reinvested in your account.

## **How quickly must I repay the loan?**

In most cases, you must repay the loan within 5 years. If the loan is used to purchase a principal residence, your plan may allow a longer repayment period of up to 15 years. Additional documentation may be required for a primary residence loan with a repayment period of longer than 5 years.

You may be required to pay off an outstanding loan balance (or have your outstanding loan balance defaulted and deemed to be a taxable distribution) in certain situations, such as when you leave employment with the Plan Sponsor, or in the event of your death.

You can choose to repay the outstanding loan balance in full at any time. For information on paying off an outstanding loan, please contact Plan Sponsor or Aspire.

## **How do I repay my loan?**

In most cases, your loan will be repaid through payroll deductions administered by your Plan Sponsor. Your Plan Sponsor should begin deducting loan repayments from your paycheck as soon as administratively possible following the issuance of your loan check.

## **What happens to my loan repayment if I’ve exchanged into a different investment within my account?**

Loan repayments are invested based on your elections for the investment of contributions to your plan at the time each repayment is processed. When you exchange an existing balance in your account from one investment to another, this does not change how future contributions (and loan repayments) to your account will be invested. If you want to change how future contributions (and loan repayments) are invested, be sure to also change your elections regarding the investment of contributions.

---

### **What happens if my loan is not repaid?**

A loan may be considered in default if scheduled payments are not made during the term of the loan. A defaulted loan may be deemed as a taxable distribution. In the event of a deemed distribution, the outstanding amount of the loan will be reported to the IRS, and may be subject to taxation and early withdrawal penalties. A defaulted loan may prohibit you from being able to later take another loan from your account.

### **Is there a setup fee for the loan?**

In most cases, there is a fee for the loan. This fee may be different from plan to plan. For information on loan fees that apply to your plan, you can contact Aspire or ask your Plan Sponsor. In most cases, applicable loan fees are deducted from your account.

### **How does the loan process work?**

Upon receipt of approval for your loan from the Plan Sponsor or Third Party Administrator, Aspire will sell assets in your account to fund your loan and will send the proceeds of your loan to you.

### **What if I have more questions?**

Talk to your financial advisor, Plan Sponsor, or call Aspire at 866.634.5873.

# RETIREMENT ACCOUNT LOAN REQUEST CHECKLIST

---

To request a loan from your plan account, follow the steps below to complete the Retirement Plan Loan Application. After completing the application, submit it to your Plan Sponsor or Third Party Administrator, who will notify Aspire when your loan is approved for processing.

**STEP 1**     **Participant Information:** All information in this section must be completed.

**STEP 2**     **Plan Sponsor Information:** All information in this section must be completed.

**STEP 3**     **Loan Amount:** Specify the amount of the loan you are requesting, or indicate that you are requesting the maximum loan amount available from your account.

**STEP 4**     **Loan Type and Duration:** Indicate whether you are requesting a Standard loan or a Primary Residence loan. Indicate the term of the loan you are requesting.

**STEP 5**     **Payment Options:** Select the payment option. Different requirements may be applicable depending on your payment instructions. Please review carefully.

**STEP 6**     **Signature & Acceptance:** Review the terms, then sign and date the form.

**STEP 7**     **Sponsor Section:** Present the application to your Plan Sponsor for completion.

Please review the above before you submit your request.

**Incomplete forms will not be processed and will be returned to you.**

**Thank you,**

Aspire Financial Services, LLC

# Retirement Plan Loan Application

  
Account Number

## STEP 1 PARTICIPANT INFORMATION

First Name \_\_\_\_\_ Last Name \_\_\_\_\_ M.I. \_\_\_\_\_

Home/Legal Street Address (P.O. Boxes **not** accepted) \_\_\_\_\_ Apartment/Suite \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Telephone Number \_\_\_\_\_ Business Telephone Number \_\_\_\_\_ Cellular Telephone Number \_\_\_\_\_

Email Address\* \_\_\_\_\_ Marital Status:  Single  Married

-- Social Security Number

-- Date of Birth (month | day | year)

-- Date of Hire (month | day | year)

\*By providing your email address, you consent to receiving notifications regarding your loan via email. If no email is provided communications will be sent via USPS.

## STEP 2 PLAN SPONSOR INFORMATION

Plan Name \_\_\_\_\_ Aspire Plan Number \_\_\_\_\_

Plan Sponsor \_\_\_\_\_

Contact Name \_\_\_\_\_ Title \_\_\_\_\_ Telephone Number \_\_\_\_\_

## STEP 3 LOAN AMOUNT

In most cases, the maximum available loan amount is the lesser of \$50,000 or 50% of the vested account balance. The plan's terms may set a minimum loan amount and/or may set a lower maximum loan amount. Certain limitations may apply if you have previously borrowed from the plan or another plan sponsored by your Plan Sponsor.

- Please complete only one of the following:**
- Amount of Loan Requested: \$ \_\_\_\_\_
  - Maximum Loan Amount

## STEP 4 LOAN TYPE AND DURATION

**Loans are generally payable within one to five years. Only loans used to purchase a primary residence may have a duration of up to fifteen years. If no duration is provided below, the default duration will be five years for a standard loan and fifteen years for a primary residence loan.**

- Loan Type:
- Standard
  - Primary Residence (additional documentation may be required)

Duration: \_\_\_\_\_ Years  
(If blank, the maximum duration will be applied. For standard loans, the maximum duration is five years. For primary residence loans, the maximum duration is fifteen years.)

**STEP 5 PAYMENT OPTIONS**

**Please select ONLY one payment option below:**

- Make check payable to the Participant and mail to the Participant's address of record.
- Send payment via Electronic Funds Transfer (EFT) - (Allow 2-3 business days to receive your proceeds.)

**To Bank:**

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

Name(s) on Bank Account \_\_\_\_\_ **Account Type:**  Checking  Savings

Bank Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Attach a copy of your voided check here. If you do not attach a copy of your check you must provide:**

- 1) the 9-digit routing number:  ;
- 2) the account number:  ; and
- 3) a copy of your bank account statement/verification of account and routing number on bank letterhead.

Name	
_____	
_____	
Pay to the order of	\$ <input type="text"/>
_____	
<b>Please attach your check here.</b>	
Routing Number	Account Number
_____	_____

**STEP 6 SIGNATURE & ACCEPTANCE**

I have received, read, and agreed to the terms included in this document, including the Terms and Conditions attached hereto. I understand that I will pay a loan initiation fee and I have received information disclosing to me the loan initiation fee applicable to my plan. I promise to repay the plan the principal sum of the loan and applicable interest, in consecutive, equal installments. I authorize the Plan Sponsor to deduct loan payments from my paychecks until the loan's principal and interest have been fully repaid.

▶

Participant Signature

--  
Date (month | day | year)

**STEP 7 SPONSOR SECTION**

This loan will be repaid via payroll deductions:

**First Payment Date:** --  
Date (month | day | year)

**Pay Frequency:**  Quarterly  Bi-Monthly  Monthly  Semi-Monthly  Bi-weekly  Weekly

**IMPORTANT:** Plan Sponsor/Third Party Administrator for the above referenced retirement account approves the above-requested loan based on its satisfaction of the terms of the plan and statutory and regulatory requirements. The information provided in connection with this request is true and accurate. The individual signing this form on behalf of the Plan Sponsor/Administrator represents and warrants that he/she is duly authorized to execute this form on behalf of the Plan Sponsor/Administrator and to legally bind the Plan Sponsor/Administrator to the terms and conditions stated herein.

▶

Plan Sponsor/Administrator Signature

--  
Date (month | day | year)

\_\_\_\_\_  
Plan Sponsor/Administrator Printed Name

# Terms & Conditions

---

**IMPORTANT: Aspire Financial Services, LLC (“Aspire”) provides the information in this document as a general guide to the loan process for a variety of retirement plans and accounts. It may or may not be applicable to your plan/account. Please verify with your Plan Sponsor as to whether loans are available for your plan/account and find out about any additional requirements and/or limitations that may apply to your plan.**

**Before taking a loan from your retirement plan/account, you should consult a financial and/or tax advisor.**

## **MAXIMUM AMOUNT**

In many cases, you can borrow up to the lesser of 50% of your vested balance or \$50,000. If you’ve had an outstanding loan balance in any retirement plan offered by your Plan Sponsor within the past year, the maximum amount you can borrow may be reduced by the highest outstanding loan balance in the past 12 months.

## **MINIMUM AMOUNT**

The minimum amount you can borrow from your account is determined by your plan’s provisions.

## **LOAN DURATION**

In most cases, you must repay the loan within 5 years. If the loan is used to purchase a principal residence, your plan may allow a longer repayment period of up to 15 years. Additional documentation may be required for a primary residence loan with a repayment period of longer than 5 years.

You may be required to pay off an outstanding loan balance (or have your outstanding loan balance defaulted and deemed to be a taxable distribution) in certain situations, such as when you leave employment with the Plan Sponsor, or in the event of your death.

You can choose to repay the outstanding loan balance in full at any time. For information on paying off an outstanding loan, please contact Aspire.

## **RATE OF INTEREST**

In most cases, the loan’s interest rate will be equivalent to the federal prime rate plus 1% (based on when the loan is processed). Your plan, however, may require a different interest rate. The interest rate will be fixed for the duration of your loan, and all interest paid on the loan is reinvested in your account.

## **LOANS FROM SHARE CLASSES THAT HAVE FEES**

Loans may require the sale of shares of funds subject to contingent deferred sales charges (CDSC), redemption fees, or other charges/fees. To the extent that these charges/fees apply, additional assets will be sold from the account to pay these fees. Loan repayments may be treated as new purchases of shares.

## **REPAYMENT**

In most cases, your loan will be repaid through payroll deductions administered by your Plan Sponsor. Your Plan Sponsor should begin deducting loan repayments from your paycheck as soon as administratively possible following the issuance of your loan check.

## **REINVESTMENT OF LOAN INSTALLMENT PAYMENTS**

Loan repayments are invested based on your elections for the investment of contributions to your plan at the time each repayment is processed. When you exchange an existing balance in your account from one investment to another, this does not change how future contributions (and loan repayments) to your account will be invested. If you want to change how future contributions (and loan repayments) are invested, be sure to also change your elections regarding the investment of contributions.

## **DEFAULT**

A loan may be considered in default if scheduled payments are not made during the term of the loan. A defaulted loan may be deemed as a taxable distribution. In the event of a deemed distribution, the outstanding amount of the loan will be reported to the IRS, and may be subject to taxation and early withdrawal penalties. A defaulted loan may prohibit you from being able to later take another loan from your account.

## **PLAN DISTRIBUTION**

It is very important to note that if you begin taking your RMD, the outstanding loan balance must be included in determining how much you must distribute annually. You must continue to repay a loan after a qualified distribution.

## **QUALIFIED DOMESTIC RELATIONS ORDERS**

In the event the retirement account is to be divided pursuant to a properly executed Qualified Domestic Relations Order (QDRO), it remains the participant’s responsibility to continue to make loan repayments in accordance with the terms of this agreement.

## **DISCLAIMER**

Current tax regulations provide that a loan from the retirement account will not adversely affect the tax-exempt status of the account or be treated as a taxable distribution, provided the loan amount is within the maximum amount permitted by the plan and repayments are made strictly in accordance with the loan documents. However, neither Aspire Financial Services, LLC the plan custodian, nor the affiliates of either, assume any responsibility or liability for adverse tax consequences incurred by a participant, plan, or plan sponsor as a result of a loan from the plan.

Please **send** the completed form and all required supporting documents to: Aspire Financial Services, ATTN: Loan Processing, 4010 Boy Scout Blvd., Suite 450, Tampa, FL 33607 -or- **Fax:** 813.425.9790. **Questions?** Call Client Services at 866.634.5873, M - F, 8am - 8pm EST.