

CITY OF COSTA MESA GOVERNMENT 457(B) PLAN

PARTICIPANT LOAN APPLICATION

Please Print - Black Ink Preferred

Section I: Participant Information: Name: _____

Are you currently a full time employee with the City of Costa Mesa? (Circle One) Yes No

Do you currently have an outstanding loan with the City of Costa Mesa Government 457(b) Plan? (Circle One) Yes No

Are you currently undergoing divorce proceedings and/or have a Domestic Relations Order pending? (Circle One) Yes No

_____-_____-_____
Social Security Number

_____-_____-_____
Date of Birth

_____-_____-_____
Daytime Phone Number

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Section II: Loan Amount: Please allow *up to 10 business days* for your loan to be processed.

The amount of the loan requested is: \$ _____ for a period of _____ (1-5) years.

(This amount may be reduced; see Maximum Loan Amount below.)

The loan disbursement will be made on a prorated basis from your investment funds.

Minimum Loan Amount: \$1,000

Maximum Loan Amount: The maximum amount of any loan permitted under the Plan is the lesser of (a) 50% of the Participant's vested account balance less any outstanding loan balances under the Plan or (b) \$50,000 less the highest outstanding loan balance during the preceding one-year period

Note: If a specific amount was requested and the amount requested exceeds available funds, the loan will be processed for the maximum amount available.

Section III: Payment Instructions

- ☐ Send check via regular mail to my address (No fee)
- ☐ Overnight check to my address (\$10.00 fee will be deducted from your account)
- ☐ ACH transfer to my bank (No fee, please see ACH Instructions)

Section IV: Acknowledgement and Authorization

I hereby authorize the City of Costa Mesa Government 457(b) Plan to process the loan requested on this form from my vested account balance under the Plan in the amount and subject to the terms that I have elected above. I understand and acknowledge that:

- The statements on this PARTICIPANT LOAN APPLICATION are correct and complete. If any statement proves false, then the Plan may declare my indebtedness immediately due.
- The amount of my loan may be less than the amount requested if the amount I have requested exceeds the maximum loan allowable under the Plan.
- I will be asked to sign a promissory note that will describe the final terms and conditions for my loan, including the loan amount, applicable rate of interest, and events and consequences of default, any or all of which may be different from the terms and conditions described in this application.
- Until I sign the promissory note and Irrevocable Pledge and Assignment, no loan will actually be made, CA 457 will not have any obligation to make the loan, the terms of my loan will remain subject to change, and I will be free to decide whether to take out the loan.
- The fees are as follows: There is a \$90.00 loan origination fee which will be deducted from the account upon approval of the loan. There is a maintenance fee of \$50.00 deducted from the account within 5 business days after 12/01 each year. There is a \$50 default fee assessed on the date a default occurs (30 days after first missed payment).
- Loan repayments will be made monthly from after-tax transfers from the borrower's account held at a domestic financial institution. A full repayment is allowed without fee. Partial repayments are not allowed.
- In the event of a default (failure to repay), the remaining loan balance will be treated as a distribution and I will be subject to adverse tax consequences.
- CA 457 and the Plan shall not be liable for any adverse tax consequences described herein.
- One outstanding loan per participant of the Plan is permitted. If I apply and receive loan proceeds from a provider other than CA 457 for the Plan during the time period that I have an outstanding loan with CA 457, then this will result in a loan default and adverse tax consequences.
- I assume full liability for any tax penalties which may result from this loan. I understand that this loan application is subject to appropriate approval and applicable fees. I further understand that I am subject to payment of the loan origination fee even if I cancel the loan in accordance with the Loan Provisions.
- I have independently weighed the risk and have determined that requesting the loan is in my best interest.

I hereby authorize CA 457 to verify the statements in this application and to obtain any information the Plan or its authorized representative may require in connection with this application.

EXECUTED this _____ day of _____, 20 _____.

Print Name of Participant

Signature of Participant

CA 457 Benefits Signature

CA 457 Use Only: Verifications: FT Employed: _____, Current Vested Balance: \$ _____, Signature Match _____
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