

# SAN DIEGO ELECTRICAL ANNUITY PLAN

## Participant Loan Application

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1. **Name** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**City** \_\_\_\_\_ **State** \_\_\_\_\_ **Zip** \_\_\_\_\_  
**SSN** \_\_\_\_\_ **Date of Birth** \_\_\_\_\_ **Phone** \_\_\_\_\_

**Marital Status (check one)**

I am not married       I am married (if required, your spouse must consent to the loan below)

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2. **Participant Loan Eligibility.** Refer to your Summary Plan Description for a copy of the Plan's Loan Policy. This policy will provide you with the general rules (i.e. minimum loan amount, interest rate, term, number of loans permitted, etc.). This Participant Loan Application must be signed by you, your spouse (if applicable) and the Plan Administrator.

3. **Loan Collateral.** Your vested accrued benefit under the plan will serve as collateral for the loan. If you are married, your spouse may be required to consent to the use of your vested accrued benefit as collateral.

4. **Loan Funding and Fees.** I understand that this loan will be funded from my various investment funds and contribution sources in accordance with the Loan Policy. I agree that the interest rate on this loan will be the prime rate plus one percent (1%) determined at the time the loan is processed. I understand that a one-time loan processing fee of \$25.00 will be deducted from my account balance.

5. **Loan Amount (check one)**

\$\_\_\_\_\_ (fill in) If the amount requested is greater than the maximum available loan amount, then the maximum available loan amount will be issued); or,  
 Maximum loan amount available.

A Participant may have only one loan outstanding at any one time. A loan cannot be greater than 50% of your vested accrued benefit, (reduced by your highest outstanding loan balance during the last 12 months) or exceed \$50,000. I understand that the \$50,000 limit represents the highest available limit in any one year period. Any requested loan will be limited to \$50,000 minus the highest existing loan balance during the previous one-year period. For example, if I borrowed \$20,000 on September 1 of last year and have paid the loan off as of August 30 this year, I could only borrow up to \$30,000, regardless of the fact that the loan has been paid off.

6. **Loan Term.** The loan repayment frequency will be monthly. To be nontaxable, the loan must be repaid within 5 years. The loan term can only exceed 5 years if the loan proceeds will be used to purchase a principal residence for the participant.

Loan Term: \_\_\_\_\_ years. (Fill in number)\*

\*If greater than 5 years, I acknowledge that the purpose of this loan is to purchase a primary residence. \_\_\_\_\_ (Initial) (Provide copy of escrow documents)

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**7. Participant Acknowledgment.** I understand that the interest and principal paid on the loan will be allocated to my participant account. I also understand that it is my responsibility to repay the loan balance. If I fail to repay the loan subsequent to my termination from the Plan, according to the terms thereof, the outstanding principal and interest accrued on the loan will be treated as a taxable distribution to me by the Plan.

I acknowledge that by signing the loan application I am authorizing the liquidation of assets from my participant account to fund the loan. Upon funding of the loan, I will receive an amortization schedule and loan disclosure.

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Participant's Signature

Date

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**8. Spousal Consent and Witness of Spousal Consent.** (The signature of the spouse must be witnessed by a Notary Public.)

I understand that this loan is secured by my spouse's vested accrued benefit under the plan. I realize that failure to repay the loan will reduce the benefits available to my spouse and myself upon my spouse's retirement or other termination of employment. Knowing this, I consent to the loan on to my spouse according to the terms of this Loan Application.

I agree to release and discharge the Trustees, Plan Administrator and Plan Sponsor from all liability for acting upon this consent.

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Spouse's Signature

Date

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**Witness of Notary Public:**

\_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature(s) on the instrument the person(s) or the entity(ies) upon behalf of which the person(s) acted, executed this document.

WITNESS my hand and official seal.

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Notary Signature

(Official Seal)

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