

**Qualified
Loan Application**

AF9608A (04/19)



Americo Financial Life and Annuity Insurance Company

Phone: 800.231.0801 • Fax: 800.395.9238 • Email: forms@americo.com

Name of Owner

Policy Number

Loans require that a minimum of \$250 be borrowed. A maximum of 50% of the cash surrender value may be borrowed. If applicable, with supporting documentation from TRS (annual statement) the loan may be for more than 50%, but in no event shall a loan, when aggregated with any outstanding loans, be made for an amount that exceeds 90% of the policy/certificate's cash surrender value or \$50,000. New loans, after the first loan, must be for a minimum net of \$250. The undersigned hereby authorizes Americo Financial Life and Annuity Insurance Company (herein called the Company) to issue a net policy loan distribution to the Participant for:

the amount of \$ _____ or the maximum amount available.

The following information is required by the Company.

Yes No The proceeds of this loan will be used for a principal residence as defined in Section 72(p).

Distribution Method:

- Regular Mail
- EFT (please provide voided check)
- Overnight \$20.00 Fee (physical address required)

I have additional qualified plan balances with other Carriers as follows:

(e.g., other 403(b) policy values, excluding existing values with the Company)

Additional Balance \$ _____

Outstanding Loan Balance \$ _____

I understand the following:

1. I have reviewed the excerpts of Section 72(p) of the Internal Revenue Code (IRC) printed on page 3 of this application. I agree that the loan shall be repaid over a period of _____ months quarters (not to exceed 60 months or 20 quarters except if the loan is used to acquire the participant's principal residence in accordance with IRC Section 72(p)(2)(B)(ii)) with installments paid monthly, or quarterly, to provide level amortization of the loan. (If no length of time is stated, the Company will process the loan for a 60-month amortization period.) I understand that if the loan is not repaid in accordance with the appropriate schedule, the entire loan balance shall be treated as a distribution pursuant to the requirements of IRC Section 72(p) and may be subject to taxes, penalties and withdrawal charges. A 1099-R will be issued on the distributable amount.
2. The policy is assigned to the Company to secure the repayment of the loan. Interest is payable at the times and in the manner provided in the qualified plan endorsement. Should the total indebtedness against the policy equal or exceed the then cash surrender value, such cash surrender value shall be applied to the payment of the indebtedness and the contract shall automatically terminate if we have not received sufficient funds to keep the contract in force, and all liability of the Company in respect of this policy ceases. The loan shall be subject to the terms and conditions contained under the policy including the qualified plan endorsement.
3. The loan interest rate and calculation method are defined by the policy contract provisions.
4. If any amount is owed to the Company upon the Annuitant's death, or when a settlement option is elected, such amount owed will be treated as a cash withdrawal under the policy, subject to any applicable surrender charges, and the account balance to be distributed will be reduced accordingly in accordance with the terms of the policy.
5. If multiple loans are taken, repayment of each loan must adhere to its own amortization schedule.
6. Your loan may be subject to a \$25 processing fee for each loan taken unless not permitted by state law.

TAXPAYER IDENTIFICATION CERTIFICATION

1. Under penalties of perjury, I certify that I am a US citizen or other US person, and that the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me.)
2. I am not subject to backup withholding because (A) I am exempt from backup withholding, or (B) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (C) the IRS has notified me that I am no longer subject to backup withholding.
3. I am exempt from FATCA (Foreign Account Tax Compliance Act) reporting.

***You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you failed to report all interest or dividends on your tax return.**

By my signature below, I acknowledge that I have read and understand the above 403(b) loan disclosure information and that the information I have provided is accurate to the best of my knowledge. I certify that this loan when added to any outstanding loans does not exceed the amount allowed under IRC Section 72(p).

- I certify that I do not have an outstanding loan balance on a defaulted loan in any plan of my employer.
- I certify that I do have an outstanding loan balance on a defaulted loan, and that I understand that loan payments will have to be made by payroll deduction. I have enclosed a completed Employer Certification Loan Payment form.

Signature of Owner

Date

Tax Identification Number of Owner

Signature of Plan Administrator with Title

Date

Signature of Notary Public (If Required)

Stamp/Seal of Notary Public

NOTE: The release of policy values may affect the guaranteed elements, non-guaranteed elements, face amount, or surrender value of the policy from which the values are released. The policy owner(s) has the right to receive information regarding the existing policy or contract values including, if available, an in force illustration or policy summary.

POLICYOWNER'S ADDRESS

Street Address

City

State

ZIP Code

Daytime Telephone Number

EXCERPTS FROM IRC Sec.72(p)**(p) LOANS TREATED AS DISTRIBUTIONS - For purposes of this section -****(1) TREATMENT AS DISTRIBUTIONS**

(A) LOANS - If during any taxable year a participant or beneficiary receives (directly or indirectly) any amount as a loan from a qualified employer plan, such amount shall be treated as having been received by such individual as a distribution under such plan.

(B) ASSIGNMENTS OR PLEDGES - If during any taxable year a participant or beneficiary assigns (or agrees to assign) or pledges (or agrees to pledge) any portion of his interest in a qualified employer plan, such portion shall be treated as having been received by such individual as a loan from such plan.

(2) EXCEPTION FOR CERTAIN LOANS -

(A) GENERAL RULE - Paragraph (1) shall not apply to any loan to the extent that such loan (when added to the outstanding balance of all other loans from such plan whether made on, before, or after August 13, 1982), does not exceed the lesser of:

(i) \$50,000, reduced by the excess (if any) of (I) the highest outstanding balance of loans from the plan during the one year 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

(ii) the greater of (I) one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan, or (II) \$10,000.

For purposes of clause (ii), the present value of the nonforfeitable accrued benefit shall be determined without regard to any accumulated deductible employee contributions (as defined) in subsection (o)(5)(B).

(B) REQUIREMENT THAT LOAN BE REPAYABLE WITHIN 5 YEARS -

(i) **IN GENERAL** - Subparagraph (A) shall not apply to any loan unless such loan, by its terms, is required to be repaid within 5 years.

(ii) **EXCEPTION FOR HOME LOANS** - Clause (i) shall not apply to any loan used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the participant.

(C) NEW LOANS TAKEN AFTER A DEFAULT - If a participant in any plan of the employer has an outstanding loan balance on a defaulted loan, no new loan can be permitted unless the new loan payments are made through payroll deduction.

(D) REQUIREMENT OF LEVEL AMORTIZATION - Except as provided in regulations, this paragraph shall not apply to any loan unless substantially level amortization of such loan (with payments not less frequently than quarterly) is required over the term of the loan.

(E) RELATED EMPLOYERS AND RELATED PLANS - For purposes of this paragraph -

(i) the rules of subsections (b), (c), and (m) of section 414 shall apply, and

(ii) all plans of an employer (determined after the application of such subsections) shall be treated as 1 plan.