HORIZON TRUST

📱 (888) 205 - 6036   🖨 (505) 212 - 0494   ✉ operations@horizontrust.com

📍 Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

COMPLETE THE FOLLOWING SECTIONS

As a participant of an Individual 401(K) account, you have the option to take out a Participant Loan from your plan. This loan may not exceed $50,000 or 50% of your overall plan's market value. You are required to pay interest on the amount borrowed. The interest rate for your loan must at least be the Prime rate of interest and a reasonable rate.

If you wish to take out a Participant Loan, please complete the Loan Package in the following 3 pages. Before submitting your Loan Package request to Horizon Trust you must supplement the request with an Amortization schedule for the repayment of the loan and a copy of a voided check.

- [ ] Participant Information
- [ ] Loan Request Information
- [ ] Distribution Method

- [ ] Spousal Consent (if applicable)
- [ ] Agreement and Authorization
- [ ] Voided Check

The loan terms and conditions, limitations, and payment frequency are determined by the plan administrator and documented within the Loan Policy. Loan payments must be paid back at the percentage to the account within the plan borrowed from. Individual 401(k) plan loan payments are made on a monthly basis. At any time, you may call our office to arrange for loan payment in full.

All accounts are required to maintain a minimum balance of $500. If your request would drop your balance below this amount, your request may not be processed.

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PART 1. PARTICIPANT INFORMATION

First Name:

M.I.:

Last Name:

Account #:

Last 4 SSN Digits:

Date of Birth: *(MM/DD/YYYY)*

Email Address:

PART 2. LOAN REQUEST INFORMATION

Payments for Solo 401(k) loans require payment to be paid on a monthly or quarterly basis and must include both principal and interest. The maximum loan amount is generally the lesser of one-half your vested account balance or $50,000. These loan repayments must be made from a personal account, and you must attach a copy of a voided check.

Loan Setup Information

Requested Loan Amount: $

Loan Interest Rate: %

Length of Loan Term: Years

Is this loan for the purpose of purchasing your primary residence?:

Yes ◯   No ◯

Loan Repayment Method

I hereby authorize Horizon Trust Company to initiate debit entries to my account at the Financial Institution indicated below and for the Financial Institution to debit the same to such an account through the Automated Clearing House (ACH) system, subject to the rules of the Financial Institution. Until I give written instructions to the contrary, I direct the Custodian or Trustee to debit the amount requested as follows:

ABA (Routing) #:

Bank Account #:

Account Type:
◯ Checking   ◯ Savings

Loan Repayment Schedule

☐ I have attached an Amortization Schedule for my Loan.

1st Payment Date: *(MM/YYYY)*

Payment End Date: *(MM/YYYY)*

PART 3. LOAN DISTRIBUTION METHOD

☐ **Option 1. Check** *(See current Fee Schedule for applicable fees.)*

Send check via: ○ Regular Mail   ○ Overnight Mail *($50.00)*   ○ Cashier's Check + Overnight Mail *($50.00)*

Payee Name:

Payee Tax ID #:

Payee Address:

City:

State:

Zip:

☐ **Option 2. Direct Deposit**

Bank Name:

Phone:

☐ Check here if separate funding instructions or additional information is attached.

Payee Name: *(On bank account)*

Payee Tax ID #:

Payee Address:

City:

State:

Zip:

ABA (Routing) #:

Bank Account #:

Account Type:
○ Checking   ○ Savings

PART 4. SPOUSAL CONSENT

I am the spouse of the Borrower named above. I hereby consent to my spouse's request for a loan from his or her vested account balance in the plan. I understand that by consenting to my spouse's loan request, I may be forfeiting benefits I would be entitled to receive when my spouse dies.

☐ Single/No Spouse

❗ If married, spousal consent is required.

Signature of Spouse:

Spouse Name: *(Print or Type)*

Date: *(MM/DD/YYYY)*

PART 5. AGREEMENT & AUTHORIZATION

In applying for this loan, I acknowledge that I have been furnished with a copy of the Participant Loan Policy established by the Plan. If I am presently employed by the Employer sponsoring the Plan, I also understand that I must execute an agreement to use payroll withholding or enter into an ACH agreement to make payments on the loan. Additionally, I understand and agree to execute a pledge of 50% of my account balance as security for the loan. If I am married, the plan terms require that my spouse consent to the pledge.

I understand the Plan Administrator will make any loan in reliance on the statements on this Loan Application which I certify is correct and complete. I understand that I am required to create an Amortization Schedule and submit to the Plan Administrator. I hereby authorize the Plan Administrator 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.

☐ I acknowledge that I have read and understand Section 5: Distributions and Loans to Participants, of the Plan Document, and the terms and conditions of this loan have been set in accordance with the Loan Policy established by the Plan Administrator.

☐ I acknowledge that the custodian serves only as the record keeper and depository for any loan payments. It is the responsibility of the Loan Administrator, as stated in the Loan Policy, to ensure all terms and conditions of the loan are met, including, but not limited to, determining whether the loan should be treated as a deemed distribution under Internal Revenue Code section 72(p).

Signature of Account Owner:

Account Owner Name: *(Print or Type)*

Date: *(MM/DD/YYYY)*

LOAN APPLICATION