

**Horace Mann Investors, Inc.**  
P.O. Box 4511  
Springfield, Illinois 62708-4511  
Fax: 217-541-8370

## Retirement Advantage Loan Request & Agreement

Employer Name: \_\_\_\_\_

Account:  403(b)/403(b) Roth Account  457(b)/457(b) Roth Account  401(a) Account

*Please note: A separate form must be submitted for each account loan. This is the same form used to change the repayment options. However, the loan payment amount cannot be reduced below the original minimum payment. Please complete sections 1, 5, 7, and 9 if you would like to change the amount of your scheduled payment.*

### 1. Retirement Account Holder Information

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

*Checks will only be made payable to the participant and mailed to his/her address of record or forwarded to his/her bank account (no alternate payee is allowed).*

### 2. Disclosures

A. Have you defaulted on any 403(b), 457(b), or qualified plan loan?  Yes  No

B. Have you had a 403(b), 457(b), or qualified plan loan in the past 12 months\*?  Yes  No

\*If yes above, please provide the highest outstanding loan balance for all loans during the past 12 months: \$ \_\_\_\_\_

### 3. Amount and Term of Loan

#### A. Loan Rules

1. The minimum loan request amount is \$1,000.00.
2. The maximum loan amount for all loans from all retirement plans and deferred compensation plans sponsored by your employer may not exceed the least of:
  - i. Any maximum amount established by the plan; or
  - ii. 50% of the vested value of your account reduced by any outstanding loan balance on the date the loan is made, or
  - iii. \$50,000 reduced by the highest outstanding loan balance during the preceding 12 months ending on the day before the current loan is made.
3. If the dollar amount you are requesting exceeds the amount available for a loan from your account, Horace Mann Investors, Inc. (HMII) will process for the maximum amount available. Please contact HMII or your plan administrator for additional questions on your plan's limits.
4. The repayment period may not exceed 5 years except for residential loans. Once a loan repayment period is selected it cannot be extended. Loan repayments will be based on substantially level amortization over the term of the loan.
5. If requesting an additional loan, as permitted by your employer's plan, the repayment method must be the same for both loans.

B. Amount Requested: \$ \_\_\_\_\_

*Please use the online tools for amortization and repayment options.*

C. Term of Loan:

- 1 Year     2 Years     3 Years     4 Years     5 Years  
 \_\_\_\_\_ Years (Principal Residence cannot exceed 20 years)

#### 4. Loan Proceeds Delivery Method

If a prior loan is in the process of being paid off, these new loan proceeds may not be released until your prior payment has cleared your bank.

A. Distribution of Proceeds

- Send a check to my address on file  
 Next Day Mail (\$60 processing fee)  
 Regular Mail (5 – 7 business days)  
 Direct Deposit (electronically deposit funds directly into my bank account)

Financial Institution Name: \_\_\_\_\_

Bank Phone Number: \_\_\_\_\_

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

ABA Routing #: \_\_\_\_\_ Bank Account #: \_\_\_\_\_

- Checking Account                       Savings Account.

#### 5. Repayment Information

A. Amount of Repayment (if more than the minimum payment): \$ \_\_\_\_\_

B. Date of repayment each month

- 5<sup>th</sup>             10<sup>th</sup>             15<sup>th</sup>             20<sup>th</sup>             25<sup>th</sup>

C. Banking Information             Same as section 4

Financial Institution Name: \_\_\_\_\_

Bank Phone Number: \_\_\_\_\_

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

ABA Routing #: \_\_\_\_\_ Bank Account #: \_\_\_\_\_

- Checking Account                       Savings Account

D. Instructions to Cancel the Electronic Payment:

Contact HMI in writing to cancel the reoccurring debit to your account using the information in section 11. **Please note, electronic payment is the only method of payment for your loan and if the authorization is revoked without a replacement account, the loan may become in default for missed payments.**

**6. Debit ACH Bank Authorization**

Electronic Funds transfer is the only method of repayment for loans. I authorize Horace Mann Investors, Inc. (HMII) through its custodian Matrix (MB Trust) to debit my bank account specified above for the purpose of making loan repayments.

I understand that fees may be assessed when obtaining this loan and ongoing maintenance fees may be assessed in subsequent years of the loan. Annual fees are assessed in January and I authorize the debit of the bank account specified above for that payment in addition to the loan payment for that month. Please contact HMII for a full listing of fees related to the origination and maintenance of the loan.

In the event of a returned payment, I authorize HMII and/or MB Trust to make an additional attempt to debit the account within 5 business days once notified by the account owner's financial institution. If the additional attempt is returned, HMII will contact the account holder to discuss alternate methods of payment for the missed loan payment. If the additional attempts to collect a payment are unsuccessful, the loan may be considered in default. Please note, an ACH return fee may be assessed and included in the loan payment amount when the second attempt is debited from the bank account. This fee is in addition to any fee your financial institution may assess your account for a returned payment. HMII and MB Trust are not responsible for any return fees assessed by your financial institution.

**7. Bank Account Holder for Debit ACH Bank Authorization**

Account Holder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**8. Loan Agreement**

Any loan repayments received will first be applied towards repayment of the loan balance. The receipt of funds above the scheduled payment will be applied to reduce the principal and will not eliminate the need for or reduce future payments but may, instead, reduce the length of the loan. A loan will be considered to be in default if any loan payment is not received within 90 days of the scheduled loan payment due date (grace period). The defaulted loan will continue to accrue interest until paid or foreclosed upon. If foreclosure occurs, the foreclosure amount will equal the loan amount, plus outstanding interest.

HMII will establish a new loan interest rate each calendar year for loans initiated in that calendar year. This loan interest rate is based on a monthly rolling average of the Monthly Average of the Composite Yield on seasoned corporate bonds, as published by Moody's Investors Service, Inc., for the 12 month period ending 9/30 each year, rounded down to the nearest 0.05%. This loan rate will be applicable for any new loans initiated in the following calendar year and is fixed for the duration of such loans. The interest rate for your loan is [4.15%].

I have read and understand the terms of this loan agreement and accept the terms stipulated. I promise to repay the sum of the loan amount and applicable interest in consecutive equal installments. I further understand that if the requested loan is not in accordance with IRS regulations governing maximum loan amounts and repayment schedule, it may be considered taxable income. I accept full responsibility for compliance with IRS regulations and further understand that Horace Mann Investors, Inc. (HMII) accepts no responsibility concerning my compliance with IRS requirements necessary to avoid realization of taxable income. Consult with an appropriate tax advisor for additional information and advice.

I request to borrow the loan amount listed above from my account, based on terms specified above. I understand that my request for a Plan loan is subject to review by the Plan Administrator and must meet the requirements outlined in your employer's plan in order for a loan to be granted. I certify that the statements on this application are correct and complete.

**9. Retirement Account Holder and Spouse Signature for Loan Agreement**

Account Holder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Spouse's Signature\*: \_\_\_\_\_ Date: \_\_\_\_\_

\* Required in the Community Property States of AZ, CA, ID, LA, NM, NV, TX, WA, and WI.

**10. TPA/Plan Administrator Approval and Signature**

I as Authorized Plan Administrator certify that (1) this transaction is in accordance with the terms of the plan; (2) the Participant has been provided with all required explanations of the taxation rules regarding this transaction, (3) the record keeper is entitled to rely on our authorization and is hereby indemnified from all liability arising from following our instructions.

TPA/Plan Administrator Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**11. How to Submit Your Request**

If you have any questions about this form, please call The Retirement Advantage team at (877) 602-1870, between 8:00 am CST and 5:00 pm CST.

Please return this completed form to HMII for processing either via mail or fax as follows:

HMII Retirement Advantage  
P.O. Box 4511  
Springfield, IL 62708-4511

OR Fax Number (217) 541-8370