

**OKLAHOMA COUNTY DEFINED CONTRIBUTION PLAN**  
**LOAN REQUEST AND AGREEMENT**

The following pages contain the forms that must be completed to apply for an Oklahoma County Defined Contribution Plan loan and a copy of the current loan guidelines. Please review the forms and guidelines carefully and complete the information requested.

Completed loan forms should be submitted to InvesTrust Retirement Specialists for processing. Forms may be mailed to 5100 N Classen Blvd, Suite 620, Oklahoma City, OK 73118 or faxed to 1-888-748-7835. **If you would like to have your loan proceeds made by direct deposit, please attach a voided check to the loan forms.** If the forms are not complete or are not completed properly, we will return them to you with an explanation of what additional information is necessary. If you have any questions concerning loans, please call (405) 848-0258 for assistance.

**VIEW YOUR ACCOUNT ONLINE AT:**  
**<https://www.checkmy401k.com>**

## OKLAHOMA COUNTY DEFINED CONTRIBUTION PLAN LOAN GUIDELINES

Each Plan Participant of the Defined Contribution Plan, with a fully or partially vested account balance, is eligible to participate in the loan program. Listed below are the loan guidelines for active plan participants:

- **Use.** Loans will be made for the general use of the Participant. Upon receiving Participant's loan application, InvesTrust Retirement Specialists will verify service for vesting by obtaining written verification in the form of letter or e-mail from the Oklahoma County Benefits Department. The Benefits Department will provide written verification to InvesTrust Retirement Specialists within 48 hours from receipt of request. A Participant should allow 3 to 5 working days for loan processing after this information is received from Oklahoma County.
- **Fees.** The Participant will be responsible for all fees associated with the loan, including the loan application fee of \$75.

**Limitation on Loan Amount.** The maximum loan amount shall be the lesser of *fifty-thousand dollars (\$50,000)* or fifty percent (50%) of the Participant's non-forfeitable accrued benefit (vested account balance), as reflected by the books and records of the Plan.

The maximum aggregate loan amount over any twelve (12) month period cannot exceed *fifty-thousand (\$50,000)*. In the event a Participant receives and retains possession of any single loan amount in excess of *\$50,000*, that Participant shall be responsible for any and all tax consequences related to said excess amount.

The minimum loan amount will be one thousand (\$1,000). The Participant may have a maximum of 5 loans outstanding subject to the limitations prescribed in the above paragraph. The total of all loans for each Participant shall not exceed *\$50,000* in outstanding principal at any time.

- **Number of Loans Outstanding.** Multiple loans will be allowed. The maximum number of outstanding loans permitted at any time will be five.
- **Interest Rate.** The interest rate charged will be the New York Prime Rate in effect at the time of the loan. The rate will be fixed for the life of the loan.
- **Evidence of Loan.** InvesTrust Retirement Specialists shall document every loan in the form of a promissory note signed the Participant for the face amount of the loan, together with a reasonable interest rate, payable in level installments by monthly payroll deductions if an active Participant and as a monthly billing if an inactive or retired Participant. The first loan payment will be due the last day of the following month the loan is issued. In no instance shall the term for repayment be greater than five (5) years. Participants should note the Internal Revenue Code treats the amount of any loan not repaid five years after the date of the loan a taxable distribution on the last day of the five year period.
- **Security for Loan.** A Participant shall secure each loan with an irrevocable pledge and assignment of the non-forfeitable amount of the borrowing Participant's accrued benefit under the Plan, necessary to satisfy the outstanding principal loan balance. If default occurs and the account is otherwise distributable, the Participant's account value will be reduced by the amount of the loan. The borrowing Participant's account alone shall be credited with any interest paid on the loan, and it alone shall bear any expense of any loss it incurs in connection with the loan.
- **Change of employment status.** Should a full-time employee's status change to part time or a full-time employee take an authorized unpaid leave of absence while a loan is outstanding, payments will still be due to the Plan. A Participant may make arrangements with InvesTrust Retirement Specialists to continue monthly payments or pay off the loan in full.

Should a full time employee be called to active Military duty while a loan is outstanding, loan payments will be suspended during the period of active duty in accordance with IRC Section 414 (u)(4). The loan will not be considered in default for non-payment during any period of active Military duty. Upon return from active Military duty, the loan will be reamortized over period equal to the remainder of the loan term on the date the Military Leave began. The loan will again be subject to default as described in the section entitled Default. During the period of Military Leave, the loan will bear interest at the rate provided in the Soldiers and Sailors Relief Act.

- **Employment Termination.** Should a fully vested Participant's full-time employment terminate for any reason while a loan is outstanding, payments will still be due to the Plan. Partially vested Participant's will have up to twelve months from their termination date to repay their outstanding loan. A Participant may make arrangements with InvesTrust Retirement Specialists to continue monthly payments or pay off that loan in full. Terminated Participant's are not eligible to obtain loans from the Plan. Retired Participant's (as defined by the Oklahoma County Retirement Board) are eligible to obtain loans from the Plan, if eligible.
- **Default.** Loan payments must be received within thirty (30) days of the due date or the loan will be considered in default. Loan defaults will affect a Participant's eligibility for future loans. Pursuant to IRS regulations, the defaulted loan (including interest) remains outstanding for purposes of determining the maximum amount for subsequent loans. A Participant will be required to payoff any defaulted loans (including interest) in order to be eligible to initiate another loan. The Participant should note the Internal Revenue Code upon default treats the amount of any unpaid loan as a taxable distribution. Further, if the Participant is under age 59 ½ the amount deemed distributed is subject to a 10% excise tax. Please consult your tax adviser to determine what impact, if any, the above information may have on your tax situation for the current year or in future years.
- **Other.** The intent of the policy is to summarize the County's position regarding the administration of Participant loans. Where there is a conflict between this policy and any federal or state laws, or changes thereof, the federal or state laws, or changes thereof, will control and will be automatically incorporated into this loan policy. Oklahoma County reserves the right to revoke or make changes to this loan policy.
- **Loan Application Procedures.** A Plan Participant who desires to participate in the Retirement System's Loan Policy, must comply with the following:
  - Contact InvesTrust Retirement Specialists at 405-848-0258 to request an Oklahoma County Defined Contribution Plan Loan application. InvesTrust Retirement Specialists will mail the application to the address on file and which they utilize for the applicant's quarterly reports.
  - Complete the application in full and return to InvesTrust Retirement Specialists at the address indicated on the application.
  - InvesTrust Retirement Specialists will verify the available vested amount, the National Prime Interest Rate and the amortized amount of your monthly deduction. InvesTrust Retirement Specialists will request service for vesting by obtaining written verification in the form of letter or e-mail from the Oklahoma County Benefits Department. The Benefits Department will provide vesting information in writing to InvesTrust Retirement Specialists within 48 hours after request received. The period for processing the application is estimated to take 3 to 5 working days if loan application is completed properly and following the Benefits Department verification of vesting. InvesTrust Retirement Specialists will mail your check along with other necessary documents to your home address. Your loan proceeds may also be in the form of direct deposit by including a voided check with the loan application.
  - InvesTrust Retirement Specialists will notify the County's payroll department of the period for loan repayment deductions and the amortized monthly payment. The first deduction will be taken from the paycheck issued the month following issuance of your loan check. (Example: loan check issued in May, first deduction appears on the June paycheck.)
- **Loan repayment.** The borrower is responsible for making certain that the employer is withholding the proper loan payments. If the borrower determines that a loan payment has not been withheld, the borrower must notify the employer and arrange for a make-up loan payment(s) before a default occurs. If the borrower does not make the missed loan payment(s) and a default occurs, the borrower will be subject to adverse federal income tax consequences.

**TRUTH-IN-LENDING LOAN DISCLOSURE STATEMENT**

(a) **Specific Rates and Costs:** A disclosure statement based on your actual loan amount and the interest rate in effect at the time of the loan will be provided with the loan check and an executed copy of this agreement. The example shown below is based on a \$1,000 loan at the current interest rate of 3.50%

<b>Annual Percentage Rate</b>	<b>Amount Financed</b>	<b>Total of Payments</b>	<b>Finance Charge</b>
Cost of your credit as a yearly rate	Initial dollar amount of the loan	Amount paid after all payments as scheduled	Total interest charges and administrative fees
3.50%	\$1,000.00	\$1,092.22	\$92.22

- (b) **Itemization of Amount Financed:** You are entitled to receive upon request an itemization of the Amount Financed.
- (c) **Interest Rate Feature:** The Annual Percentage Rate shown above is a fixed interest rate and this loan is a fixed rate loan. The actual loan rate will be the National Prime Rate of Interest in effect at the time of the loan. The rate will remain unchanged during the term of the loan.
- (d) **Payment Schedule:** In the example above, the participant will make 59 consecutive payments. Payroll deduction of the payments will commence in accordance with the payroll deduction form you complete. The first payment(s) will be applied on the last day of the month following the loan date month and each month thereafter. There are no late charges. For payments that are not payroll deducted or loan payments made after termination of employment, the due date for each amortized payment is the last business day of each month. Payments not received by this date will be applied at the end of the following month.
- (e) **Prepayment:** It is agreed that the unpaid balance of the loan, together with the accrued interest, may be paid in full at any time without penalty. Partial prepayments will satisfy accrued interest and then will be applied against the principal amount outstanding, but will not postpone the due date of any subsequent monthly payments or change the payment amount.
- (f) **Security:** The participant is granting a security interest in the Borrower's vested interest in the Oklahoma County Defined Contribution Plan.
- (g) **Other Contract Terms:** See the other provisions of the Promissory Note/Security Agreement for information about nonpayment and default, and any required repayment in full before the scheduled date.

**OKLAHOMA COUNTY DEFINED CONTRIBUTION PLAN  
LOAN REQUEST AND PROMISSORY NOTE/SECURITY AGREEMENT**

**1. PERSONAL INFORMATION** (Please Print)

Name of Borrower (Last First, M.I.):	Social Security Number:
Street Address:	
City, State, Zip:	
Department	Full Telephone Number

I would like to receive my distribution proceeds by (select one option)

**IMPORTANT:** If no voided check is included with application, a check will be mailed to the address on loan request.

Direct Deposit \_\_\_\_\_ Mail \_\_\_\_\_ Call Phone Number \_\_\_\_\_  
(attach voided check) (To pick up check in person)

**2. AMOUNT OF LOAN**

**3. LOAN REPAYMENT SCHEDULE**

\_\_\_\_\_ (a) \$ \_\_\_\_\_ (Minimum \$1,000)  
 \_\_\_\_\_ (b) Maximum Amount Available

I wish to elect a repayment schedule of monthly amortized payments over the following:

\*\*if loan amount not selected, loan will be set up for maximum available

( ) 59 Months (Maximum)  
 ( ) \_\_\_\_\_ Months, if less than 59 months

\*\*if repayment schedule not marked, loan will be set for 59 months

**Instructions for Sections 2 and 3:** Enter the amount of loan you are requesting and the desired repayment schedule for the loan. Complete 2(a) if you are requesting a specific loan amount. If you wish to have a loan of the maximum amount available under the plan, check item 2(b). **If the amount requested exceeds the maximum loan amount allowed under the plan, your loan will automatically be the maximum loan you are allowed.**

\* **IMPORTANT:** If you have an existing loan(s), your new total loan payment will equal the payment(s) on your outstanding loan(s) plus the payment for the new loan you are requesting. The payment schedule for the new loan will be based on your election in Section 3.

**4. GENERAL CONDITIONS**

The minimum amount of any loan is \$1,000, however the loan amount must not exceed the lesser of 50% of your account balance as of the date of the loan or **\$50,000**. The **\$50,000** maximum loan amount is based on the sum of all qualified plan loans. If you have other loans in one or more plan(s), the **\$50,000** maximum amount must be reduced by the highest outstanding balance of any plan loan for the last 12 months. You are responsible for verifying that your loan does not exceed this amount.

Page two of this loan form packet contains the current loan guidelines. Review these guidelines for information concerning plan requirements for obtaining a loan, loan payments, outstanding loan limitations, etc.

An irrevocable payroll deduction authorization must be completed and submitted. Amortized loan payments must be payroll deducted for active participants. The payroll deduction authorization will remain in effect until the earlier of your employment termination or the date the loan is repaid. You may make additional payments at any time without penalty. In the event that there is not sufficient income for the payroll deduction (i.e. unpaid leave of absence), it will be your responsibility to pay the loan payment due directly to the Plan.

If the loan is in default, you will have taxable income in the amount of any outstanding loan balance. If you are under age 59 1/2, this amount may be subject to the 10% early distribution tax. Please consult your tax adviser to determine what impact, if any, the above information may have on your tax situation for the current year or in future years.

The interest rate on this loan is the National Prime Rate of Interest. The rate will be fixed for the life of the loan.

**PROMISSORY NOTE AND SECURITY AGREEMENT**

This Loan Agreement is executed as of the loan date shown below by and between the Oklahoma County Defined Contribution Plan ("the Plan") and the Borrower indicated in Section 1 of this Agreement.

The Borrower acknowledges receipt of and agrees to repay the Plan an amount equal to the actual Amount Financed plus the interest accrued, as noted in the Truth-In-Lending Disclosure, on the Amount Financed. Amortized payment amounts are due each month on the Payment Due Date beginning the month following execution of the loan agreement. Prepayment of the unpaid principal and accrued interest may be made by the Borrower at any time without penalty.

The laws of the State of Oklahoma governing the terms of the Plan will govern this agreement.

In the event of the Borrower's death and/or the event a benefit from the Plan becomes payable to the Borrower or Borrower's beneficiary, then the indebtedness secured by the Loan shall be due and payable in full and will be applied against any benefit payable from the Plan.

In order to secure this promissory note, the Borrower hereby grants the Plan a security interest in the Borrower's vested portion of the Plan in the amount of the loan balance at any given time multiplied by two (2). In the event the collateral is determined by the Plan to be insufficient to adequately secure this promissory note, then, upon request, the Borrower will promptly furnish collateral satisfactory to the Plan. Additionally, the Borrower will take such action and execute and deliver such other documents as may be requested by the Plan which are reasonably necessary to carry out the intent of this Agreement.

The Plan may, at its option, declare the unpaid balance of this promissory note due and payable in full upon the Borrower's failure to pay any installment or to provide additional collateral, documents, or to take action, if required, within 60 days after a Payment Due Date without receipt of the scheduled payment amount by the Plan. Upon default, this promissory note may be collected without any demand, presentment or protest by the Plan. In addition, the County will not allow Plan loans for any Borrower with a loan in default.

If a default is not cured within the 60-day period, the Plan shall exercise its legal rights including foreclosure of the Borrower's Plan or security to satisfy the unpaid balance of this promissory note. If in default, foreclosure shall be on the earlier of the termination of the Borrower's employment with the Borrower's Employer, or the Borrower becoming eligible for a Plan distribution under the federal tax guidelines in effect at the time of the default.

With his or her signature below, the Borrower acknowledges receipt and understanding of the loan guidelines and the other loan provision information provided with this agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this Loan Request and Agreement Form.

DATE: \_\_\_\_\_  
Signature of Borrower

**INVESTTRUST N.A. CERTIFICATION AND APPROVAL.** I have reviewed and approved this loan request and agreement.

By: \_\_\_\_\_ Date \_\_\_\_\_

**OKLAHOMA COUNTY DEFINED CONTRIBUTION PLAN  
LOAN REPAYMENT PAYROLL DEDUCTION AUTHORIZATION FORM**

Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_  
 Department: \_\_\_\_\_ Daytime Phone Number \_\_\_\_\_

\*\*\*\*\*  
**Payroll Deduction Authority**

I have decided to take advantage of the loan feature of the Oklahoma County Defined Contribution Plan. I hereby authorize my employer to add or change my deduction for the amount necessary to repay my loan as shown below. I understand that this payroll deduction authorization is irrevocable and will cease at the earlier of my termination of employment or the repayment of the loan. I also understand that in the event that there is not sufficient income for this payroll deduction (i.e. unpaid leave of absence) it will be my responsibility to pay the loan payment directly to the Plan.

I understand that I am responsible for making certain that the employer is withholding the proper loan payments. If I determine that a loan payment has not been withheld, I must notify the employer and arrange for a make-up loan payment(s) before a default occurs. If I do not make the missed loan payment(s) and a default occurs, I will be subject to adverse federal income tax consequences.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

<b>FOR OFFICE USE ONLY</b>			
<b>Payroll Department</b>		<b>For Investrust Use</b>	
Monthly Payment Amount		Address verified:	
Loan Number:		Payment amount:	
Loan Date:		Loan amount:	
Loan Amount:		Number of payments:	
Number of Payments:		Signatures:	
Vesting		Vesting	
		Checker 1 initial & date:	
		Checker 2 initial & date	