



**APPLICATION FOR LOAN FROM
MABSTOA PENSION PLAN**

**2 BROADWAY, 10TH FLOOR, ROOM D10-20/D10-25
NEW YORK, NY 10004
(646) 376-0123**

FOR OFFICE USE ONLY

CLOCK-IN-DATE

**Application for Loan
Tier 3, Tier 4 and Tier 6 Members Only**

BSC ID **Date of Birth**

Pass Number **Social Security Number** - - (Last 4 digits)

First Name **Middle Initial**

Last Name

In care of (if applicable)

Address **Apt. No.**

City **State** **Zip Code**

Home/Cell Phone No. **Work Phone No.**

Before filing this application, be sure you read the TERMS under which a loan will be issued (see TERM pages)

Select one option only for "Loan Requested" and for "Repayment Schedule"

Failure to select an option will result in the loan being processed as if a maximum loan amount had been requested with a minimum repayment amount. Selecting more than one option in any section may result in the loan not being processed. In all cases, the total new outstanding loan can never be greater than the maximum allowed by law, and the requirement to repay the loan within five years may cause the repayment amount to be higher than the amount requested.

Check the appropriate boxes or fill in the amounts.

Loan Requested

Maximum or Amount \$

Repayment Schedule

Minimum Repayment or Amount per Payroll Period \$ or Number of Payments

By submitting this application, I hereby declare that I do not presently have two or more loans outstanding from my 401k, 457, and pension plans combined. I do hereby make application for a loan subject to the **TERMS** allowed by law and the rules of **MABSTOA PENSION PLAN**. I have read and I understand the **TERMS** governing this loan.

Signature of Member _____ **Date** _____

This form must be acknowledged before a Notary Public or Commissioner of Deeds

State of County of

On this day of 20 , personally appeared before me the above named, , to me known, and known to me to be the individual described in and who executed the foregoing instrument, and he or she acknowledged to me that he or she executed the same, and that the statements contained therein are true.

Signature of Notary Public or Commissioner of Deeds **If you have an official seal, affix it.**

Official Title

Expiration Date of Commission

r/t) loan terms 5/15

MABSTOA PENSION LOAN

MABSTOA PENSION LOAN TIER 3, 4 AND 6 LOAN RATES ON NEW LOANS ISSUED

INTEREST RATE	6.00%	THE APPLICATION FEE OF \$30.00 WILL BE DEDUCTED FROM THE LOAN CHECK. DO NOT SUBMIT WITH THE APPLICATION.
LOAN INSURANCE	0.30%	
	6.30%	

APPROXIMATE REPAYMENT SCHEDULE FOR BI-WEEKLY PAYROLLS. FOR A MEMBER ON A WEEKLY PAYROLL THE REPAYMENT AMOUNT WILL BE ABOUT HALF THAT OF A LOAN PAYABLE OVER THE SAME NUMBER OF YEARS.

Loan Amount	Years	5	4	3	2	1
	# Months	130	104	78	52	26
\$50,000		\$449	\$544	\$704		
\$45,000		\$404	\$490	\$634	\$922	
\$40,000		\$359	\$436	\$563	\$820	
\$39,000		\$350	\$425	\$549	\$799	
\$38,000		\$341	\$414	\$535	\$779	
\$37,000		\$332	\$403	\$521	\$758	
\$36,000		\$323	\$392	\$507	\$738	
\$35,000		\$314	\$381	\$493	\$717	
\$34,000		\$305	\$370	\$479	\$697	
\$33,000		\$296	\$359	\$465	\$676	
\$32,000		\$287	\$348	\$451	\$656	
\$31,000		\$278	\$338	\$437	\$635	
\$30,000		\$269	\$327	\$423	\$615	
\$29,000		\$260	\$316	\$408	\$594	
\$28,000		\$251	\$305	\$394	\$574	
\$27,000		\$242	\$294	\$380	\$553	
\$26,000		\$233	\$283	\$366	\$533	
\$25,000		\$224	\$272	\$352	\$512	\$993
\$24,000		\$215	\$261	\$338	\$492	\$954
\$23,000		\$206	\$250	\$324	\$471	\$914
\$22,000		\$197	\$240	\$310	\$451	\$874
\$21,000		\$189	\$229	\$296	\$430	\$834
\$20,000		\$180	\$218	\$282	\$410	\$795
\$19,000		\$171	\$207	\$268	\$389	\$755
\$18,000		\$162	\$196	\$254	\$369	\$715
\$17,000		\$153	\$185	\$239	\$348	\$675
\$16,000		\$144	\$174	\$225	\$328	\$636
\$15,000		\$135	\$163	\$211	\$307	\$596
\$14,000		\$126	\$152	\$197	\$287	\$556
\$13,000		\$117	\$142	\$183	\$266	\$517
\$12,000		\$108	\$131	\$169	\$246	\$477
\$11,000		\$99	\$120	\$155	\$225	\$437
\$10,000		\$90	\$109	\$141	\$205	\$397
\$9,000		\$81	\$98	\$127	\$184	\$358
\$8,000		\$72	\$87	\$113	\$164	\$318
\$7,000		\$63	\$76	\$100	\$143	\$278
\$6,000		\$54	\$65	\$85	\$123	\$238
\$5,000		\$45	\$54	\$70	\$102	\$199
\$4,000		\$36	\$44	\$56	\$82	\$159
\$3,000		\$27	\$33	\$42	\$61	\$119
\$2,000		\$18	\$22	\$28	\$41	\$79
\$1,000		\$9	\$11	\$14	\$20	\$40

IN ALL CASES, PAYMENTS MAY NOT BE LESS THAN 2% OF BASE SALARY

WHEN REFERRING TO THIS CHART, PLEASE COMBINE THE NEW REQUESTED AMOUNT AS WELL AS ANY OUTSTANDING LOAN YOU MAY HAVE.

MABSTOA PENSION LOAN

MABSTOA PENSION PLAN

LOAN APPLICATION FOR TIERS 3, 4 AND 6 MEMBERS ONLY

TERMS OF LOAN

Eligibility:

1. An employee in active service and in pay status with at least one year of membership service credit may borrow from the MABSTOA PENSION PLAN by filing a properly completed and notarized application.
Note: MaBSTOA must have a birth date on file before processing a loan.
2. An outstanding loan cannot exceed 75% of the contributions, with interest, last posted to the member's account. The maximum loan from the plan cannot exceed \$50,000.
3. Employee's account balance must have at least \$1,334. The minimum loan amount is \$1,000.
4. Once a loan has been issued by MaBSTOA, it may not be cancelled.
5. **Only one loan may be issued in any 12-month period. There is no provision in the law to allow for any exceptions, even in emergency situations.**
6. The maximum number of outstanding loans allowed within a 12-month period is **TWO**. This includes loans from the pension plan and 401(k) and/or 457 deferred compensation plans.
7. The employee's account(s) remains intact and continues to accrue interest on the full balance. The amount borrowed is from pension plan funds.

Fees:

1. There is a service fee of \$30.00 for processing each loan. This fee is automatically deducted from the loan check.
2. Those who are no longer on payroll may switch to manual payment; however, there is a \$5.00 per check fee for each manual payment.
3. All manual payments must be in the form of money order, cashier's check, and/or certified bank checks.

MABSTOA PENSION LOAN

Payment:

1. An employee in pay status may only make payments by payroll deductions. Once set, the repayment schedule remains the same for each payroll period until the loan is paid in full.
2. Repayments must be at a rate not less than 2% of your gross salary per pay period. Because all loans (including interest and insurance premiums) MUST be paid within five years, it may be necessary for MaBSTOA to adjust your repayment to an amount higher than requested.
3. Effective January 1, 2004, each loan issued and outstanding is considered separate, and a separate repayment schedule must be applied. A separate deduction will be made for each loan issued.
4. An employee may request, in writing, to repay the outstanding loan in a lump sum. The employee will then be provided with a statement specifying the amount due on a certain date.
5. If an employee is no longer receiving a paycheck from which loan payments are being deducted, it is important to contact **(646) 376-0123** to arrange for payments. This is especially true for vested employees. (See Consequences section for further information.)
6. Deductions for repayment should begin in the first or second pay period after your loan application has been processed. If loan payments are not deducted from your paycheck, notify BSC immediately.

Interest:

1. The employee must pay the current 6.3% (6% interest rate and a 0.3% mandatory payment for insurance).
2. Whenever there is a change in the interest rate, it shall be applicable to loans applied for after the date of such change.

Consequences of Non-Payment:

1. If an employee leaves MaBSTOA service with an outstanding loan balance, and discontinues payments, interest will accrue on the outstanding loan up to the date of retirement. This outstanding balance may increase to such a large amount as to significantly decrease the retirement benefit otherwise payable.
2. A loan for which no payments have been made for over 90 days is termed a *Non-Performing Loan* and may have adverse tax consequences. (See Taxability section for further information.)
3. If a member has a *Non-Performing Loan*, he or she forfeits all future entitlement to borrow until the outstanding balance is fully paid.
4. Insurance coverage is DISCONTINUED on a *Non-Performing Loan*. (See Insurance section for further information.)

MABSTOA PENSION LOAN

Insurance:

1. Loan insurance is MANDATORY and employees may not elect to waive the insurance premium of .3%.
2. Insurance coverage applies only upon the death of a member.
3. All loans are fully insured AFTER 30 days of issuance. The amount of the new loan will be uninsured for the first 30 days.
4. Insurance coverage is discontinued on a *Non-Performing Loan*. Your *Non-Performing Loan* will no longer be insured against your death and if a beneficiary is due to receive a benefit, the amount of that benefit will be reduced by the amount of the outstanding loan.
5. The terms or conditions of coverage may be modified, or the insurance coverage itself may be discontinued.

Taxability:

If an employee currently has two or more loans outstanding and applies for an additional loan, the application for a loan will be denied. With the exception of loans greater than \$50,000, current tax law does not consider a loan scheduled to be repaid within 5-year period to be a taxable distribution. If the loan is not paid within 5 years, then the outstanding balance at the end of that 5-year period may be considered a taxable distribution. In addition if loan payments are not made for a 90-day period, the Internal Revenue Service (IRS) considers the loan to be a non-performing loan and some part of the outstanding loan will be deemed taxable and reported to the IRS. Subsequent loan payments will not negate the fact that a taxable distribution has been reported. An outstanding loan will also be at least partially taxable upon an employee's retirement or at the time an employee elects to obtain a refund of contributions plus interest after resignation. In addition to being taxable at an employee's normal tax rate, the distribution may incur an additional 10% penalty if the employee is under 59 ½ years of age.

Military Service:

1. For an employee who is called into military service and who has an outstanding loan balance, such a loan will be suspended until the employee is discharged from the service.
2. Interest rate continues to accrue at 6%.
3. The loan repayments may be increased to insure the outstanding balance is paid within the maximum 5-year period.

DID YOU REMEMBER TO:

- Indicate pass number on application form?
- Sign the application form?
- Have application form notarized?
- Complete all highlighted items on page 1?
- Read all the loan terms?