

**Account Reduction Loan Application
401(k) Plan**

Participant forward to:
Great-West Retirement Services®
545 Mainstream Drive, Suite 407
Nashville, TN 37228
Phone #: 1-800-922-7772
Web site: www.tn.gov/treasury/dc



State of Tennessee 401(k) Plan

98986-02

Participant Information

Last Name	First Name	MI	Social Security Number
()	()		E-Mail Address
Home Phone	Work Phone		Mo Day Year
			Date of Birth

Your loan check made payable to you will be mailed to your address on file unless otherwise requested in the Address Change/Alternate Mailing Address section below. You may confirm your address on file by accessing your account online at www.tn.gov/treasury/dc. If you have recently changed your address or have any questions regarding the address on file, please contact our Client Service Department at 1-800-922-7772.

Payroll Information

Division Name	To be completed by Representative:
	Division Number Department Number

Type of Loan - Choose one

- GENERAL PURPOSE LOAN:** Available for any purpose.
Choose repayment term: 1 year 2 years 3 years 4 years 5 years
- PRINCIPAL RESIDENCE LOAN:** Available **ONLY** to purchase or build a principal residence (not available to renovate or refinance a principal residence). Attach an executed sales contract for the principal residence being purchased.
Choose repayment term: 10 years 11 years 12 years 13 years 14 years 15 years

Loan Amount

Amount of Loan	\$ _____	Minimum Loan: General \$2,000; Residence \$5,000
Loan Origination Fee	\$ -50.00	Maximum Loan: Generally the lesser of 50% of your vested account balance or \$50,000
<input type="checkbox"/> Express Delivery Fee*		Note: If a specific amount was requested and the amount requested exceeds available funds, we will process the loan for the maximum amount available.
Deduct \$25.00 from my check amount.	\$ -25.00	
CHECK AMOUNT	\$ _____	*Checks can be sent express only to street addresses, not P.O. boxes.

Method of Payment

You must be an **Active Employee** in order to take out a 401(k) loan. Repayments must be made through **Payroll Deduction**. If you are a terminated employee, you have the option to take out a partial withdrawal from your account. Your repayment schedule is determined by how often your contributions are remitted to your account. Please check the appropriate box below.

- State Employee (Paid monthly)
- State Employee (Paid semi-monthly)
- University of Tennessee (Monthly remittance)
- Board of Regents (Monthly remittance)

Address Change/Alternate Mailing Address

- Primary Residence Address Change** - I understand that a check made payable to me requested on this form will be mailed to my new primary address I provided on this form.

For Active Employees Only - I understand that it is my responsibility to update my address with my employer in addition to changing my primary address on this form. Failure to do so will/may result in my address being incorrect on Service Provider's records. A current address is essential for correspondence and tax purposes.

Address - Number & Street	City	State	Zip Code
<input type="checkbox"/> Alternate Mailing Address - I understand that this address will be used for a loan of my account.			
Address - Number & Street	City	State	Zip Code



Last Name First Name MI Social Security Number

Optional Fax Information

Fax my Promissory Note and Truth-in-Lending Disclosure to _____
(fax number)

Notarized Signature

My signature acknowledges that I have read, understand and agree to all pages of this Account Reduction Loan Application form. I affirm that all information I have provided is true and correct. I understand that funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information. I certify that the amount requested does not exceed the allowable amount. I understand that payments are to be made by payroll deduction and are due according to the amortization schedule that I receive.

Participant Signature **Date**

Statement of Notary

NOTE: Notary seal must be visible, if applicable.

State of _____)
)ss. The consent to this request was subscribed and sworn to (or affirmed) to before me on this _____ day of _____,
County of _____) year _____, by _____ (name of participant) proved to me on
) the basis of satisfactory evidence to be the person who appeared before me, who affirmed that such consent represents
) his/her free and voluntary act.

SEAL

Notary Public _____ My commission expires _____

Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company, FASCORE, LLC (FASCORE Administrators, LLC in California), First Great-West Life & Annuity Insurance Company, White Plains, New York, and their subsidiaries and affiliates. Great-West Life & Annuity Insurance Company is not licensed to conduct business in New York. Insurance products and related services are sold in New York by its subsidiary, First Great-West Life & Annuity Insurance Company. Other products and services may be sold in New York by FASCORE, LLC.

LOAN PROVISIONS

Cost - A loan origination fee in the amount of \$50 shall be deducted from the loan amount approved. In addition to the origination fee, a monthly processing fee of \$2 will be charged to your account.

Optional Express Delivery - \$25 non-refundable charge - Express delivery is available for Monday through Friday delivery only and is not available to P.O. boxes. Delivery is not guaranteed to all areas.

Amount of Loan - The maximum loan amount, when added to the outstanding balance of all other loans from all qualified plans sponsored by your employer, is generally the lesser of 50% of your vested account balance, or \$50,000 reduced by the excess, if any, of your highest total outstanding balance of all such loans for the one-year period ending on the day before the date the loan is made, over the outstanding balance of loans from all such qualified employer plans on the date the loan is made.

Service Provider is not responsible for aggregation of loans under different plans maintained by the same employer.

Source and Application of Funds - Loan disbursements will be made on a prorated basis from each of your current investment options and contribution sources. If you have a self-directed brokerage account, your loan cannot be processed unless you have sufficient funds in the core investment options (non-self-directed investment options) to cover the loan amount plus the core minimum investment amount. Roth and Non-Roth money sources will be depleted according to the Plan's loan policy.

Eligibility - You may have up to two loans outstanding at any one time; however, a minimum of 12 months must pass between issuance of loans. Loans are not available to individuals who have previously defaulted on a loan from the Plan. Note that if you file bankruptcy, the bankruptcy court may prohibit the state from processing your repayments through payroll deduction.

Interest Rate Determination - The interest rate for this type of loan is fixed for the life of the loan. The interest rate is 1% over the prime rate published in the Wall Street Journal on the first business day of the month the loan is originated.

Repayment - If payments are made by payroll deduction, Service Provider will send a notice to your employer's payroll department at the time your loan is made, indicating the dollar amount your employer must begin deducting from your pay each pay period according to the payroll frequency indicated in the Method of Payment section. For state employees, a billing file will be transmitted by Great-West Retirement Services® to the state's central payroll office to begin your loan repayments. For University of Tennessee and Board of Regents employees, your amortization schedule will be sent to your payroll department showing the monthly amount due. Be aware that if you are paid more often than once per month, your repayment amount may be split between two paychecks. You should refer to your Truth-in-Lending Disclosure and Promissory Note and/or amortization schedule for information as to the amount and due date of each payment. **It is entirely your responsibility to ensure that timely loan repayments are being remitted to Service Provider by your employer's payroll department to avoid the tax consequences associated with a defaulted plan loan.**

Principal and interest payments shall be reinvested in your account in accordance with your investment election in effect at the time the payments are received by Service Provider.

Default - If the sum of all loan payments due in a calendar quarter is not made and payment is not received by the end of the following calendar quarter, pursuant to Internal Revenue Code rules and regulations, the loan will be in default and the entire outstanding loan balance, including accrued but unpaid interest, shall be deemed distributed and will be tax reported to you. This entire amount must be included in your gross income in the calendar year of default. An IRS premature withdrawal penalty may also apply. Borrowers who default on a loan from the Plan will be prohibited from obtaining future loans from the Plan.

Leave of Absence - Contact Service Provider for a Loan Payment Change Request form.

Prepayment - Prepayment of the outstanding loan principal and the accrued interest may be made by the next loan payment due date. Arrangements for payment must be made by obtaining a prepayment figure no more than 15 days before the payoff. You must obtain a payoff quote by calling 1-800-922-7772. Consider submitting payment by certified check or bank money order.

Principal Reduction Method - You can elect to send a payment to reduce the principal balance of your loan. The payment received will be applied first to the current payment due and then to the outstanding principal balance.

Full Distributions - Before a full distribution can be processed, you must have experienced a distributable event and elect to treat the loan as a taxable distribution.

Distribution on Death - All outstanding loan principal and accrued interest shall be treated as a distribution from the Plan on the date of death. The loan cannot be transferred to, or assumed by, your beneficiary. In addition, the amount of the outstanding loan will be tax reported as a distribution to you or your estate, as applicable.

Hold Harmless - Service Provider accepts no responsibility for any adverse tax consequences to you resulting from your failure to adhere to the terms of this agreement and all applicable federal and state loan laws, and you hereby hold Service Provider harmless from any claim, of whatever nature, from yourself, your creditors, your family, your heirs, successors and assigns in connection with this agreement.

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