



## ARA Request for New Loan

### What you should know about your John Hancock USA Loan Record-Keeping

Your John Hancock USA contract allows for loans to participants, provided loans are permitted under your plan. If your plan allows for loans and you select this option, there are certain features of John Hancock USA loan record keeping services which you should understand.

#### It is important to note that.....

The plan administrator is responsible for **administration** of plan loans. John Hancock USA is not responsible for determining whether loans are allowed under the plan, for underwriting the loan; setting the interest rates; for ensuring that the loans are repaid according to the amortization schedules; or determining if and when the loan is a deemed distribution.

There are usually fees associated with taking a loan. Your Third Party Administrator may charge a loan set-up fee.

John Hancock USA is responsible for the **record-keeping** of transfer loans, and any new loans issued under your ARA contract. John Hancock USA charges a monthly record-keeping fee for any new loans.

#### Please also be aware.....

Loan balances indicated on the amortization schedule will not agree exactly with the John Hancock USA loan balances. Minor discrepancies appear because:

- John Hancock USA begins to accrue interest on loans from the issue date of the check. The amortization schedule may not commence the accrual of interest until the day the check is received by the participant. **This will result in a small discrepancy in the interest figures.**
- John Hancock USA compounds interest daily, while most amortization schedules compound interest on a monthly or semi-monthly basis. **This again can result in a small discrepancy between your loan balance and ours.**
- John Hancock USA accrues interest until the date the loan payment is received, while you may cease to accrue interest on the date the actual payroll deduction occurs. You may be able to eliminate delays resulting in the accrual of additional interest by making your payments through direct debit in conjunction with John Hancock USA's electronic file creation options.

If there is a minor discrepancy between your records and ours, **the amortization schedule will govern.** That is, if your records indicate that a loan is paid in full, and John Hancock USA records indicate a small outstanding balance, we will consider the loan to be paid in full.



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Contractholder name					Contract number
Participant name (Last name, first name, initial)					Social Security number
Amount of loan \$	Loan maturity	Month	Day	Year	Loan interest rate %

## Notes

- It is the responsibility of the plan administrator to ensure that:
  - participant loan qualification requirements are met (according to the plan document).
  - the granted loan meets the tax law requirements and is not treated as a distribution.
  - the plan loan is not a prohibited transaction.
  - John Hancock USA will be notified if and when a loan is deemed to be a distribution for tax purposes. John Hancock USA is not responsible for preparing and filing any tax reporting until and unless such notification has been provided by the plan administrator, and if such service is available under your contract.
- When John Hancock USA receives a payment, we will reduce the Loan Account balance by the amount of the repayment. Loan repayments will be applied first to interest owing on the loan, and then to the principal. All loan repayments must be remitted through your plan trustee. Please do not send personal checks directly to John Hancock USA.
- This loan request does not constitute a promissory note or loan agreement.

## Loan Withdrawal Order

If you have money types to be excluded from the loan, please indicate below. If money types have been excluded, please complete the section below to indicate which money types should be included and the correct amount for each.

Money Type to be excluded	Money Type to be excluded	Money Type to be excluded

Please indicate the type of money to be withdrawn and the amount. It is essential that you use the names that appear on the contract statements. Please note, some contracts may have the option of selecting the investment account to be withdrawn. Please check with your Plan Administrator for details. **If this section is not completed, John Hancock USA's Standard Loan Withdrawal Order will be used. (Please refer to your plan administrator for details).**

Money Type	Amount	Group Annuity Investment Account For approved contract only
	\$	
	\$	
	\$	
	\$	

**Payment Instructions**

**Check payable to:**  Plan trustee  Participant - please provide full participant name and address

Participant name (First name, initial, last name)				
Address	Street	City / Town	State	Zip code

**If you wish to have the loan amount wired to a financial institution, please complete below.**

**Wire Information**

Financial Institution Name			
Financial Institution Address - Number, Street,	City	State	Zip Code
Credit Party Name			
Financial Institution ABA Number			
Account Number			
Attention/Re			

**Signatures**

Signature of participant	Date
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I hereby certify that the requested loan is not a taxable or a deemed distribution under the Internal Revenue Code, and that the loan complies with the plan document and all pertinent laws. I certify also that spousal consent (as required by Internal Revenue Code Section 417), if applicable, has been properly obtained and that the loan is not a prohibited transaction as defined in the Internal Revenue Code Section 4975 or under the Employee Retirement Income Security Act.

Signed at	City	State	This	Day of	Year
Signature of authorized plan representative				Name	