

401(K) LOAN FREQUENTLY ASKED QUESTIONS

Can I take out a loan against my 401(k) account?

Yes. The Zimbrick, Inc. Retirement Savings Plan allows participants to take out a loan against their retirement account.

How long does the loan process take?

The loan process takes approximately 2 weeks to complete. Please plan ahead!

What situations qualify for a loan?

1. The purchase of a principal residence for the Participant (excluding mortgage payments).
2. To prevent the eviction of the Participant from his or her principal residence or foreclosure on the mortgage of the Participant's principal residence.
3. Tuition and other educational expenses for the next semester or quarter of post-secondary education for the Participant, his or her spouse or dependents.
4. Unreimbursed medical and dental expenses incurred by the Participant, his or her spouse or dependents.
5. Funeral expenses of a Participant's family member.
6. Significant home improvements.

Can I take out a loan to pay off credit card debt?

No. Participants may only take out a loan for the reasons listed above.

How much money can I ask for?

The minimum loan amount is \$1,000. The maximum loan amount is limited to 50% of the participant's **vested** account balance, not to exceed \$50,000, minus any loan amount the participant has had outstanding during the previous 12-month period.

Can I take out more than one loan at a time?

No. Participants can only have one outstanding loan at a time.

What is the interest rate?

The interest rate is the prime lending rate in effect at the time of the loan request.

Where does the interest go?

Loan payments are regularly deducted out of the participant's paychecks. The principal and interest are credited back to the participant's retirement account. You pay yourself back, with interest.

What form is required to take out a loan?

Participants will need to complete a 401(k) Loan Policy and Application form. You will also need to provide documentation that supports the need for a loan. Married participants will need notarized spousal consent.

Where can I get the forms?

Please contact Diversified Investment Advisors at 800-755-5801 or online at www.divinvest.com.

See your Summary Plan Description (SPD) for further details on loan requirements.