



North Atlantic States CARPENTERS ANNUITY FUND

Connecticut Office
10 Broadway
Hamden, CT 06518
Phone: 800-922-6026
Fax: 203-230-2457
carpentersfund.org

New York Office
270 Motor Parkway
Hauppauge, NY 11788
Phone: 631-952-9700
Fax: 631-952-9813
carpentersfund.org

NORTH ATLANTIC STATES CARPENTERS ANNUITY FUND

Dear Annuity Fund Participant:

You have asked about applying for a hardship loan from the North Atlantic States Carpenters Annuity Fund (Fund). The Fund's hardship loan application process requires you to receive numerous forms in *two separate steps*. Those marked with an (*) must be completed and returned and the item marked with (**) requires the completion of one form or the other.

Here is a list of what is enclosed with this packet, and note that this is step 1:

- *I. Hardship Loan Application.
- *II. Participant Consent For Hardship Loan. IT MUST BE NOTARIZED.
- **III. Spousal Consent For Hardship Loan OR Certification of Unmarried / Single Status – *we need one or the other*. THE SUBMITTED DOCUMENT MUST BE NOTARIZED.

By properly completing the forms listed in items I through III and providing them back to the Fund at the address noted below, we can determine the hardship loan amount you are eligible to receive, along with the applicable interest rate that will apply to your hardship loan amount. This will then allow us to provide you with the forms required for step 2, which include:

- *IV. Truth In Lending Disclosure Statement.
- *V. Promissory Note.

If you have questions about completing these forms, or the two steps in our application process, please call (800) 922-6026 toll free in CT or (203) 281-5511. When we receive all of your properly completed forms (those listed in items I through V), we will submit your hardship loan application for approval at the next Board of Trustees meeting. Assuming you qualify, you would receive the loan amount as soon as administratively possible after the Board of Trustees approves your application.

Your properly completed Hardship Loan Application, along with all other required documentation, must be received in the Connecticut Fund Office (10 Broadway, Hamden, CT 06518) no later than _____.

North Atlantic States Carpenters Annuity Fund

NORTH ATLANTIC STATES CARPENTERS ANNUITY FUND

HARDSHIP LOAN RULES

This is an explanation of the rules applicable to all Plan hardship loans or “loans” from the North Atlantic States Carpenters Annuity Fund (“Plan”). All loans are made in accordance with the provisions of the Plan, the rules set forth in this explanation, and all applicable provisions under ERISA and the Internal Revenue Code. Loans are also made available to participants on a reasonably equivalent basis, are not made to highly compensated employees (as defined by Internal Revenue Service or “IRS” rules) in an amount greater than the amount made available to other employees, bear a reasonable rate of interest, and are adequately secured. These loan rules may be amended from time to time by the Board of Trustees or its designee. Unless otherwise specifically noted, capitalized terms herein have the same meaning as in the Plan document.

1. Applying for a Loan. You, as a participant in the Plan with an Account balance (including a former Employee), may apply for a loan at any time by completing a loan application and returning it to the Connecticut Fund Office (if you are a Connecticut or Rhode Island member) or the New York Fund Office (if you are a New York member). The Fund’s decision to approve or deny the loan will be based upon the amount of the loan requested and the applicable Plan rules.

If your loan is approved, you will be required to sign a Promissory Note and you will be provided with information regarding your loan.

If your loan is approved and the Promissory Note is signed, your principal loan amount will be disbursed to you after your application’s approval. As loan applications are approved on a monthly basis, any disbursement to you would occur on or about the beginning of the month following the month in which your loan is approved.

2. Amount you can borrow. The amount of any loan to you from the Plan must be for a minimum of \$1,000.00 and may not exceed the lesser of:
 - (a) \$50,000, or
 - (b) 50% of your Account balance under the Plan as of the most recent Valuation Date.
3. Types of Allowable Hardship Loans. A listing of the type of hardships which allow you to obtain a loan from the Plan:
 - (a) Incurred uninsured expenses for medical care for you, your spouse or a dependent claimed on your federal tax return, or the need for the monies to obtain medical care and those expenses are deductible under Internal Revenue Code §213(d), determined without regard to whether the expenses exceed 7.5% of your adjusted gross income. *You must provide a copy of the invoice, or letter from your health care provider, describing the cost and need for the procedure, along with your benefit statement or other evidence that insurance will not cover the expense.*
 - (b) Accredited post-secondary education institution expenses for you, your spouse or a dependent claimed on your federal tax return for tuition, related educational fees, and room and board expenses for the next 12 months. *You must submit a copy of the invoice or letter from the institution confirming enrollment and expenses.*
 - (c) To prevent eviction from your principal residence or the foreclosure on the mortgage of your principal residence. *You must submit a copy of the Notice of Foreclosure Sale, eviction notice or foreclosure notice. **Hardship loans for eviction will be issued in a joint check, i.e., payable to the Participant AND the Landlord.***

- (d) For the purchase of your principal residence. You may not use any portion of the loan for one or more mortgage payment(s). *You must submit a copy of the signed purchase agreement and a copy of your mortgage loan commitment letter.*
- (e) Payment of burial or funeral expenses for your deceased parent, spouse, child, spouse's parent or dependent claimed on your federal tax return. *You must submit a copy of the death certificate and funeral home bill showing the costs of the burial or funeral.*
4. Repayment. Each loan must be repaid in substantially equal payments of principal and interest within five (5) years of the date of the loan, except for the purchase of your principal residence, which can be longer (but in no event more than 30 years). You will be responsible for making payments by mail or in person to the Fund Office when due.
- You will receive a payment schedule from the Fund Office upon approval of your loan that will list your monthly payment amount, including the breakdown of principal and interest. Monthly payments must be in the exact amount of the scheduled payment. Prepayment of the *full outstanding loan balance* may be made at any time without penalty; however, partial repayments, including partial monthly payments, cannot, and will not, be accepted.
- Under IRS rules, a participant who obtains a loan and subsequently performs military service in the uniformed services of the United States may elect to suspend loan repayments during such period of military service in accordance with applicable law.
5. Default. A participant will be considered in default of his or her Plan loan if he or she:
- ✓ fails to pay an installment of principal or interest due under the terms of the promissory note by the last day of the calendar quarter following the calendar quarter in which the installment was due.
 - ✓ is subject of any bankruptcy, insolvency or debtor relief proceeding.
 - ✓ dies.
- Upon default, the entire amount of the outstanding loan will become taxable income in the tax year of default. It will be reported to the IRS as a "deemed distribution" subject to taxes and any applicable penalties (e.g., an additional 10% tax may be imposed if you are under age 59-1/2).
6. Interest Rate. The loan will bear an interest rate of 3.5% as determined by the Board of Trustees. This rate will not exceed 6% for participants on military leave. All interest you pay on the loan will be allocated to your Plan Account. This is the only earnings the loan will receive during the year. In years when the Plan has general earnings greater than the interest rate charged on the loan, your earnings percentage will be lower than those participants who did not take a loan.
7. Security for the Loan. All loans must be evidenced by a promissory note furnished by the Fund Office and signed by you. The note will grant the North Atlantic States Carpenters Annuity Fund, its associated Plan, and its Board of Trustees, a security interest in your Plan Account balance, up to an amount equal to 50% of your Account. Should you default on the loan, your Account will be reduced by the amount of the defaulted loan.
8. Plan's Administrative Fees. The Plan will charge you certain administrative fees for services provided in connection with your loan. These fees will be paid out of your Account balance, above the principal amount of your loan. The Plan will charge you a one-time Loan Initiation Fee for processing the loan at the time your loan is approved. The Loan Initiation Fee is currently \$125 and may change. The Plan will also charge you an Annual Fee. The Annual Fee will be charged to you on the first day of each year following the

approval of your loan while your loan is outstanding (*i.e.*, beginning the second year your loan is outstanding). The Annual Fee is currently \$50 and may change.

9. Loan Default Fee. The Plan will charge you a Loan Default Fee for services provided in connection with your loan in the event you are in default on your loan because you fail to pay an installment of principal and/or interest due under the terms of the promissory note by the last day of the calendar quarter following the calendar quarter in which the installment was due. This Loan Default Fee will be paid out of your Account balance, above the principal amount of your loan. The Loan Default Fee is currently \$125 and may change. The Loan Default Fee will be charged to you on the first business day following your default.
10. Other Rules related to the loan. The loan is also subject to the following rules:
 - a) Your loan is subject to the terms of the promissory note.
 - b) If you are married at the time the loan is made, you must obtain your spouse's consent to the loan.
 - c) Only one loan may be outstanding at any time.
 - d) If you default on a loan, you will not be eligible for future loans from the Plan, regardless of the reason for your default.
 - e) The interest you pay on the loan will be credited to your Account balance in the Annuity Fund. This will be the only investment income that the loan balance will earn while the loan is outstanding. All principal payments will be credited to your Account balance and will share in the general investment earnings of the Plan.
 - f) A \$35.00 charge will be assessed for any payment that is returned for non-sufficient funds (NSF). If a second payment is returned for non-sufficient funds, you will be required to submit all subsequent payments via certified, cashier's check or money order.

Applications for Connecticut members are available at the Fund Office at 10 Broadway, Hamden, CT 06518, and online at www.carpentersfund.org. If Connecticut members have any questions, please call (203) 281-5511. Applications for New York members are available at the Fund Office at 270 Motor Parkway, Hauppauge, NY 11788, and also online at www.carpentersfund.org. If New York members have any questions, please call (631) 952-9700, Option 5.

NORTH ATLANTIC STATES CARPENTERS ANNUITY FUND HARDSHIP LOAN APPLICATION

Participant Name _____ SSN _____

Spouse Name _____ SSN _____
(if married)

Local Union No. _____

Full Address _____

Phone _____ Alternate Phone _____

HARDSHIP LOAN AMOUNT

Pursuant to the applicable plan provisions I, _____, a Participant in the North Atlantic States Carpenters Annuity Fund (Fund) and its related plan, the North Atlantic States Carpenters Annuity Plan (Plan), request that the Trustees approve a hardship loan to me from the Plan in the amount of \$ _____, which is required to meet an immediate and heavy financial need as determined by Plan rules.

I represent to the Trustees that: (A) I understand that this hardship loan ("loan") may not exceed the lesser of \$50,000 (reduced by the highest outstanding balance of Plan loans made to me during the 12-month period ending the day before the loan is made), or one half of my Account balance in the Plan as of the most recent valuation date, and (B) I have determined that it would be more beneficial for me to receive a hardship loan under the Plan rather than requesting a standard hardship withdrawal, assuming I am otherwise eligible for a hardship withdrawal.

In the event that the requested loan exceeds the limit permitted under item (A), above, I request the maximum allowable amount.

TYPE OF HARDSHIP

The reason for my request is (check applicable box, complete blanks, and attach the documentation noted):

- ☐ I (or my spouse or dependent claimed on my federal tax return) have incurred uninsured expenses for medical care (or need the requested monies to obtain medical care) in the amount of \$ _____ and those expenses are deductible under Internal Revenue Code §213(d), determined without regard to whether the expenses exceed 7.5% of my adjusted gross income. *(A copy of the invoice, or letter from my health care provider, describing the cost and need for the procedure, along with benefit statement or other evidence that insurance will not cover the expense, are attached.)*
- ☐ I (or my spouse or dependent claimed on my federal tax return) am attending an accredited post-secondary educational institution and require \$ _____ for the next 12 months of tuition, related educational fees, and room and board expenses. *(A copy of the invoice or letter from the institution confirming enrollment and expenses is attached.)*

- ☐ I need \$_____ to prevent eviction from my principal residence, or foreclosure on the mortgage of my principal residence. *(A copy of the Notice of Foreclosure Sale, eviction notice or foreclosure notice is attached.)*
- ☐ I need \$_____ for use in the purchase of my principal residence. I acknowledge that no portion of my request can be used for one or more mortgage payment(s). *(A copy of the signed purchase agreement and mortgage loan commitment are attached.)*
- ☐ I need \$_____ for payment of burial or funeral expenses for my deceased parent, spouse, child, spouse's parent or dependent claimed on my federal tax return. *(A copy of death certificate and funeral home bill showing the costs of the burial or funeral are attached.)*

LENGTH OF LOAN

I request a hardship loan repayment period of:

- ☐ Five Years
- ☐ _____ Years [cannot exceed five (5) unless for the purchase of your primary residence* which can be to a maximum of thirty (30)] years

You must provide a copy of the purchase agreement and mortgage loan commitment letter as proof

Notes: The Plan will charge you certain administrative fees for services provided in connection with your hardship loan. These fees will be paid out of your Account balance, above the principal amount of your loan. Specifically, the Plan will charge you a one-time Loan Initiation Fee for processing the loan at the time your loan is approved, and this current Fee is \$125 and may change. The Plan will also charge you an Annual Fee on the first day of each year following the approval of your loan while the loan remains outstanding (*i.e.*, beginning the second year your loan is outstanding). The Annual Fee is currently \$50 and may change. Further, if you fail to pay an installment of your loan on a timely basis and are in default, the Plan will charge you a Loan Default Fee. The Loan Default Fee is currently \$125 and may change.

CERTIFICATION

I hereby certify, subject to the penalty of perjury, that the above information is, to the best of my belief and knowledge, true and complete, and that all documentation I have submitted to the Fund with this application is true and complete. **Any person who supplies a false certification in claiming a benefit, including a hardship loan, forfeits any right he or she may have to the benefit and, upon discovery, becomes liable for full repayment of any money received as a consequence.**

SIGNATURE _____ DATE _____

PARTICIPANT CONSENT FOR HARDSHIP LOAN

I, _____, a Participant in the North Atlantic States Carpenters Annuity Fund, acknowledge that in order to satisfy my obligations to the Plan to repay the hardship loan granted to me in the principal sum of \$_____ at a fixed rate of interest (disclosed to me to be 3.50%) determined at the time of loan distribution, the Fund may, if I default on the loan according to Plan provisions, deem the unpaid balance (including accrued interest) a taxable distribution to me and reduce my Account in the amount of the unpaid balance of such loan, and report the amount of such distribution to the Internal Revenue Service. I understand that if the loan defaults and I have not yet reached age 59-1/2, an additional 10% tax may also be imposed. I understand and agree that if I default on a loan, I will not be eligible for future loans from the Plan, regardless of the reason for my default. I further agree to hold harmless the Board of Trustees of the North Atlantic States Carpenters Annuity Fund and its employees and agents from any and all costs and expenses for claims that may be brought against them in connection with my loan.

DO NOT SIGN AND DATE THIS SECTION UNLESS YOU ARE IN THE PRESENCE OF A NOTARY

I hereby certify, subject to the penalty of perjury, that the above information is, to the best of my belief and knowledge, true, accurate and complete. ANY PERSON WHO SUPPLIES A FALSE CERTIFICATION IN CLAIMING A BENEFIT, INCLUDING A HARDSHIP LOAN, FORFEITS ANY RIGHT HE OR SHE MAY HAVE TO THE BENEFIT AND, UPON DISCOVERY, BECOMES LIABLE FOR FULL REPAYMENT OF ANY MONEY RECEIVED AS A CONSEQUENCE.

SIGNATURE _____ DATE _____

PRINT NAME _____ SSN _____

Subscribed to and sworn to before me this _____ day of _____, 20_____.

Notary Public
My Commission Expires

- IF YOU ARE MARRIED, YOUR SPOUSE'S CONSENT IN THE PRESENCE OF A NOTARY MUST BE OBTAINED ON THE "SPOUSAL CONSENT FOR HARDSHIP LOAN" FORM
- IF YOU ARE NOT MARRIED, PLEASE SIGN THE "CERTIFICATION OF NO SPOUSE" FORM AND HAVE IT NOTARIZED

SPOUSAL CONSENT FOR HARDSHIP LOAN

I, _____ declare that I am the spouse of _____, a Participant in the North Atlantic States Carpenters Annuity Fund, and that I have read and understood the terms of this note and related loan documents. I hereby consent to the loan that may be granted to my spouse and to all of the terms of the note, including (1) the granting of the Plan loan requested by the Participant, (2) the pledge of the Participant's Plan Account with the Fund as collateral, and (3) the unpaid balance being deemed a distribution from (meaning a permanent payment out of) Participant's Account if there is a default in repayment of the loan to be reported to the Internal Revenue Service. I further agree to hold harmless the Board of Trustees of the North Atlantic States Carpenters Annuity Fund and its employees and agents from any and all costs and expenses for claims that may be brought against them in connection with my spouse's loan. I understand that my consent to the foregoing, once given, cannot be revoked.

DO NOT SIGN AND DATE THIS SECTION UNLESS YOU ARE IN THE PRESENCE OF A NOTARY

I hereby certify, subject to the penalty of perjury, that the above information is, to the best of my belief and knowledge, true, accurate and complete. ANY PERSON WHO SUPPLIES A FALSE CERTIFICATION IN CLAIMING A BENEFIT, INCLUDING A HARDSHIP LOAN, FORFEITS ANY RIGHT HE OR SHE MAY HAVE TO THE BENEFIT.

SPOUSE'S SIGNATURE _____ SSN _____

Subscribed to and sworn to before me this _____ day of _____, 20_____.

Notary Public
My Commission Expires:

CERTIFICATION OF NO SPOUSE

Federal Law requires the Trustees to confirm whether a spouse is entitled to any portion of your retirement benefits. As such, it is necessary that we request the following certification and supporting documentation. Failure to sign this form in the presence of a notary public will result in a delay of the processing of your application.

I, _____ (*print name*) the undersigned Member and Participant in the North Atlantic States Carpenters Annuity Plan (the "Plan"), hereby certify and represent that I am not presently married, do not have a spouse, and will immediately notify the Fund Office if I marry at any time before the effective date of my loan.

I further agree to hold harmless the Board of Trustees of the North Atlantic States Carpenters Annuity Fund and its employees and agents from any and all costs and expenses for claims that may be brought against them in connection with my loan.

DO NOT SIGN AND DATE THIS SECTION UNLESS YOU ARE IN THE PRESENCE OF A NOTARY

I hereby certify, subject to the penalty of perjury, that the above information is, to the best of my belief and knowledge, true, accurate and complete. ANY PERSON WHO SUPPLIES A FALSE CERTIFICATION IN CLAIMING A BENEFIT, INCLUDING A HARDSHIP LOAN, FORFEITS ANY RIGHT HE OR SHE MAY HAVE TO THE BENEFIT AND, UPON DISCOVERY, BECOMES LIABLE FOR FULL REPAYMENT OF ANY MONEY RECEIVED AS A CONSEQUENCE.

SIGNATURE _____ DATE _____

Subscribed and sworn to before me this _____ day of _____, 20_____.

Notary Public
My Commission Expires:

NORTH ATLANTIC STATES CARPENTERS ANNUITY FUND

DOCUMENTS & FORMS CHECKLIST TO INCLUDE WITH YOUR HARDSHIP LOAN APPLICATION

Please utilize the checklist below to ensure that you have completed your application fully. This will expedite the application process. Missing documents and incomplete application forms will delay the processing of your application. Items noted with a * are required if you are married.

Hardship Loan Application Form
Certification of No Spouse Status
Participant Consent for Hardship Loan form
Spousal Consent for Hardship Loan form*
Copy of your birth certificate, social security card, or passport
Copy of your spouse's birth certificate, social security card, or passport*
Copy of your marriage certificate*
Copy of your photo ID
Copy of your spouse's photo ID*

MEDICAL: Uninsured expenses for medical care for you, your spouse or a dependent claimed on your federal income tax return

- Invoice or letter from health care provider describing cost and need.
- Benefit statement showing insurance won't cover claim or procedure/service.
- Proof of relationship to you, if applicable.

EDUCATION: Post-secondary educational expenses for you, your spouse or a dependent claimed on your federal income tax return

- Invoice or letter from post-secondary school confirming enrollment AND expenses.
- Proof of relationship to you, if applicable.

FORECLOSURE/EVICTION: Foreclosure or eviction from principal residence.

- Foreclosure Notice / Notice of Foreclosure Sale.
- Eviction Notice.

HOME PURCHASE: Purchase of Principal Residence.

- Signed purchase agreement
- Pre-approval or commitment letter from your mortgage lender

FUNERAL: Funeral and/or burial expenses for your parent, spouse, child, spouse's parent or dependent claimed on your federal income tax return

- Death Certificate.
- Invoice from funeral home and/or cemetery.
- Proof of relationship to you, if applicable.

Please review the forms you are submitting to make sure that you have completed all blanks, signed where necessary, including the signature of a notary public where applicable and answered the questions accurately and completely. Failure to complete these items, especially the lack of a notary signature where necessary, will delay the processing of your application.