



# Non-ERISA Loan Application

For VALIC Annuity Accounts Only – All Plan Types

The Variable Annuity Life Insurance Company (VALIC), Houston, Texas

Mail Completed Forms to:

VALIC Document Control

P.O. Box 15648, Amarillo, TX 79105-5648

Call 1-800-448-2542 for assistance.

## 1. CLIENT INFORMATION

Name: \_\_\_\_\_ Daytime Phone: (\_\_\_\_\_) \_\_\_\_\_

SSN: \_\_\_\_\_ Contract or Account: \_\_\_\_\_

## 2. TERMS OF LOAN REQUEST

The minimum loan amount is \$1000, and the maximum loan amount is \$50,000. Your loan amount may not exceed the lesser of \$50,000 (reduced by the highest total outstanding loan balance you had during the past 12 months under all tax-qualified plans sponsored by the employer) or 50% of the present value of your vested accrued benefit under all such plans of the employer. The 50% limit does not apply when the amount of the loan requested plus any existing indebtedness is \$10,000 or less.

Borrower is requesting a loan in the amount of \$\_\_\_\_\_ over a period of \_\_\_\_ years\* with interest payable up to 3% above the minimum guaranteed interest rate as defined in the contract. Repayments in the amount of approximately \$\_\_\_\_\_ will be made through \_\_\_\_\_ on a \_\_\_\_\_ basis. Borrower's estimated first payment due date is \_\_\_\_\_. Refer to the attached Loan Disclosure Statement for additional information.

Subject to approving your request, VALIC will send a Loan Note and Agreement and Federal Truth-In-Lending Statement along with your loan check. Your endorsement of this check is subject to all terms and conditions of those documents.

For Independence Plus and Portfolio Director® contracts, indicate the principal amount and investment option from which the funds are to be withdrawn:

FB001 \_\_\_\_\_ FP002 \_\_\_\_\_

Borrower will be sent a billing notice 35 days before the scheduled payment due date. However, if Borrower does not receive this notice, Borrower's scheduled payment is still owed by the due date. Payments should be sent to:

VALIC  
P.O. Box 75930  
Chicago, IL 60675-5930

**\*Loans may be made from 1 – 5 years. For a loan used to acquire your principal residence only, you may extend the term to up to 10 years.**

Borrower's loan check may be reduced by a \$60.00 loan processing fee, which will be considered part of the total loan amount. **Fee may not be applicable in certain states.**

Please indicate your employment status for the employer sponsoring this plan:

Separated from service as of \_\_\_\_\_ (Date)  Inservice

## 3. MAILING INSTRUCTIONS

Send check by overnight delivery. I understand, by providing my credit card number below, that this service will be billed to my credit card and that a street address is required. If the credit card charge is not approved, the check will be sent by regular mail.

Card # \_\_\_\_\_ Expiration Date: \_\_\_\_\_  MasterCard  Visa

American Express

Send the check to the address indicated. Address: \_\_\_\_\_

Send the check to the address indicated on my statement. City: \_\_\_\_\_ State: \_\_\_\_\_

Check if the address indicated is your new permanent address. ZIP: \_\_\_\_\_

## 4. VESTING DETERMINATION FOR EMPLOYER CONTRIBUTION SOURCES: (To be completed by employer sponsoring the plan.)

**Employee Service** (Complete if VALIC IS providing full pension services.)

Service is based on (check one):  Last plan year-end  Last employment anniversary  Calendar year

**All Employers** Indicate hours worked if Hours of Service is used by your plan to calculate benefits. Indicate months worked if Elapsed Time is used by your plan to calculate benefits. Any month in which an employee was compensated for one hour must be counted as a month worked.

Hours Worked \_\_\_\_\_ or Months Worked \_\_\_\_\_

**Vesting Information** (Complete if VALIC IS NOT providing full pension services.)

Employer Basic % \_\_\_\_\_ Employer Supplemental/Matching % \_\_\_\_\_

Non-Vested \_\_\_\_\_% Vested \_\_\_\_\_% Non-Vested \_\_\_\_\_% Vested \_\_\_\_\_%

## 5. PLAN ADMINISTRATOR APPROVAL

To be completed where required under your employer's plan.

- I approve this loan in accordance with current plan provisions and all applicable laws and regulations.
- I verify that the information provided on this form for purposes of this distribution is correct to the best of my knowledge.

\_\_\_\_\_  
Plan Administrator or Authorized Representative Name (Print)

\_\_\_\_\_  
Plan Administrator or Authorized Representative Signature

\_\_\_\_\_  
Date

## SPECIAL NOTICE FOR INCOMELOCK OPTION

**Special note to IncomeLOCK participants: If a loan is taken on an account with the IncomeLOCK option, the IncomeLOCK option will be terminated and all benefits will cease. Once terminated, the IncomeLOCK option can not be added back to the contract.**

## 6. ACCOUNT VERIFICATION (Skip this section if your plan has only one provider or you are not in a 403(b) Plan.)

Plan type of my account:  403(b)  401(a) or 401(k) (If 401(a) or 401(k), skip to Section 7)

**This section is applicable only to a loan from a 403(b) plan: If you are requesting a loan from a 403(b) plan and Plan Administrator or Third-Party Administrator (TPA) signature is required in Section 5, skip this section. Contact your employer to determine if Plan Administrator or TPA signature is required.**

I have funds under this or any other plan sponsored by this Employer with other investment providers:  Yes  No (If no, skip to Section 7.)

If you answered "Yes" to the question above, the Loan Supplement for Investment Providers (on page 3) will be required.

List all other investment providers and account number(s) under this Plan where contributions have been made at any time:

Investment Provider	Customer Service Phone Number	Account Number

Use a separate sheet for additional accounts and/or loans.

## 7. SECURITY AND APPROVAL FOR LOAN

- Borrower understands that Borrower will be pledging to VALIC as security for the loan the following amounts (1) the cash surrender value of the contract or account in an amount equal to the value of the loan; (2) the portion of the loan interest due with a quarterly loan payment; (3) any applicable surrender charge; and (4) all interest credited on (1), (2), and (3) held in reserve until the loan is repaid or foreclosed upon. Any applicable surrender charge is calculated as if I partially surrendered an amount equal to the loan balance as of the beginning of the loan term. The reserve is not subject to withdrawal, surrender, reallocation, transfer, assignment, or pledge to anyone other than VALIC.
- Borrower certifies that Borrower does not have any loans under this or any other plan sponsored by this employer (or under a plan sponsored by any other employer related to the employer sponsoring this plan) that would cause any amount of this loan to be in excess of the applicable loan limits described under Section 2 of the attached Loan Disclosure Statement.
- Borrower certifies that Borrower does not have any outstanding defaulted loans under this or any other plan sponsored by this employer (or under a plan sponsored by any other employer related to the employer sponsoring the plan).
- Borrower understands that this loan will terminate the IncomeLOCK option, if any, and benefits associated with the IncomeLOCK option.
- Once terminated, the IncomeLOCK option can not be added back to the contract.
- Borrower acknowledges that Borrower has read and understands the attached Loan Disclosure Statement.
- Borrower certifies that the information provided above is true and correct to the best of Borrower's knowledge.
- Borrower authorizes VALIC to confirm the accuracy of information provided with listed providers and authorizes such providers to confirm the information herein, subject to the requirement that the information is used solely for purposes of satisfying the restrictions under the Plan. Borrower understands request will not be processed until confirmed.

\_\_\_\_\_  
Borrower's Signature

\_\_\_\_\_  
Date



# Loan Supplement for Investment Providers

(For use with decentralized multi-investment provider 403(b) plans)

(Skip this page if your plan has only one provider or you are not in a 403(b) Plan.)

The Variable Annuity Life Insurance Company (VALIC), Houston, Texas

**Borrower:** Your request for a loan from your 403(b) account and answering "Yes" to the question in Section 6 also requires the submission of this supplemental form to your other investment providers to determine eligibility for a loan distribution from your employer's plan. You should complete Box A (below) and provide a copy of this form to each of the other investment provider(s) for completion of Box B. Upon full execution of this form, the supplemental form can then be submitted along with the Loan Application form.

Remit this page to each of the investment providers listed in Section 6 for completion of required information:

## PARTICIPANT INFORMATION

Name: \_\_\_\_\_ Daytime Phone: (\_\_\_\_\_) \_\_\_\_\_

SSN: \_\_\_\_\_ Contract or Account: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

### BOX A:

Name of Investment Provider:	
Employer Name:	
Plan Name:	
Participant's Name:	
Participant's Address:	
Provide Account #:	Provide Account #:

- I certify that the information I have provided is true and correct to the best of my knowledge.
- Borrower authorizes VALIC to confirm the accuracy of information provided with listed providers and authorizes such providers to confirm the information herein, subject to the requirement that the information is used solely for the purposes of satisfying the restrictions under the Plan. Borrower understands request will not be processed until confirmed.

Participant's Signature \_\_\_\_\_

Date \_\_\_\_\_

**Investment Providers:** Client has authorized VALIC to collect the following information. Complete the following table for each 403(b) account where contributions have been made at any time. Do not include accounts only containing transferred amounts transferred prior to 09/25/2007.

**Return to Client upon completion.**

### BOX B:

**Account #1**

**Account #2**

	Account #1	Account #2
Account Number(s):		
Account Balance(s):		
Account Balance(s) On 12/31/1988:		
Total Amount of Outstanding Loan Balance:		
Highest Total Outstanding Loan Balance Over Past 12 months:		
Describe status of Loan: Active, Defaulted, or Fully Repaid		

Signature of Investment Provider \_\_\_\_\_

Date \_\_\_\_\_

Printed name of Investment Provider \_\_\_\_\_

Title of Investment Provider \_\_\_\_\_

# Loan Disclosure Statement

## THIS LOAN DISCLOSURE STATEMENT GOVERNS YOUR LOAN APPLICATION AND ANY RESULTING LOAN.

Additional loans will not be allowed to participants with outstanding defaulted loans under this or any other plan sponsored by this employer (or under a plan sponsored by any other employer related to the employer sponsoring this plan) until these defaulted loans have been repaid with outside funds or can be fully foreclosed.

Payments of principal and interest should be made by check payable to THE VARIABLE ANNUITY LIFE INSURANCE COMPANY.

The remittance address will be indicated on the payment coupon. However, payments are due regardless of receipt of payment coupon. For additional information contact our Client Care Center at 1-800-448-2542.

### 1. APPLICABILITY

Loans as described herein are available only from VALIC annuity contracts and accounts issued to tax-qualified and governmental 457(b) plans, which are not subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the Plan is subject to ERISA, please call our Client Care Center at 1-800-448-2542 to have a VALIC ERISA Loan Agreement and Disclosure Statement sent to you.

The IncomeLOCK option is not available if there is an outstanding loan on the contract. Prior to adding the IncomeLOCK option to the contract, any outstanding loan must first be paid off. If a loan is taken after the IncomeLOCK option is in effect, the IncomeLOCK option and associated benefits will cease. Once terminated, the IncomeLOCK option can not be added back to the contract.

### 2. AMOUNT OF LOAN

VALIC processes loans for loan qualification purposes solely on the basis of employer tax-qualified and governmental 457(b) plans that are invested in VALIC annuity contracts or accounts.

VALIC assumes no responsibility for the processing of loans other than in accordance with the limits described below as applied to VALIC annuity contracts and accounts issued to such employer tax-qualified and governmental 457(b) plans.

- a. The availability and amount of a loan are subject to any applicable restrictions in the plan.
- b. Both fixed and variable VALIC accounts are considered for purposes of qualifying a loan, but only the vested portion of a fixed sub-account may be used as security for a loan. The fixed vested portion of the annuity contract or sub-account against which the loan is requested must equal or exceed the initial security reserve [see section 4(a)].
- c. The maximum amount you may borrow may not exceed the lesser of \$50,000 [reduced by the highest total outstanding loan balance you had during the past 12 months under all tax-qualified and governmental 457(b) plans sponsored by the employer] or 50% of the present value of your vested accrued benefit under all such plans of the employer. The 50% limit does not apply when the loan amount requested plus any existing indebtedness is \$10,000 or less.
- d. Loans are not made to participants who have begun receiving annuity payments under the contract or account.
- e. VALIC may from time to time establish minimum loan amounts. Refer to your VALIC contract for the current minimum.
- f. If a participant annuitizes, surrenders the contract or account, or dies before the loan is repaid, the annuity value or death benefit payable under the contract will be reduced by the outstanding loan amount, delinquent quarterly interest payments, prorated portion of quarterly loan interest and any applicable surrender charge.

### 3. TERMS OF LOAN

- a. Amortized equal loan payments of principal and interest are due on the last day of each quarter of the loan year.
- b. Quarterly payments are required. Quarterly payment obligations may not be satisfied more than one quarter in advance.
- c. Payments received by VALIC will be applied in this order:  
First, to any outstanding payments due  
Second, to the current quarterly payment due  
Third, to the next quarterly payment  
Fourth, to the principal balance
- d. The loan balance may be repaid in full at any time. Please contact the Client Care Center at 1-800-448-2542 to obtain a payoff quote which includes principal and interest due. If the loan is repaid in full before the end of the loan term, loan interest due shall be prorated.

### 4. SECURITY FOR LOAN

- a. VALIC will place in a security reserve an amount equal to the sum of the loan amount, the contract surrender charge as if the loan amount had been surrendered at the start of the loan term, if applicable, and all interest credited to the foregoing amounts.
- b. I pledge the foregoing amount in the security reserve to VALIC as security for this loan. This amount is not subject to withdrawal, surrender, reallocation, transfer, assignment or pledge to anyone other than VALIC.
- c. The portion of the reserve equal to the loan balance and interest thereon will accumulate minimum guaranteed interest at the applicable contract rate. The portion of the reserve equal to the amount necessary to satisfy the surrender charge, if applicable, and interest thereon, will earn interest at the applicable minimum guaranteed interest rate or such higher rate declared by VALIC's Board of Directors but no less than the minimum guaranteed rate under the contract.
- d. As loan balance repayments are made, pro-rata portions of the loan balance and accumulated interest on that amount held in the security reserve will be credited to the contract or account and will earn interest at a rate declared by VALIC's Board of Directors. When the loan is repaid in full, the remaining amount in the security reserve will be credited to the contract or account.
- e. VALIC will foreclose on the security reserve for the foreclosure amount upon default or when any withdrawal or plan restrictions no longer apply. If the loan is foreclosed upon, any amount in the security reserve in excess of the foreclosure amount will be credited to the contract or account.

### 5. LOAN DEFAULT

- a. If Borrower fails to make any scheduled payment, the loan is considered past due. If the past due payment amount remains unpaid for 90 days or such other time period as defined under the terms of the plan or loan provisions (not to extend longer than permitted under applicable regulations or rulings of the Internal Revenue Service or the Department of Labor), the loan will be in default and the outstanding loan amount, together with any accrued interest, will be immediately due and payable.
- b. The defaulted loan amount will be reported on IRS Form 1099-R or other applicable reporting form as a taxable distribution for federal income tax purposes. (Caution: Such a distribution prior to age 59½ may result in a 10% early withdrawal federal income tax penalty.)
- c. If there are any withdrawal or plan restrictions, then, upon default, VALIC may be unable to immediately foreclose upon the security

# Loan Disclosure Statement

reserve and discharge your loan. VALIC may only foreclose upon the security reserve upon the occurrence of a distributable event under your plan, such as your attainment of age 59½, death, disability or separation from service. Until such time, VALIC must continue to carry your loan and credit interest to you as described above.

At the same time, you will continue to accrue interest equal to the minimum guaranteed interest rate under your current contract until the loan is repaid or foreclosed upon.

- d. You may repay the defaulted loan amount plus interest due to VALIC prior to foreclosure. This repayment must be in full. Contact the Client Care Center 1-800-448-2542 for a payoff quote.

## 6. GENERAL LOAN INFORMATION

### a. Can I make payments through payroll deductions?

Some employers do have agreements with VALIC to offer their employees the option of payroll deductions for loan repayments. If available to you, it's a simple process of signing a VALIC agreement indicating how much and how often you want deductions made. We will then coordinate with your employer to begin deductions. Check with your employer to see if they offer this benefit.

### b. How often can I send in a loan payment?

Payments are due every 90 days from the effective date of your loan. However, you can send payments as often as you like as long as the amount due each quarter is paid by the scheduled due date. Remember to include your loan account number(s) on your check to ensure proper crediting.

**Note:** Only one quarterly payment may be paid in advance. When making more than one payment in a quarter, any excess after two payments will be credited to the principal of the loan.

### c. Will I receive confirmation of my loan payment?

Yes. Payments will be reflected on your account statement. The statement will reflect the amount of principal paid on your loan and the amount of guaranteed interest credited to your account, both of which are returned to your regular account from your loan security reserve amount.

### Can I pay my loan back prior to the final due date without penalties?

Yes. You can contact our Client Care Center for a payoff quote and repay the loan at any time without any prepayment penalties.

## Please send completed forms to:

VALIC Document Control  
P.O. Box 15648  
Amarillo, TX 79105-5648

Call **1-800-448-2542** for assistance.