

## **Fidelity 403b Investment Account Loan**

A loan against your retirement account is a way to access funds in times of need.

### **To apply for a loan:**

- You must call Fidelity directly (800-343-0860) this cannot be done online. The financial advisor will mail or fax the application form to you. Faxing is going to be a much quicker way to receive funds.
- When calling Fidelity have all of your banking information available, auto-pay is required and a direct deposit can be arranged. Per federal regulations, married couples must have spousal consent to borrow against your retirement account.
- If you require the funds quickly, fax the applications forms and a check can be mailed immediately. Otherwise it can take up to 10 days for bank set-up for direct deposit.
- There is a one-time \$75.00 set up fee from Fidelity.

### **Loan repayment:**

- As of 03/27/2019 the interest rate applied is 6.5% all of which is paid back to yourself and deposited into your Fidelity retirement investment account. There will be no other charges or fees other than the interest you pay yourself and there is no penalty for early payment.
- If you default on the loan (stop making payment) this will be reported to the IRS as income and you will be required to pay taxes on the amount of the outstanding loan.
- If you leave your job before the loan is repaid you may continue to make payments as long as there is still some money in the account. If you go to another job *and* transfer your 403(b) to your new employer, you must have repaid the loan or it will be considered in default. Any default on the loan is considered income and will be reported as such to the IRS.

**EXAMPLE:** A \$10,000 loan is taken April 1, on April 10 you determine you will not need to use the funds. Payment of the full \$10,000 plus any interest accrued may all be redeposited in your account with no penalties or fees.

This information was provided To CRONA by a Fidelity customer service representative, please verify all information at the time of application.

### **Contact Fidelity:**

<https://nb.fidelity.com/public/nb/shclpch/contactus>

800-343-0860