Policy Loan Repayments with IBC

A training document to assist in the application of loan repayments consisting of interest payments in excess of the normal policy loan interest rate as popularized by Nelson Nash's Infinite Banking Concept

For Agent Use Only

MTL Agents are strictly prohibited from providing a client with tax, legal or financial advice. Clients should consult with a tax, legal or financial professional of their choice

This document will examine common practices with respect to policy loan repayments consisting of payments based on a loan rate that exceeds MTL's normal policy loan interest rate. The document is created following MTL's standard operating procedures and is subject to change. The examples provided are based on loan rates and procedures currently in place at the time of presentation.

It is important that you fully disclose to prospective customers that they are applying for a life insurance policy along with all the benefits and responsibilities associated with a life insurance policy. You are strictly prohibited from describing an MTL policy as a savings account, family bank account, deposit account or any other type of banking account. You must explain to customers that IBC is a concept independent of MTL Insurance Company, MTL Insurance Company only authorizes you to solicit applications for life policies and annuity contracts, and any service provided by you other than selling an MTL Life or Annuity product is being provided independently of your association with MTL.

It is imperative that an agent presenting Infinite Banking (IBC) to their clients understands that a successful sale does not conclude with the delivery of the policy. A successful IBC sale requires that the agent participate with and assist the client during the process of utilizing the policy loan provision and planning the repayment of policy loans. Agents failing to provide guidance to the client risk damaging their relationship with the client and losing referrals and future sales.

There are a number of different tools available to agents to help service their clients and policy loans. Examples of some of the tools available include Slateboard (www.slateboard.com), a spreadsheet program that will assist in the tracking of policy loans, and Microsoft Excel amortization templates that provide loan repayment calculations.

The following examples are based on the premise that the client is practicing IBC by utilizing the policy loan provision in accordance with their whole life policy.

Policy loans can occur while the client is paying premiums as well as after the client may rely on dividends* and Paid-Up Addition (PUA) values to pay policy premiums. We will examine the different options for each scenario.

*Dividends are not guaranteed

Loan Repayments While Premiums Are Paid Out of Pocket

Premiums paid annually – Excess Interest to APUAR in even payments

Let's assume the client's premium includes an Annual Paid-Up Addition Rider (APUAR), the excess interest payment will be directed towards an increase to the APUAR. We'll assume an annual premium of $10,000 consisting of $4,000 base premium and $6,000 of Annual PUA premium. The loan will be for $25,000 paid over 5 years.

1. The client requests a policy loan by completing the Policy Loan Request form.
2. The agent/client creates two amortization schedules based on the current policy loan interest rate (currently 5.00%) and the desired loan repayment rate (example 10%)
3. The client will arrange for a policy loan repayment using the amortization schedule for the 5.00% rate. Loan repayments can be made monthly via electronic payment. Each month, the clients' checking account will be debited for the loan repayment.
4. Each month, the 'excess interest' – the difference between the 10% amortization schedule and the 5.00% amortization schedule – will be deposited into the client's separate checking account.

5. At policy anniversary, the accumulated ‘excess interest’ held in the clients checking account will be withdrawn and applied as an increase to the existing APUAR. To do this, the agent/client will:
    a. Contact the Policy Change department approximately 3 weeks prior to anniversary. State that at anniversary, the client is intending to “FULL PAY” the existing APUAR rider and will be increasing the rider to include the ‘excess interest’.
    b. The Policy Change representative will then contact our Actuarial department to establish the face amount of the rider and will ensure that the policy will comply with IRS standards in respect to Modified Endowment levels. This process will take between 5-10 business days.
    c. After receiving the response from the Actuarial department, the Policy Change rep will contact the agent/client and assist in the completion of the Policy Change Form (6329-07). The form should state that the client will “FULL PAY EXISTING PUA RIDER AND ADD (for the new face amount). The client will complete sides A and B of the form, sign and the agent will return to the Policy Change department.
    d. Since the addition of premium to the APUAR rider results in an increase to the death benefit of the policy, Underwriting reviews the answers to the medical questions. Additional evidence of insurability can be required and is not guaranteed.
    e. Upon approval, the client will then send in their annual premium that now includes the ‘excess interest’. At each subsequent anniversary, the client will simply add the ‘excess interest’ from their separate account with the normal premium payment – no additional steps are required provided that the amount of ‘excess interest’ does not exceed the amount added the previous anniversary. If the client has additional amounts to add, simply repeat steps a-e.

Premiums paid other than annually – Excess Interest to APUAR in even payments

Still assuming the client's premium includes an Annual Paid-Up Addition Rider (APUAR), the excess interest payment will be directed towards an increase to the APUAR. We'll assume a monthly premium of $1,000 consisting of $400 base premium and $600 of Annual PUA premium. The loan will be for $25,000 paid over 5 years.

1. The client requests a policy loan by completing the Policy Loan Service form.
2. The agent/client creates two amortization schedules based on the current policy loan interest rate (currently 5.00%) and the desired loan repayment rate (example 10%)
3. The client will arrange for a policy loan repayment using the amortization schedule for the 5.00% rate. Loan repayments can be made monthly via electronic payment. Each month, the clients' checking account will be debited for the loan repayment.
4. At the time of the loan, the client will apply for the increase to the APUAR. To do this, the agent/client will:
    a. Contact the Policy Change department. State that the client is intending to "FULL PAY" the existing APUAR rider and will be increasing the rider to include the 'excess interest'.
    b. The Policy Change representative will then contact our Actuarial department to establish the face amount of the rider and will ensure that the policy will comply with IRS standards in respect to Modified Endowment levels. This process will take between 5-10 business days.
    c. After receiving the response from the Actuarial department, the Policy Change rep will contact the agent/client and assist in the completion of the Policy Change Form (6329-07). The form should state that the client will "FULL PAY EXISTING PUA RIDER AND ADD (for the new face amount). The client will complete sides A and B of the form, sign and the agent will return to the Policy Change department.

   d. Since the addition of premium to the APUAR rider results in an increase to the death benefit of the policy, Underwriting reviews the answers to the medical questions. Additional evidence of insurability can be required and is not guaranteed.
5. Upon approval, the agent/client will then complete the policy service form indicating the new monthly premium that now includes the 'excess interest'. At each billing cycle, the clients' checking account will be debited for the monthly premium amount. – No additional steps are required provided that the amount of 'excess interest' does not exceed the amount added the previous month. If the client has additional amounts to add, simply repeat steps a-d.

Premiums paid – Excess Interest to Single Premium PUA Rider

Assuming the client is paying premium in any mode and does or does not include an Annual PUA rider, the excess interest payment will be directed towards a Single PUA rider. We'll assume a monthly premium of $1,000 consisting of $400 base premium and $600 of Annual PUA premium. The loan will be for $25,000 paid over 5 years. 'Excess Interest' can be added to the policy at any 'Quarter-versary'.

1. The client requests a policy loan by completing the Policy Loan Service form.
2. The agent/client creates two amortization schedules based on the current policy loan interest rate (currently 5.00%) and the desired loan repayment rate (example 10%)
3. The client will arrange for a policy loan repayment using the amortization schedule for the 5.00% rate. Loan repayments can be made monthly via electronic payment. Each month, the clients' checking account will be debited for the loan repayment.
4. Each month, the 'excess interest' – the difference between the 10% amortization schedule and the 5.00% amortization schedule – will be deposited into the client's separate checking account.

5. At any ‘quarter-versary’, the accumulated ‘excess interest’ held in the clients checking account can be withdrawn and applied as a payment to a Single PUA rider. To do this, the agent/client will:
   a. Contact the Policy Change department approximately 3 weeks prior to quarter-versary. State that the client is intending to add a Single PUA rider to their policy and provide the amount of the premium payment, i.e. ‘excess interest’ amount.
   b. The Policy Change representative will then contact our Actuarial department to establish the face amount of the rider and will ensure that the policy will comply with IRS standards in respect to Modified Endowment levels. This process will take between 5-10 business days.
   c. After receiving the response from the Actuarial department, the Policy Change rep will contact the agent/client and assist in the completion of the Policy Change Form (6329-07). The form should state that the client will add a Single PUA rider (for the new face amount). The client will complete sides A and B of the form, sign and the agent will return to the Policy Change department.
   d. Since the addition of premium to the SPUAR rider results in an increase to the death benefit of the policy, Underwriting reviews the answers to the medical questions. Additional evidence of insurability can be required and is not guaranteed.
   e. Upon approval, the client will then send in their ‘excess interest’ as payment to the SPUA rider. As the client continues to accumulate ‘excess interest’ additional SPUA riders (maximum of 7) can be added to the policy by repeating the above steps. This approach can be desired if the amount of ‘excess interest’ is expected to vary during the course of the policy loan repayment.

Premiums paid – Excess Interest to accelerate loan payoff, with extra payments to be added to policy SPUAR rider at conclusion of loan payoff

Assuming the client is paying premium in any mode and does or does not include an Annual PUA rider, the excess interest payment will be directed towards a Single PUA rider. We'll assume a monthly premium of $1,000 consisting of $400 base premium and $600 of Annual PUA premium. The loan will be for $25,000 paid over 5 years.

1. The client requests a policy loan by completing the Policy Loan Service form.
2. The agent/client creates two amortization schedules based on the current policy loan interest rate (currently 5.00%) and the desired loan repayment rate (example 10%)
3. The client will arrange for a policy loan repayment using the amortization schedule for the 10% rate. Loan repayments can be made monthly via electronic payment. Each month, the clients' checking account will be debited for the loan repayment.
4. Since the loan is going to be repaid at a rate in excess of the normal policy loan rate, the policy loan would be repaid prior to the conclusion of the 5 year amortization period assuming 5.00%. Once the loan is paid in full, the client continues making the 10% loan repayment to their separate checking account. Once the final loan payment (month 60) is made, 'excess interest' is added to a Single PUA rider. To do this the agent/client will:
    a. Contact the Policy Change department approximately 3 weeks prior to any quarter-versary. State that the client is intending to add a Single PUA rider to their policy and provide the amount of the premium payment, i.e. 'excess interest' amount.
    b. The Policy Change representative will then contact our Actuarial department to establish the face amount of the rider and will ensure that the policy will comply with IRS standards in respect to Modified Endowment levels. This process will take between 5-10 business days.
    c. After receiving the response from the Actuarial department, the Policy Change rep will contact the agent/client and assist in the

d. Since the addition of premium to the SPUAR rider results in an increase to the death benefit of the policy, Underwriting reviews the answers to the medical questions. Additional evidence of insurability can be required and is not guaranteed.
e. Upon approval, the client will then send in their ‘excess interest’ as payment to the SPUA rider.

Loan Repayments While Premiums Are Paid From Policy Values

Premiums paid from policy values – Excess Interest applied to premium

Once a client has premiums paid from policy values, the premium mode is annual and any existing Annual PUA rider is considered ‘Full Paid’. We’ll assume an annual base premium of $4,000. The loan will be for $25,000 paid over 5 years. ‘Excess Interest’ not exceeding the base premium will be applied to the base premium at each anniversary.

1. The client requests a policy loan by completing the Policy Loan Service form.
2. The agent/client creates two amortization schedules based on the current policy loan interest rate (currently 5.00%) and the desired loan repayment rate (example 10%)
3. The client will arrange for a policy loan repayment using the amortization schedule for the 5.00% rate. Loan repayments can be

4. Each month, the ‘excess interest’ – the difference between the 10% amortization schedule and the 5.00% amortization schedule – will be deposited into the client’s separate checking account.
5. At policy anniversary, the accumulated ‘excess interest’ held in the clients checking account will be withdrawn and applied as a payment to the policy’s base premium. To do this, the agent/client will:
    a. Complete and mail a Policy Service Form with the premium payment, i.e. ‘excess interest’ to MTL. The ‘excess interest’ is applied to the base premium. Any unpaid premium is than paid from dividends and/or policy PUA values.

Premiums paid from policy values – Excess Interest applied to premium and Single PUA rider.

Once a client has premiums paid from policy values, the premium mode is annual and any existing Annual PUA rider is considered ‘Full Paid’. We’ll assume an annual base premium of $4,000. The loan will be for $25,000 paid over 5 years. If ‘excess Interest’ exceeds the base premium, the amount above the base premium will be applied as a Single PUA rider.

1. The client requests a policy loan by completing the Policy Loan Service form.
2. The agent/client creates two amortization schedules based on the current policy loan interest rate (currently 5.00% in advance) and the desired loan repayment rate (example 10%)
3. The client will arrange for a policy loan repayment using the amortization schedule for the 5.00% rate. Loan repayments can be made monthly via electronic payment. Each month, the clients’ checking account will be debited for the loan repayment.

4. Each month, the ‘excess interest’ – the difference between the 10% amortization schedule and the 5.00% amortization schedule – will be deposited into the client’s separate checking account.
5. At policy anniversary, the accumulated ‘excess interest’ held in the clients checking account will be withdrawn and applied as a payment to the policy’s base premium and Single PUA rider. To do this, the agent/client will:
    a. Contact the Policy Change department approximately 3 weeks prior to anniversary. State that the client is intending to add a Single PUA rider to their policy and provide the amount of the premium payment, i.e. ‘excess interest’ amount over the base premium.
    b. The Policy Change representative will then contact our Actuarial department to establish the face amount of the rider and will ensure that the policy will comply with IRS standards in respect to Modified Endowment levels. This process will take between 5-10 business days.
    c. After receiving the response from the Actuarial department, the Policy Change rep will contact the agent/client and assist in the completion of the Policy Change Form (6329-07). The form should state that the client will add a Single PUA rider (for the new face amount). The client will complete sides A and B of the form, sign and the agent will return to the Policy Change department.
    d. Since the addition of premium to the SPUAR rider results in an increase to the death benefit of the policy, Underwriting reviews the answers to the medical questions. Additional evidence of insurability can be required and is not guaranteed.
    e. Upon approval, the client will then send in their ‘excess interest’ as payment to the base premium and SPUA rider. As the client continues to accumulate ‘excess interest’ additional SPUA riders (maximum of 7) can be added to the policy by repeating the above steps.

Premiums paid from policy values – Excess Interest to accelerate loan payoff, with extra payments to be paid to base premium and/or SPUAR at conclusion of loan payoff

Once a client has premiums paid from policy values, the premium mode is annual and any existing Annual PUA rider is considered 'Full Paid'. We'll assume an annual base premium of $4,000. The loan will be for $25,000 paid over 5 years. 'Excess Interest' not exceeding the base premium will be applied to the base premium at each anniversary. If the 'excess interest' exceeds the base premium, the additional amount over the base premiums is added to a Single PUA rider.

1. The client requests a policy loan by completing the Policy Loan Service form.
2. The agent/client creates two amortization schedules based on the current policy loan interest rate (currently 5.00%) and the desired loan repayment rate (example 10%)
3. The client will arrange for a policy loan repayment using the amortization schedule for the 10% rate. Loan repayments can be made monthly via electronic payment. Each month, the clients' checking account will be debited for the loan repayment.
4. Since the loan is going to be repaid at a rate in excess of the normal policy loan rate, the policy loan would be repaid prior to the conclusion of the 5 year amortization period assuming 5.00%. Once the loan is paid in full, the client continues making the 10% loan repayment to their separate checking account. Once the final loan payment (month 60) is made, 'excess interest' is applied to the base premium. If a Single PUA rider is required, follow the steps outlined in the examples provided above.

Loan Repayments where ‘excess interest’ is applied as premium to an additional policy

On occasion, the client will be unable to apply ‘excess interest’ to an existing policy, either due to underwriting limitations or MEC limitations. It is also possible that the client prefer to apply the ‘excess interest’ as a premium payment to an additional policy, perhaps to provide for additional death benefit or for a policy for a family member (providing proper insurable interest). In cases such as this, the agent/client can plan for such events by converting existing term coverage to a permanent whole life policy. Conversion of a term rider is not subject to underwriting providing the amount of resulting death benefit does not exceed the death benefit of the term policy or rider in place.

Additional options include the exercising of a Guaranteed Purchase Option if such rider is present on the clients’ existing policy. Again, evidence of insurability is not required if the amount of death benefit does not exceed the death benefit provided by the GPO rider.

Explanation of Separate Checking account

In the above examples, a separate checking account is referenced. This checking account, or any similar type account, serves as a receptacle to hold the payment of ‘excess interest’ until such time as the ‘excess interest’ can be applied to policy values. One important benefit the checking account provides a client is that it can assist in the auditing process, something that may be beneficial to a business owner.

Calculation of Policy Loan Interest

Policy loan interest is calculated in advance, i.e., at the beginning of each loan. The amount charged/added to the loan balance varies based on the premium mode.

Annual or Monthly premium mode: The prorated interest is calculated to the next policy anniversary. For example, if the loan is taken midway through the policy year, the interest would be based on 6 months. At each anniversary, additional interest is added to the policy loan balance based on the unpaid loan principal and unpaid interest.

Quarterly or Semi-Annual premium mode: Interest is calculated to the next billing cycle. At each billing cycle, additional interest is added to the policy loan balance based on the unpaid loan principal and unpaid interest.

When loan payoffs are received, unearned loan interest is credited back to the policy.

Appendix

A. Loan Amortization Schedule (from Microsoft Excel) on $25,000 principal at 5% over 5 years.

B. Loan Amortization Schedule (from Microsoft Excel) on $25,000 principal at 10% over 5 years.

C. Loan Amortization Schedule (from Microsoft Excel) on $25,000 principal at 5% over 5 years plus extra repayment of $59.40 per month.

D. Policy Change form – example of adding premium to an existing Annual PUA Rider

E. Policy Loan Request

F. Policy Change form – example of adding a Single PUA Rider.

G. Example of a letter to apply ‘extra interest’ to premiums and pay balance of premiums from policy values.

A

Loan Amortization Schedule

	Enter values
Loan amount	$ 25,000.00
Annual interest rate	5.00 %
Loan period in years	5
Number of payments per year	12
Start date of loan	11/5/2010
Optional extra payments	$ -

	Loan summary
Scheduled payment	$ 471.78
Scheduled number of payments	60
Actual number of payments	60
Total early payments	$ -
Total interest	$ 3,306.85

Lender name:

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	12/5/2010	$ 25,000.00	$ 471.78	$ -	$ 471.78	$ 367.61	$ 104.17	$ 24,632.39	$ 104.17
2	1/5/2011	24,632.39	471.78	-	471.78	369.15	102.63	24,263.24	206.80
3	2/5/2011	24,263.24	471.78	-	471.78	370.68	101.10	23,892.56	307.90
4	3/5/2011	23,892.56	471.78	-	471.78	372.23	99.55	23,520.33	407.45
5	4/5/2011	23,520.33	471.78	-	471.78	373.78	98.00	23,146.55	505.45
6	5/5/2011	23,146.55	471.78	-	471.78	375.34	96.44	22,771.21	601.90
7	6/5/2011	22,771.21	471.78	-	471.78	376.90	94.88	22,394.31	696.78
8	7/5/2011	22,394.31	471.78	-	471.78	378.47	93.31	22,015.84	790.09
9	8/5/2011	22,015.84	471.78	-	471.78	380.05	91.73	21,635.79	881.82
10	9/5/2011	21,635.79	471.78	-	471.78	381.63	90.15	21,254.16	971.97
11	10/5/2011	21,254.16	471.78	-	471.78	383.22	88.56	20,870.94	1,060.53
12	11/5/2011	20,870.94	471.78	-	471.78	384.82	86.96	20,486.12	1,147.49
13	12/5/2011	20,486.12	471.78	-	471.78	386.42	85.36	20,099.70	1,232.85
14	1/5/2012	20,099.70	471.78	-	471.78	388.03	83.75	19,711.66	1,316.60
15	2/5/2012	19,711.66	471.78	-	471.78	389.65	82.13	19,322.02	1,398.73
16	3/5/2012	19,322.02	471.78	-	471.78	391.27	80.51	18,930.74	1,479.24
17	4/5/2012	18,930.74	471.78	-	471.78	392.90	78.88	18,537.84	1,558.11
18	5/5/2012	18,537.84	471.78	-	471.78	394.54	77.24	18,143.30	1,635.36
19	6/5/2012	18,143.30	471.78	-	471.78	396.18	75.60	17,747.12	1,710.95
20	7/5/2012	17,747.12	471.78	-	471.78	397.83	73.95	17,349.28	1,784.90
21	8/5/2012	17,349.28	471.78	-	471.78	399.49	72.29	16,949.79	1,857.19
22	9/5/2012	16,949.79	471.78	-	471.78	401.16	70.62	16,548.63	1,927.81
23	10/5/2012	16,548.63	471.78	-	471.78	402.83	68.95	16,145.81	1,996.76
24	11/5/2012	16,145.81	471.78	-	471.78	404.51	67.27	15,741.30	2,064.04
25	12/5/2012	15,741.30	471.78	-	471.78	406.19	65.59	15,335.11	2,129.63
26	1/5/2013	15,335.11	471.78	-	471.78	407.88	63.90	14,927.22	2,193.52
27	2/5/2013	14,927.22	471.78	-	471.78	409.58	62.20	14,517.64	2,255.72
28	3/5/2013	14,517.64	471.78	-	471.78	411.29	60.49	14,106.35	2,316.21
29	4/5/2013	14,106.35	471.78	-	471.78	413.00	58.78	13,693.34	2,374.99
30	5/5/2013	13,693.34	471.78	-	471.78	414.73	57.06	13,278.62	2,432.04
31	6/5/2013	13,278.62	471.78	-	471.78	416.45	55.33	12,862.16	2,487.37
32	7/5/2013	12,862.16	471.78	-	471.78	418.19	53.59	12,443.98	2,540.96
33	8/5/2013	12,443.98	471.78	-	471.78	419.93	51.85	12,024.04	2,592.81
34	9/5/2013	12,024.04	471.78	-	471.78	421.68	50.10	11,602.36	2,642.91
35	10/5/2013	11,602.36	471.78	-	471.78	423.44	48.34	11,178.93	2,691.26
36	11/5/2013	11,178.93	471.78	-	471.78	425.20	46.58	10,753.72	2,737.83

B

Loan Amortization Schedule

	Enter values
Loan amount	$ 25,000.00
Annual interest rate	10.00 %
Loan period in years	5
Number of payments per year	12
Start date of loan	11/5/2010
Optional extra payments	$ -

	Loan summary
Scheduled payment	$ 531.18
Scheduled number of payments	60
Actual number of payments	60
Total early payments	$ -
Total interest	$ 6,870.57

Lender name:

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	12/5/2010	$ 25,000.00	$ 531.18	$ -	$ 531.18	$ 322.84	$ 208.33	$ 24,677.16	$ 208.33
2	1/5/2011	24,677.16	531.18	-	531.18	325.53	205.64	24,351.62	413.98
3	2/5/2011	24,351.62	531.18	-	531.18	328.25	202.93	24,023.38	616.91
4	3/5/2011	24,023.38	531.18	-	531.18	330.98	200.19	23,692.40	817.10
5	4/5/2011	23,692.40	531.18	-	531.18	333.74	197.44	23,358.66	1,014.54
6	5/5/2011	23,358.66	531.18	-	531.18	336.52	194.66	23,022.14	1,209.19
7	6/5/2011	23,022.14	531.18	-	531.18	339.32	191.85	22,682.81	1,401.04
8	7/5/2011	22,682.81	531.18	-	531.18	342.15	189.02	22,340.66	1,590.07
9	8/5/2011	22,340.66	531.18	-	531.18	345.00	186.17	21,995.66	1,776.24
10	9/5/2011	21,995.66	531.18	-	531.18	347.88	183.30	21,647.78	1,959.54
11	10/5/2011	21,647.78	531.18	-	531.18	350.78	180.40	21,297.00	2,139.94
12	11/5/2011	21,297.00	531.18	-	531.18	353.70	177.47	20,943.30	2,317.41
13	12/5/2011	20,943.30	531.18	-	531.18	356.65	174.53	20,586.65	2,491.94
14	1/5/2012	20,586.65	531.18	-	531.18	359.62	171.56	20,227.03	2,663.49
15	2/5/2012	20,227.03	531.18	-	531.18	362.62	168.56	19,864.41	2,832.05
16	3/5/2012	19,864.41	531.18	-	531.18	365.64	165.54	19,498.77	2,997.59
17	4/5/2012	19,498.77	531.18	-	531.18	368.69	162.49	19,130.08	3,160.08
18	5/5/2012	19,130.08	531.18	-	531.18	371.76	159.42	18,758.33	3,319.50
19	6/5/2012	18,758.33	531.18	-	531.18	374.86	156.32	18,383.47	3,475.82
20	7/5/2012	18,383.47	531.18	-	531.18	377.98	153.20	18,005.49	3,629.01
21	8/5/2012	18,005.49	531.18	-	531.18	381.13	150.05	17,624.36	3,779.06
22	9/5/2012	17,624.36	531.18	-	531.18	384.31	146.87	17,240.05	3,925.93
23	10/5/2012	17,240.05	531.18	-	531.18	387.51	143.67	16,852.54	4,069.59
24	11/5/2012	16,852.54	531.18	-	531.18	390.74	140.44	16,461.80	4,210.03
25	12/5/2012	16,461.80	531.18	-	531.18	393.99	137.18	16,067.81	4,347.21
26	1/5/2013	16,067.81	531.18	-	531.18	397.28	133.90	15,670.53	4,481.11
27	2/5/2013	15,670.53	531.18	-	531.18	400.59	130.59	15,269.94	4,611.70
28	3/5/2013	15,269.94	531.18	-	531.18	403.93	127.25	14,866.02	4,738.95
29	4/5/2013	14,866.02	531.18	-	531.18	407.29	123.88	14,458.72	4,862.83
30	5/5/2013	14,458.72	531.18	-	531.18	410.69	120.49	14,048.04	4,983.32
31	6/5/2013	14,048.04	531.18	-	531.18	414.11	117.07	13,633.93	5,100.39
32	7/5/2013	13,633.93	531.18	-	531.18	417.56	113.62	13,216.37	5,214.00
33	8/5/2013	13,216.37	531.18	-	531.18	421.04	110.14	12,795.33	5,324.14
34	9/5/2013	12,795.33	531.18	-	531.18	424.55	106.63	12,370.78	5,430.77
35	10/5/2013	12,370.78	531.18	-	531.18	428.09	103.09	11,942.69	5,533.86
36	11/5/2013	11,942.69	531.18	-	531.18	431.65	99.52	11,511.04	5,633.38

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Loan Amortization Schedule

	Enter values
Loan amount	$ 25,000.00
Annual interest rate	5.00 %
Loan period in years	5
Number of payments per year	12
Start date of loan	11/5/2010
Optional extra payments	$ 59.40

	Loan summary
Scheduled payment	$ 471.78
Scheduled number of payments	60
Actual number of payments	53
Total early payments	$ 3,088.80
Total interest	$ 2,885.97

Lender name:

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	12/5/2010	$ 25,000.00	$ 471.78	$ 59.40	$ 531.18	$ 427.01	$ 104.17	$ 24,572.99	$ 104.17
2	1/5/2011	24,572.99	471.78	59.40	531.18	428.79	102.39	24,144.19	206.55
3	2/5/2011	24,144.19	471.78	59.40	531.18	430.58	100.60	23,713.61	307.15
4	3/5/2011	23,713.61	471.78	59.40	531.18	432.37	98.81	23,281.24	405.96
5	4/5/2011	23,281.24	471.78	59.40	531.18	434.18	97.01	22,847.06	502.97
6	5/5/2011	22,847.06	471.78	59.40	531.18	435.98	95.20	22,411.08	598.16
7	6/5/2011	22,411.08	471.78	59.40	531.18	437.80	93.38	21,973.28	691.54
8	7/5/2011	21,973.28	471.78	59.40	531.18	439.63	91.56	21,533.65	783.10
9	8/5/2011	21,533.65	471.78	59.40	531.18	441.46	89.72	21,092.19	872.82
10	9/5/2011	21,092.19	471.78	59.40	531.18	443.30	87.88	20,648.90	960.71
11	10/5/2011	20,648.90	471.78	59.40	531.18	445.14	86.04	20,203.75	1,046.74
12	11/5/2011	20,203.75	471.78	59.40	531.18	447.00	84.18	19,756.75	1,130.92
13	12/5/2011	19,756.75	471.78	59.40	531.18	448.86	82.32	19,307.89	1,213.24
14	1/5/2012	19,307.89	471.78	59.40	531.18	450.73	80.45	18,857.16	1,293.69
15	2/5/2012	18,857.16	471.78	59.40	531.18	452.61	78.57	18,404.55	1,372.27
16	3/5/2012	18,404.55	471.78	59.40	531.18	454.50	76.69	17,950.06	1,448.95
17	4/5/2012	17,950.06	471.78	59.40	531.18	456.39	74.79	17,493.67	1,523.74
18	5/5/2012	17,493.67	471.78	59.40	531.18	458.29	72.89	17,035.38	1,596.63
19	6/5/2012	17,035.38	471.78	59.40	531.18	460.20	70.98	16,575.18	1,667.61
20	7/5/2012	16,575.18	471.78	59.40	531.18	462.12	69.06	16,113.06	1,736.68
21	8/5/2012	16,113.06	471.78	59.40	531.18	464.04	67.14	15,649.02	1,803.82
22	9/5/2012	15,649.02	471.78	59.40	531.18	465.98	65.20	15,183.04	1,869.02
23	10/5/2012	15,183.04	471.78	59.40	531.18	467.92	63.26	14,715.12	1,932.28
24	11/5/2012	14,715.12	471.78	59.40	531.18	469.87	61.31	14,245.25	1,993.60
25	12/5/2012	14,245.25	471.78	59.40	531.18	471.83	59.36	13,773.43	2,052.95
26	1/5/2013	13,773.43	471.78	59.40	531.18	473.79	57.39	13,299.64	2,110.34
27	2/5/2013	13,299.64	471.78	59.40	531.18	475.77	55.42	12,823.87	2,165.75
28	3/5/2013	12,823.87	471.78	59.40	531.18	477.75	53.43	12,346.12	2,219.19
29	4/5/2013	12,346.12	471.78	59.40	531.18	479.74	51.44	11,866.39	2,270.63
30	5/5/2013	11,866.39	471.78	59.40	531.18	481.74	49.44	11,384.65	2,320.07
31	6/5/2013	11,384.65	471.78	59.40	531.18	483.74	47.44	10,900.90	2,367.51
32	7/5/2013	10,900.90	471.78	59.40	531.18	485.76	45.42	10,415.14	2,412.93
33	8/5/2013	10,415.14	471.78	59.40	531.18	487.78	43.40	9,927.36	2,456.33
34	9/5/2013	9,927.36	471.78	59.40	531.18	489.82	41.36	9,437.54	2,497.69
35	10/5/2013	9,437.54	471.78	59.40	531.18	491.86	39.32	8,945.68	2,537.01
36	11/5/2013	8,945.68	471.78	59.40	531.18	493.91	37.27	8,451.78	2,574.29

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Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
37	12/5/2013	8,451.78	471.78	59.40	531.18	495.97	35.22	7,955.81	2,609.50
38	1/5/2014	7,955.81	471.78	59.40	531.18	498.03	33.15	7,457.78	2,642.65
39	2/5/2014	7,457.78	471.78	59.40	531.18	500.11	31.07	6,957.67	2,673.73
40	3/5/2014	6,957.67	471.78	59.40	531.18	502.19	28.99	6,455.48	2,702.72
41	4/5/2014	6,455.48	471.78	59.40	531.18	504.28	26.90	5,951.20	2,729.61
42	5/5/2014	5,951.20	471.78	59.40	531.18	506.38	24.80	5,444.82	2,754.41
43	6/5/2014	5,444.82	471.78	59.40	531.18	508.49	22.69	4,936.32	2,777.10
44	7/5/2014	4,936.32	471.78	59.40	531.18	510.61	20.57	4,425.71	2,797.67
45	8/5/2014	4,425.71	471.78	59.40	531.18	512.74	18.44	3,912.97	2,816.11
46	9/5/2014	3,912.97	471.78	59.40	531.18	514.88	16.30	3,398.09	2,832.41
47	10/5/2014	3,398.09	471.78	59.40	531.18	517.02	14.16	2,881.07	2,846.57
48	11/5/2014	2,881.07	471.78	59.40	531.18	519.18	12.00	2,361.89	2,858.57
49	12/5/2014	2,361.89	471.78	59.40	531.18	521.34	9.84	1,840.55	2,868.41
50	1/5/2015	1,840.55	471.78	59.40	531.18	523.51	7.67	1,317.04	2,876.08
51	2/5/2015	1,317.04	471.78	59.40	531.18	525.69	5.49	791.35	2,881.57
52	3/5/2015	791.35	471.78	59.40	531.18	527.88	3.30	263.46	2,884.87
53	4/5/2015	263.46	471.78	-	263.46	262.37	1.10	0.00	2,885.97

'Extra Interest' = m53 531.18 - 262.37 = 268.81

54 531.18

55 531.18

56 531.18

57 531.18

58 531.18

59 531.18

60 531.18

3,987.07

D 1 of 2

POLICY
REISSUE/CHANGE
APPLICATION

MTL INSURANCE COMPANY

A member of the MUTUAL TRUST FINANCIAL GROUP

1200 Jorie Boulevard • Oak Brook, Illinois 60523-2269
Toll Free: 1-800-323-7320

A

This is an application to change Policy No. 123456 on the life of Joe Clinet as designated below, and the policy is returned to the Company for the change.

☐ **REISSUE** *(Changes made at inception) Allowed up to 6 months from the date of issue*

☐ **CHANGE** *(Changes made after inception) 6 months or more after the date of issue*

From: Plan ______ Amount ______

To: Plan ______ Amount ______

A change to a lower premium plan may be subject to evidence of insurability satisfactory to the Company. (Complete Sides A & B, and the HIPAA Form)

☒ **ADDITION OF BENEFITS** Inrease annual PUA rider for 600 premium purchase

The addition of any of the benefits listed above will be subject to evidence of insurability satisfactory to the Company. (Complete Sides A & B, and the HIPAA Form)

☐ **REMOVAL OF BENEFITS** ______

☐ **MODIFICATION OF RISK CLASSIFICATION** ______

☐ **REDATE TO** ______

NOTE: *Any redate occurring more than 30 days after date of issue is subject to evidence of insurability. Complete Sides A & B, and the HIPAA Form*

☒ **OTHER** Full Pay Existing APUAR; Add New APUAR for $ ______

Mode of premium payment desired:	**Premium Payor's current address:**
☐ Annual ☐ Pre-Authorized Check	Street Address ______ City or Town ______
☐ Semi-Annual ☐ Quarterly	State ______ Zip Code ______ Phone ______
☐ Salary Deduction	

This request shall not be effective until the application is approved and any necessary payment has been received by the Company at its Home Office.

Application Made at ______ State ______

Signature - See Instructions Below

this ______ day of ______, ______

Witness: ______

Form 6329-07

WHO MUST SIGN SIDE A

1) The Owner, 2) the Insured if other then the Owner, and 3) any Irrevocable Beneficiary, Creditor Beneficiary, or Assignee. Where the signature of a corporation is required, the name of the corporation should be filled in followed by the signatures of two of its officers, and its corporate seal should be affixed.

E

MTL INSURANCE COMPANY

A member of the MUTUAL TRUST FINANCIAL GROUP

1200 Jorie Boulevard • Oak Brook, Illinois 60523-2269
Toll Free: 1-800-323-7320

Policy Loan Request and Agreement

Policy Number: 123456 **Insured:** JOE CLIENT

Please process a loan on the above captioned policy. This policy is assigned to MTL Insurance Company as sole security for the following loan. No bankruptcy` proceedings are pending involving the undersigned and no policy values have been assigned or subject to legal proceedings or court orders except as follows: ______

- [x] $ 25,000 to be sent. **(If available, if not a maximum loan will be processed.)**
- [ ] Maximum loan.
- [ ] To pay premium due ______ on policy number ______

By signing below:

It is understood that interest will be assessed on the amount loaned. It is agreed that the sum of outstanding loans shall be the total of: (a) an cash received or transferred as a result of this request; and (b) any previous unpaid loan; and (c) any unpaid premium due within fifteen days this loan and any premium currently in default while the Insured is living; except any flexible premium or one on a special mode; and (d) intere in advance on the loan as provided in the policy less any interest paid in advance on any currently outstanding loan. It is understood th sufficient funds must be available under the above captioned policy to process this loan request. It is further agreed that any rights resultin from policy provisions requiring that this loan be endorsed to the policy are hereby waived.

Note that (1) any unpaid loan balance is deducted from the death benefit and/or cash surrender value; and (2) any billed loan interest not paid will be added to loan balance. For further details, please refer to the provisions of your policy contract.

WHO MUST SIGN
1. The owner;
2. The beneficiary if designated irrevocably.
3. If the signature of a corporation is required, the name of the corporation should be filled in followed by the signature of two of its officers with their titles.

I hereby indemnify MTL Insurance Company and hold it harmless from all claims, demands, actions, and judgments arising out of the processing of this loan request.

630 684 5306	JOE CLIENT
Daytime Telephone	Policyowner's Name (please print)
11-2-2010	Joe Client
Date	Policyowner's Signature
Date	Policyowner's Signature

If our records should be changed to this address, please complete the address change section on the back of this form.

<u>All checks will be mailed to the policyowner's address on record, unless otherwise requested.</u>

Please send overnight to client address - deduct fee from loan proceeds.

This will be the only acceptable form for requesting a policy loan and a separate request is required for each policy loan.

Upon completion, please forward to MTL Payments & Benefits department by:

Mail: 1200 Jorie Boulevard, Oak Brook, IL 60523-2269

Fax: 630-684-5445

If you have any questions, please contact MTL at 800-323-7320 x5060.

Form No. 6106 (03/10)

F

POLICY REISSUE/CHANGE APPLICATION

MTL INSURANCE COMPANY

A member of the MUTUAL TRUST FINANCIAL GROUP

A

1200 Jorie Boulevard • Oak Brook, Illinois 60523-2269
Toll Free: 1-800-323-7320

This is an application to change Policy No. 123456 on the life of Joe Client as designated below, and the policy is returned to the Company for the change.

☐ **REISSUE** *(Changes made at inception) Allowed up to 6 months from the date of issue*

☒ **CHANGE** *(Changes made after inception) 6 months or more after the date of issue*

From: Plan ______________________ Amount ______________________

To: Plan ______________________ Amount ______________________

A change to a lower premium plan may be subject to evidence of insurability satisfactory to the Company. (Complete Sides A & B, and the HIPAA Form)

☒ **ADDITION OF BENEFITS** Add Single PUA rider; Premium = $xx.xx

The addition of any of the benefits listed above will be subject to evidence of insurability satisfactory to the Company. (Complete Sides A & B, and the HIPAA Form)

☐ **REMOVAL OF BENEFITS** ______________________

☐ **MODIFICATION OF RISK CLASSIFICATION** ______________________

☐ **REDATE TO** ______________________

NOTE: *Any redate occurring more than 30 days after date of issue is subject to evidence of insurability. Complete Sides A & B, and the HIPAA Form*

☐ **OTHER** ______________________

Mode of premium payment desired:	**Premium Payor's current address:**
☐ Annual ☐ Pre-Authorized Check	Street Address ____________ City or Town ____________
☐ Semi-Annual ☐ Quarterly	
☐ Salary Deduction	State ______ Zip Code ______ Phone ______

This request shall not be effective until the application is approved and any necessary payment has been received by the Company at its Home Office.

Application Made at ______________________ State ________

____
Signature - See Instructions Below

this ________ day of ______________ , ______

____

Witness: ______________________

____

Form 6329-07

WHO MUST SIGN SIDE A

1) The Owner, 2) the Insured if other then the Owner, and 3) any Irrevocable Beneficiary, Creditor Beneficiary, or Assignee. Where the signature of a corporation is required, the name of the corporation should be filled in followed by the signatures of two of its officers, and its corporate seal should be affixed.

G

DEAR OUT STANDING POLICY PAYMENTS & BENEFITS REP,

PLEASE APPLY THE ENCLOSED CHECK FOR $X
TO MY PREMIUM DUE ON POLICY 123456.
PLEASE PAY THE BALANCE FROM POLICY VAULES.

SINCERELY,
YOUR VERY GRATEFUL IBC CLIENT.