

# F16A

Application

SAVINGS



F16A(16-01) PDF

## RRSP Loan Application and Agreement



January 2016

### IMPORTANT

- You must:
- Print 3 copies of this application
  - Send the original copy to head office
  - Give a copy to the client
  - Keep a copy for your files

**NOTICE CONCERNING THE EFFECT OF THE USE OF A LEVERAGE LOAN  
WHEN INVESTING IN SEGREGATED FUNDS THROUGH  
A REGISTERED INDIVIDUAL VARIABLE ANNUITY CONTRACT**

There are three ways to invest in segregated funds through a registered individual variable annuity contract: through cash only, a portion in cash with a loan or with a loan only. When you invest in segregated funds using cash only, your possible gain or loss is based only on the variation in the value of the segregated funds in which you invest.

However, when you use the leverage effect, i.e., when borrowed amounts are used to invest in segregated funds, you substantially increase the possible gains or losses on the cash that you invest. Therefore, Industrial Alliance Insurance and Financial Services Inc. (hereinafter called the "Company") wants to ensure that any investor who is thinking about borrowing money to use the leverage effect be informed of the risks inherent in this strategy by reading the explanations provided here.

For example,\* suppose a \$2,000 investment made in segregated funds loses 10% of its value and is now worth \$1,800. For a cash investment, where no loan is made, the loss would be 10%. For an investment made using \$2,000 in cash and a \$5,000 loan, for a total investment of \$7,000, the same 10% decrease in value would result in a \$700 drop in capital, which represents a 35% loss of the cash investment. Finally, for a client who opts for a \$2,000 investment that is completely financed through a loan, a 10% drop in the value of the investment would mean that, in addition to the \$1,800 in proceeds from the disposition of the investment, the client would personally have to pay an additional \$200 to repay the loan.

The level of risk involved in an investment financed through a loan is measured on an ad hoc basis and varies according to the conditions and specific situation of the investor and according to the investments made.

\*The examples mentioned in this notice do not take into account taxes or surrender fees that may be applicable.

**Instructions for the agent**

To determine the amount of the minimum initial monthly payment, please refer to document F13-1007 or go to [ia.ca](#) under the RRSP Loan tab to find out the monthly repayment factors, with or without the 120-day differed option, depending on the repayment term.

**Notes:**

- The annual loan interest rate is the rate in effect at the moment of loan application and agreement approval.
- If a frequency other than a monthly payment is selected in section A of Part 4 of this Loan Agreement, the amount of the payment will be adjusted proportionally.
- Each payment, irrespective of the frequency selected, must never be less than \$25.
- The maximum annuitant age for an RRSP loan is 71, and the amortization period for the issue or renewal of an RRSP loan is limited based on this age. (For example, if the annuitant is 68 years old, a maximum amortization period of 36 months could be granted.)

**Documents required**

Documents	Required?
F16 Form – RRSP Loan Application and Agreement	Original document required
Personalized void cheque	Original document required
Proof of income	<ul style="list-style-type: none"> <li>- On request</li> <li>- Required for \$25,000+ loan applications</li> </ul>
Last federal contribution notice (confirmation of unused contributions)	<ul style="list-style-type: none"> <li>- On request</li> <li>- Required for \$25,000+ loan applications</li> </ul>

**PART 1**

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**RRSP Loan Application and Agreement**

Capitalized words and expressions have the meaning set out in "DEFINITIONS" in section C of Part 4 of this Loan Agreement.

**A- LENDER**

Industrial Alliance Insurance and Financial Services Inc., hereinafter called the "Company".

**B- BORROWER (CONTRIBUTOR WHO WILL RECEIVE TAX RECEIPT(S))**

First name \_\_\_\_\_ Last name \_\_\_\_\_

 Address \_\_\_\_\_  
 No. \_\_\_\_\_ Street \_\_\_\_\_ Apt. \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal code \_\_\_\_\_

 Telephone: Home \_\_\_\_\_ Office \_\_\_\_\_ Extension \_\_\_\_\_  
Y Y Y Y M M D D M A N D A T O R Y

 Date of birth \_\_\_\_\_ Social Insurance Number (SIN) \_\_\_\_\_ Age \_\_\_\_\_ Gender:  M  F

Last name at birth (if different from above) \_\_\_\_\_

 Place of birth (country or province) \_\_\_\_\_ Resident of Canada: since birth  OR since Y Y Y Y M M

 Current employer \_\_\_\_\_ Position \_\_\_\_\_  
Y Y Y Y M M D D

Since \_\_\_\_\_ Type of business \_\_\_\_\_

 Address \_\_\_\_\_  
 No. \_\_\_\_\_ Street \_\_\_\_\_ Suite \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal code \_\_\_\_\_

Previous employer (if less than 2 years with current employer) \_\_\_\_\_ Position \_\_\_\_\_

Number of years with previous employer \_\_\_\_\_ Unused RRSP contributions: \$ \_\_\_\_\_ Annual income: \$ \_\_\_\_\_

**C- CO-BORROWER (ONLY FOR RRSP CONTRIBUTOR'S SPOUSE)**

Mandatory if part or all of the loan is invested in Co-borrower's RRSP

First name \_\_\_\_\_ Last name \_\_\_\_\_

 Address  Check if same as Borrower or complete the following:

 \_\_\_\_\_  
 No. \_\_\_\_\_ Street \_\_\_\_\_ Apt. \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal code \_\_\_\_\_

 Telephone: Home \_\_\_\_\_ Office \_\_\_\_\_ Extension \_\_\_\_\_  
Y Y Y Y M M D D M A N D A T O R Y

 Date of birth \_\_\_\_\_ Social Insurance Number (SIN) \_\_\_\_\_ Age \_\_\_\_\_ Gender:  M  F

Last name at birth (if different from above) \_\_\_\_\_

 Place of birth (country or province) \_\_\_\_\_ Resident of Canada: since birth  OR since Y Y Y Y M M

Relationship to Borrower \_\_\_\_\_

 Current employer \_\_\_\_\_ Position \_\_\_\_\_  
Y Y Y Y M M D D

Since \_\_\_\_\_ Type of business \_\_\_\_\_

 Address \_\_\_\_\_  
 No. \_\_\_\_\_ Street \_\_\_\_\_ Suite \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal code \_\_\_\_\_

Previous employer (if less than 2 years with current employer) \_\_\_\_\_ Position \_\_\_\_\_

Number of years with previous employer \_\_\_\_\_ Unused RRSP contributions: \$ \_\_\_\_\_ Annual income: \$ \_\_\_\_\_

**D- AGENT**

Name \_\_\_\_\_ Agent code \_\_\_\_\_ S.U. \_\_\_\_\_

Agency \_\_\_\_\_ Agency code \_\_\_\_\_

Telephone \_\_\_\_\_ Extension \_\_\_\_\_ Email \_\_\_\_\_



# PART 2

## A- ANALYSIS OF YOUR FINANCIAL SITUATION (MANDATORY)

- a) Have you declared bankruptcy in the last five (5) years?  No  Yes If yes, date of discharge 

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---
- b) Have you filed a proposal under the *Bankruptcy and Insolvency Act* in the last five (5) years?  No  Yes  
If yes, date of certificate of full performance 

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---
- c) Have you ever been subject to garnishment?  No  Yes If yes, for what reason? \_\_\_\_\_
- d) Have you ever had property seized?  No  Yes If yes, for what reason? \_\_\_\_\_

## B- INCOME (MANDATORY)

Types of income	Borrower	Co-borrower (To be filled out if applicable. If so, make sure section C of Part 1 is duly completed and Part 4 is signed.)
Gross monthly employment income	\$ _____	\$ _____
Other monthly income	\$ _____	\$ _____
Total monthly income	\$ _____ +	\$ _____ = x 35% \$ _____ (A)

## C- BALANCE SHEET (MANDATORY)

ASSETS	LIABILITIES
Principal residence	Mortgage loan - Rent
• Purchase price \$ _____	• Mortgage loan balance \$ _____
• Market value \$ _____	• Monthly payment (rent or mortgage loan) \$ _____ (1)
Automobile (purchase only)	Personal loans (furniture, electronic appliances, miscellaneous)
• Model and year _____	• Balance \$ _____
• Market value \$ _____	• Monthly payment \$ _____ (2)
Savings	Line of credit or loan
• Registered \$ _____	• Balance \$ _____
• Non-registered \$ _____	• Monthly payment or 5% of the authorized limit (whichever is higher) \$ _____ (3)
Other assets (Specify)	Automobile loan or lease
• _____ \$ _____	• Balance \$ _____
• _____ \$ _____	• Monthly payment \$ _____ (4)
• _____ \$ _____	Credit cards
• _____ \$ _____	• Balance \$ _____
• _____ \$ _____	• Monthly payment or 5% of the authorized limit (whichever is higher) \$ _____ (5)
• _____ \$ _____	Other financial obligations
• _____ \$ _____	• Balance \$ _____
• _____ \$ _____	• Monthly payment \$ _____ (6)
<b>Total assets</b> \$ _____	<b>Total liabilities</b> (1) + (2) + (3) + (4) + (5) + (6) = \$ _____ (B)
	<b>Monthly amount available to repay the RRSP loan<sup>(1)</sup></b> (A) - (B) = \$ _____ <sup>(1)</sup> (C)

<sup>(1)</sup>In order for the loan to be approved, this amount must be sufficient to cover the monthly payment amount determined under the heading "Payments" in the *Information Box* in Part 3 of this document.



**PART 3**

(continued)

<b>Amortization Period</b>	Any changes in the Interest Rate can affect the loan amortization period. If the Interest Rate does not change, and you comply with the terms and conditions of the Loan Agreement, then the amortization period of the loan is the same as the term of the loan.
<b>Prepayment Privilege</b>	You may repay all or a portion of your loan at any time without charge.
<b>Prepayment Charges</b>	N/A
<b>Default Insurance</b>	N/A
<b>Other Fees</b>	<p>The following is a list of current fees charged by the Company, where permitted by law. Fees may change from time to time without notice to you.</p> <ul style="list-style-type: none"><li>• Extra copy of any statement or monthly statement on demand: <b>\$50</b></li><li>• Each cheque or pre-authorized cheque payment (“PAC”) that is not honoured: <b>\$25</b></li><li>• Duplicate of the Loan Agreement: <b>\$50</b></li><li>• Statement setting out all transactions under the Loan Agreement: <b>\$50/hour (1 hour minimum)</b></li><li>• Modification(s) to the Loan Agreement following a separation or a divorce: <b>\$50</b></li><li>• Cancellation of the Loan Agreement within 60 days following its issue: <b>\$50</b></li></ul>

# PART 3

(continued)

## B- INITIAL DISCLOSURE STATEMENT

**Total Principal Amount** (maximum \$50,000, if the Borrower is eligible): The Total Principal Amount includes the amount of the current RRSP loan you are applying for with this loan application and any outstanding balance<sup>(1)</sup> on an existing RRSP loan(s) or RRSP line(s) of credit if applicable. The Total Principal Amount is shown in the *Information Box* on line (C) under the heading "Principal Amount".

<sup>(1)</sup>Any outstanding balance on prior RRSP loan(s) or RRSP line(s) of credit that is indicated on line (B) of the *Information Box* under the heading "Principal Amount" becomes part of the Total Principal Amount and will now be governed by the terms and conditions of this Loan Agreement.

**Annual Interest Rate:** The annual Interest Rate on the Total Principal Amount is equal to the total of the Prime Rate plus the increment which is established according to the rate scale (known as the "Rate Schedules—Individual GIC, PGA, SPIA and Others") in effect when this loan application is signed. The increment is based on the Total Principal Amount (which includes the amount of the current RRSP loan you are applying for with this application and any outstanding balance on existing RRSP loan(s) or RRSP line(s) of credit) and the repayment term that you have selected as shown in the *Information Box*.

The Interest Rate changes whenever the Prime Rate changes. Any changes in the Interest Rate can affect the loan amortization period.

The interest is calculated according to the following formula:

Outstanding balance of the Loan Amount upon the last capitalization of interest x (number of days elapsed since the last capitalization/365) x Interest Rate then in effect.

Interest is calculated daily and is added to the Loan Amount at the end of the month.

The Company reserves the right to change the loan maximum limit and the Interest Rate at any time without notice, subject to applicable laws.

**Term:** The term of the loan is shown in the *Information Box*.

**Date of advance:** Following the Company's approval of the loan application, the amount of the current RRSP loan will be advanced and invested in the Registered Annuity Contracts specified in the documents enclosed with this application as per the instructions below:

- a) If this loan is to be applied to an **EXISTING REGISTERED INDIVIDUAL VARIABLE ANNUITY CONTRACT**, enclose the appropriate investment instructions form with this Loan Application and Agreement.
- b) If this loan is to be applied to a **NEW REGISTERED INDIVIDUAL VARIABLE ANNUITY CONTRACT**, enclose the application of the new registered individual variable annuity contract with this Loan Application and Agreement.

### Payments:

a) The **monthly payment amount** is shown in the *Information Box*.

The monthly payment amount can be higher or lower if the outstanding balance of the existing RRSP loan(s) or RRSP line(s) of credit is different from the amount shown in the *Information Box*.

b) The total of all monthly payments is equal to: \$\_\_\_\_\_ (A)  
[monthly payment amount x number of months selected as the repayment term in the *Information Box*]

c) The total interest charges over the term of the loan is equal to: \$\_\_\_\_\_  
[total of all monthly payments (line (A) above) minus the Total Principal Amount]

d) Insurance premiums and any other non-interest charges over the term of the loan: N/A

e) The total number of monthly payments equals the repayment term you have selected in the *Information Box*.

f) The date of first payment is set out in section A of Part 4 of the Loan Agreement. The date of last payment depends on the repayment term you have selected.

If a repayment frequency other than a monthly payment is selected, the monthly payment amount and the total number of monthly payments will be adjusted proportionally.

Payments will first be credited to the Amount in Arrears, then to the payment of accrued interest and then to the payment of the balance owing on the Total Principal Amount.

Due to changes to the Prime Rate subsequent to signing the loan application, the monthly payment amount, the total of all monthly payments, and the total interest charges over the term of the loan may vary and the amortization period may differ from the repayment term. The monthly payment amount, the total of all monthly payments and the total interest charges over the term of the loan are based on reasonable assumptions and estimates as of the date of signature of the loan application.

Payments are payable at the Company's head office, which is located at 1080 Grande Allée West, PO Box 1907, Station Terminus, Quebec City, Quebec, G1K 7M3, or at one of its branch offices.

### OPTION 120

I want Option 120. If checked, the loan will be advanced on the Effective Date of this Loan Agreement and the repayment term will begin 120 days following the Effective Date. **Interest accrues during this period.** Refer to section C of Part 4 for more details.

If the PAC begins **more than 30 days after** the date of signature, the client must have a **minimum of \$500** accumulated in other Individual Variable Annuity Contracts. If a new contract is issued, a premium of \$500 is required.

No.			-							-		Balance \$	_____
No.			-							-		Balance \$	_____

**Security:** Pursuant to the terms and conditions of the Loan Agreement, the Borrower assigns as security (or hypothecated in the province of Quebec) in favour of the Company, the Non-registered Annuity or TFSA Contract(s) to which the current Loan contract is invested. Please refer to #6 of section B and #10 and #11 of section C of Part 4 of the Loan Agreement.

**Default charges:** If the Borrower fails to comply with any obligation in the Loan Agreement, in addition to interest, the Company may impose charges for recovering the costs reasonably incurred for:

- a) legal services to collect, or attempt to collect, any payment;
- b) realizing on any security interest or protecting such security interest, including the cost of legal services for that purpose; and
- c) any charges incurred by the Company as a result of a dishonoured payment.



**PART 4**

(continued)

**B- GENERAL CONDITIONS, AUTHORIZATIONS AND SIGNATURES**

The loan application is subject to approval by the Company.

The undersigned Borrower, and if there is a Co-borrower, are referred to as "I" in the Loan Agreement and make the following statements in respect of himself or herself.

1. I hereby confirm that I have requested that this Loan Agreement be drafted in the English language only. *Par les présentes, je confirme avoir demandé que le présent contrat de prêt soit rédigé en anglais uniquement.*
2. I have read and understand the "NOTICE CONCERNING THE EFFECT OF THE USE OF A LEVERAGE LOAN WHEN INVESTING IN SEGREGATED FUNDS THROUGH A REGISTERED INDIVIDUAL VARIABLE ANNUITY CONTRACT" section of this Loan Agreement.
3. I acknowledge that I have read this "GENERAL CONDITIONS, AUTHORIZATIONS AND SIGNATURES" section and section C "SPECIFIC CONDITIONS" as set out in Part 4 of this Loan Agreement, and I agree to abide by these conditions.
4. I acknowledge that the information provided in this Loan Agreement, including the information provided in the INCOME and BALANCE SHEET sections of Part 2 of this Loan Agreement, is complete, accurate and true, and that the Company will rely on the accuracy of this information in determining whether to approve the loan application. I agree to notify the Company in writing of any change in my financial situation that may affect my ability to repay the loan. I declare that my assets are not currently the subject of seizure, garnishment or of any other similar procedure. I also declare that, to the best of my knowledge, no lawsuits or legal proceedings have been, or are about to be, brought against me.
5. I request that the amount borrowed be invested in full to the Registered Annuity Contract(s) specified in section B of Part 3 of this Loan Agreement on the date of the advance under this loan.
6. I hereby assign by way of security or, if I live in Quebec, hypothecate in favour of the Company my non-registered annuity or TFSA contract(s) no. [ ] and no. [ ] which I will continue to own but may not surrender, either in whole or in part, or obtain a policy loan against, until the Loan Amount has been repaid in full. If an irrevocable beneficiary is designated under your Non-registered Annuity or TFSA Contract(s), either because you have designated the beneficiary as irrevocable or because you reside in Quebec and the beneficiary is your spouse through marriage or civil union and you did not expressly designate the beneficiary as revocable, the beneficiary must sign the consent below.
7. **I understand and agree that if I have indicated an outstanding balance from a previous RRSP loan under the heading "Principal Amount" of the Information Box of this Loan Agreement, this outstanding balance will now be governed by the terms and conditions of this Loan Agreement.** The terms and conditions provided under the previous contract are revoked by the Company's acceptance of this loan application and any outstanding balance(s) from the previous RRSP loan(s) shall be repaid in accordance with the terms and conditions of this Loan Agreement.
8. **I understand and agree that the monthly payment amount, the total of all monthly payments, and the total interest charges over the term of the loan may vary due to changes to the Prime Rate subsequent to signing the loan application and the amortization period may differ from the repayment term. I acknowledge that the monthly payment amount, the total of all monthly payments and the total interest charges over the term of the loan set out in Part 3 of this Loan Agreement are based on reasonable assumptions and estimates at the time I signed the loan application.**
9. I agree to repay the Loan Amount in full, which includes accrued interest and all other amounts due, in accordance with the terms and conditions of this Loan Agreement.
10. I acknowledge and agree that the Loan Amount must be repaid in full, including accrued interest and all other amounts due, before the Registered Annuity Contract(s) can be surrendered, in whole or in part, transferred, or converted to an annuity or any other retirement product.
11. In the event of any request to surrender the Registered Contract(s) in whole or in part, or any request to transfer the Registered Annuity Contract(s), I authorize the Company to apply the proceeds to the reimbursement of the Loan Amount.
12. I acknowledge and agree that if I am in default under any of the terms or conditions of this Loan Agreement for more than sixty (60) days, the total Loan Amount, which includes accrued interest and all other amounts due, shall immediately become due and payable in full. Quebec Borrowers should also refer to the "Clause of forfeiture of benefit of the term" in paragraph 10 of section C of Part 4 of this Loan Agreement.
13. I agree to pay all legal costs and expenses incurred by the Company to recover the amounts due if I am in default under any of the terms or conditions of this Loan Agreement for more than sixty (60) days.
14. **I authorize all credit agencies, financial institutions, taxation authorities, public bodies, or any other persons or organizations that hold personal information about me, including financial information or information about my credit history, to supply and exchange this information with the Company, its affiliates, or its representatives and agents, for the purposes of evaluating this loan application, administering and enforcing the Loan Agreement, and for marketing purposes.** I further authorize the Company to supply and exchange my personal information with its affiliates, representatives and agents for the purposes in the preceding sentence. A photocopy of this authorization will be as valid as the original.
15. I authorize the Company to withdraw the agreed payments in accordance with section A of Part 4 of this Loan Agreement. I confirm that all required signatories to the account at the financial institution have signed the PAC agreement in section A of Part 4 of this Loan Agreement and I agree to provide such authorization agreement(s) as may be required by my financial institution or by the Company to enable the Company to withdraw the payments as indicated.
16. I request that the Company advise me of any other credit offer that would allow me to deposit the amount borrowed in a Registered Annuity Contract, including any possible increase in credit that may be granted to me under the terms and conditions of this Loan Agreement.
17. The disclosure statements will be provided to both the Borrower and the Co-borrower unless the Co-borrower checks the box below:  
 I consent to the Borrower receiving the disclosure statements on my behalf.

(If the Co-borrower does not check this box, please ensure that the Co-borrower's address is set out clearly in section C of Part 1 of the Loan Agreement.)

I accept the terms and conditions of this Loan Agreement, including the "Specific Conditions" that follow, and I acknowledge that I have received a copy.

All signed at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

**X** \_\_\_\_\_ **X** \_\_\_\_\_ **X** \_\_\_\_\_  
 Borrower's signature Co-borrower's signature Agent/Witness

**CONSENT OF IRREVOCABLE BENEFICIARY<sup>(1)</sup> (If an irrevocable beneficiary is designated under the non-registered annuity or TFSA contract(s) assigned in point 6 above)**

I, the irrevocable beneficiary of the Non-registered Annuity or TFSA Contract(s) assigned in point 6 of section B of Part 4 of this Loan Agreement, accept and agree that the Borrower assigns said contract by way of security or, if the Borrower resides in Quebec, hypothecates the contract in favour of the Company for an amount not exceeding the Loan Amount. If I reside in the province of Quebec, I hereby grant a movable hypothec with delivery in favour of the Company over all of my rights to and under this Non-registered Annuity or TFSA Contract(s), including my right to the death benefit.

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
 Signature of irrevocable beneficiary Contract No. Signature of irrevocable beneficiary Contract No.

**(1) Caution – When the Borrower resides in Quebec,** if the beneficiary of the non-registered annuity or TFSA contract(s) is the married or civil union spouse of the policyholder and if the beneficiary is not clearly designated as revocable, the designation is irrevocable. In this case, the signature of the married or civil union spouse is mandatory.

**C- SPECIFIC CONDITIONS****1. DEFINITIONS**

For the purposes of this Loan Agreement, the following definitions apply:

- i. "Amount in Arrears" means an amount due and owing as a result of non-compliance with this Loan Agreement and may include principal, accrued interest and administration fees;
- ii. "Borrower" means the loan applicant whose name appears in section B of Part 1 of this Loan Agreement and for the purposes of #10 of section C of Part 4 of this Loan Agreement constitutes the "Consumer";
- iii. "Co-borrower" means the loan co-applicant whose name appears in section C of Part 1 of this Loan Agreement and for the purposes of #10 of section C of Part 4 of this Loan Agreement constitutes the "Consumer";
- iv. "Company" means Industrial Alliance Insurance and Financial Services Inc. and for the purposes of #10 of section C of Part 4 of this Loan Agreement constitutes the "Lender" and "Merchant";
- v. "Effective Date" means the date this Loan Agreement comes into effect, which corresponds to the date the loan application is approved by the Company;
- vi. "Interest Rate" means the variable annual rate of interest determined from time to time by the Company pursuant to this Loan Agreement and, more specifically, is the rate equal to the Prime Rate plus the increment as stated in section A of Part 3 of this Loan Agreement;
- vii. "Loan Amount" means the total principal paid and advanced by the Company in favour of the Borrower, and the Co-borrower if any, under this Loan Agreement, and includes any outstanding balance if one has been indicated on line (B) under the heading "Principal Amount" of the *Information Box*, and any accrued interest and all other amounts due in accordance with this Loan Agreement;
- viii. "Loan Agreement" means the four (4) parts of this document and any other document used to create this Loan Agreement. This Loan Agreement may be modified at the request of the Borrower, and the Co-borrower if any, subject to approval by the Company for the purposes of #10 of section C of Part 4 of this Loan Agreement, this "Loan Agreement" constitutes the "Contract";
- ix. "Non-registered Annuity Contract" means the non-registered individual variable annuity contract or contracts indicated in point 6 of section B of Part 4 of this Loan Agreement for which a Movable Hypothec or a Collateral Assignment is granted by the Borrower under this Loan Agreement;
- x. "Prime Rate" means the annual rate of interest announced by the Royal Bank of Canada, from time to time, as its prime rate in Canada, being a reference rate then in effect for determining interest rates on loans, made in Canadian currency, in Canada;
- xi. "Registered Annuity Contract(s)" means the registered contract(s) issued by the Company and specified in section B of Part 3 of this Loan Agreement, and to which the advance under this loan will be credited;
- xii. "Tax-free savings account annuity contract(s)" means the individual variable annuity contract(s) registered as tax-free savings account(s) specified at point 7 of Section D "GENERAL CONDITIONS, AUTHORIZATIONS AND SIGNATURES" of this loan application and for which collateral or personal assignment or movable hypothec is consented to by the Borrower pursuant to this loan application and designated by "TFSA";
- xiii. "Total Principal Amount" means the amount of the current RRSP loan applied for in the loan application and any outstanding balance(s) on an existing RRSP loan(s), if applicable.

**2. INTEREST RATE**

The Interest Rate for the purposes of the daily calculation of the monthly interest owed on the Total Principal Amount and the Amount in Arrears varies in accordance with the increase or decrease of the Prime Rate. This increase or decrease can affect the loan amortization period.

**3. REPAYMENTS**

Each payment, irrespective of the frequency, must never be less than \$25.

**Option 120:** Under this option, the repayment term selected must begin 120 days following the Effective Date of this Loan Agreement. Interest accrues during this period.

The monthly payment amount must cover any Amount in Arrears. The payments will first be credited to the Amount in Arrears, then to the payment of accrued interest and then to the payment of the balance owing on the Total Principal Amount.

The Borrower, or the Co-borrower if any, may, at any time, repay all or a portion of the Loan Amount. At any time, the balance due is equal to the total Amount in Arrears, the outstanding balance of the Total Principal Amount, accrued interest and all other amounts due at the time of repayment.

**4. USE OF THE LOAN**

The loan must only be used to invest in a registered individual variable annuity contract issued by the Company. Any other use of the loan without written authorization from the Company results in the suspension of the rights to use the loan and requires the Borrower, and the Co-borrower if any, to immediately repay the Loan Amount in full.

The amount borrowed will be advanced and credited to the Registered Contract(s) following the Company's acceptance of this loan application. Before approving an application, the Company must receive all required documents, duly completed, and be allowed a reasonable period of time to process the application and complete its administrative processes.

**5. SPECIAL FEES**

In addition to other recourses available and the Company's service charges, administrative fees will be charged for each cheque that is returned due to insufficient funds ("NSF") and for each pre-authorized cheque payment ("PAC") that is not honoured for any reason such as, but not limited to, NSF, stop payment or account closed.

In accordance with applicable law and its administrative policies in effect, the Company reserves the right to impose transaction fees, among others, for any authorized loan that is cancelled within sixty (60) days following its issue.

## 6. JOINT AND SEVERAL RESPONSIBILITY

It is agreed that if the loan is granted to a Borrower and a Co-borrower, they are jointly and severally responsible for the total Loan Amount.

## 7. STATEMENTS

The Company shall provide a disclosure statement once every twelve (12) months.

Any future correspondence, including the annual disclosure statement, is deemed to have been received by the Borrower/Co-borrower on the fifth (5th) business day after its postmark date. The Borrower, or the Co-borrower if any, must notify the Company in writing of any errors or omissions within thirty (30) days following receipt of the statement, otherwise it will be deemed to be accurate and complete.

## 8. FILE AND PERSONAL INFORMATION

In order to ensure the confidentiality of your personal information, the Company will establish a file containing your Loan Agreement. The information in your file will be used for the purposes of evaluating this loan application, administering and enforcing the Loan Agreement and for marketing purposes.

Access to your personal information will be limited to the Company's employees, agents or service providers in the performance of their duties, to individuals to whom you have granted access and persons authorized by law. You have the right to request access to your personal information contained in this file and, if necessary, to correct any inaccurate information. In order to do so, send a written request to:

Industrial Alliance Insurance and Financial Services Inc.  
Chief Privacy Officer  
1080 Grande Allée West  
PO Box 1907, Station Terminus  
Quebec City, QC G1K 7M3

Industrial Alliance may establish a list of clients for marketing purposes for use by the Company or the companies in its group. To have your name removed from this list, send a written request to the Chief Privacy Officer at the above-mentioned address.

## 9. CURRENCY

All amounts payable to or by the Company shall be in the legal currency of Canada.

## 10. CLAUSES REQUIRED UNDER THE *CONSUMER PROTECTION ACT OF QUEBEC* (FOR QUEBEC BORROWERS ONLY)

### “Contract for the loan of money”

(1) The Consumer may cancel this contract without charge within two (2) days following that on which each party takes possession of a duplicate of this Contract.

To cancel the Contract, the Consumer must:

- (a) return the money to the Merchant or his representative if he received the money at the time each party took possession of a duplicate of the Contract;
- (b) send a notice in writing to that effect, or return the money to the Merchant or his representative if the money was not returned to him at the time each party took possession of a duplicate of the Contract.

The Contract is cancelled, without further formality, as soon as the Consumer returns the money or forwards the notice.

(2) If the Consumer uses the money to make full or partial payment for the purchase or lease of goods or services, he may, if the money Lender and the vending or leasing Merchant regularly work together with a view to the granting of loans of money to consumers, plead against the money Lender any ground of defence that he may urge against the vending or leasing Merchant.

(3) The Consumer may pay, in whole or in part, the amount of his obligation before maturity.

The balance due is equal at all times to the sum of the balance of net capital and credit charges computed in accordance with the Act and the General Regulation made under the Act.

(4) The Consumer may, once a month and without charge, request a statement of account from the Merchant; the latter must furnish him with the statement of account or forward it to him as soon as possible, but at the latest within ten (10) days of the receipt of the request.

In addition to the statement of account prescribed above, the Consumer who wishes to pay the balance of his obligation before maturity may, at all times and without charge, request a statement of account from the Merchant; the latter must furnish him with the statement of account or forward it to him as soon as possible, but at the latest within ten days of the receipt of the request.

It is in the Consumer's interest to refer to sections 73, 74, 76, 91, 93 and 116 of the *Consumer Protection Act* (R.S.Q., c. P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.

### “Clause of forfeiture of benefit of the term”

Before availing itself of paragraph 12 of section B of Part 4 of this Loan Agreement, the Merchant must send the Consumer a notice in writing and a statement of account.

Within thirty (30) days following receipt by the Consumer of the notice and the statement of account, the Consumer may:

- a) either remedy the fact that he is in default; or
- b) present a motion to the court to have the terms and conditions of payment prescribed in this contract changed.

It is in the Consumer's interest to refer to sections 104 to 110 of the *Consumer Protection Act* (R.S.Q., c. P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur.

### **11. MOVABLE HYPOTHEC (APPLICABLE IF THE BORROWER AND/OR CO-BORROWER (HEREINAFTER THE "BORROWERS") RESIDE IN QUEBEC)**

To guarantee repayment of the Loan Amount, the Borrowers hereby grant a movable hypothec (the "Movable Hypothec") in favour of the Company with delivery of all rights, including the surrender privilege and the right to the amounts invested in the segregated funds or in any other investment vehicles pursuant to their non-registered annuity or TFSA contract(s) indicated in section B of Part 4 of the Loan Agreement and held with the Company, up to a maximum of the Loan Amount. To this end, the Borrowers have surrendered to the Company all copies of the hypothecated non-registered annuity or TFSA contract(s) in their possession or under their control.

The Company may, but is not required to exercise the rights associated with the hypothecated non-registered annuity or TFSA contract(s), issue a notice to any person obliged to pay a debt or settle an obligation associated with said contract.

The Borrowers shall pay all fees (including any extrajudicial fees, if any) as may be incurred by the Company in the context of preparing, signing and, where applicable, publishing the Movable Hypothec with delivery granted pursuant to this Loan Agreement and, where applicable, any procedure for the purpose of pleading the rights and recourses set out pursuant to this Loan Agreement or pursuant to the law.

The Borrowers represent and warrant that the hypothecated non-registered annuity or TFSA contract(s) is/are and will be, at all material times, free and clear of any pledge, movable hypothec (other than this Movable Hypothec) prior claim, lien, security interest or charge or any agreement capable of becoming a pledge, movable hypothec, prior claim, lien, security interest or charge. The Borrowers shall keep the hypothecated non-registered annuity or TFSA contract(s) free and clear of any income tax, pledge, movable hypothec, prior claim, lien, security interest or other charge of whatever nature. The Borrowers acknowledge that the Company is relying on such representations and that such representations shall be confirmed in writing as of the date of any advance prior to the disbursement of any such advance.

The Movable Hypothec with delivery granted under the Loan Agreement is in addition to, and does not replace, any other security that is currently or may in the future be held by the Company. Said Movable Hypothec shall remain in effect until such time as the Loan Amount has been repaid to the Company in full and a written notice has been sent to the Borrowers confirming that the Company grants a release from said Movable Hypothec.

### **12. COLLATERAL ASSIGNMENT (APPLICABLE IF THE BORROWER AND/OR CO-BORROWER (HEREINAFTER THE "BORROWERS") RESIDE IN A PROVINCE OTHER THAN QUEBEC)**

To guarantee repayment of the Loan Amount, the Borrowers hereby assign as security to the Company all rights pursuant to their non-registered annuity or TFSA contract(s) indicated in section B of Part 4 of the Loan Agreement and held with the Company, up to a maximum of the Loan Amount. To this end, the Borrowers have surrendered to the Company all copies of the assigned non-registered annuity or TFSA contract(s) in their possession or under their control.

The Company may, but is not required to exercise the rights associated with the assigned non-registered annuity or TFSA contract(s), issue a notice to any person obliged to pay a debt or settle an obligation associated with the assigned non-registered annuity or TFSA contract(s).

The Borrowers shall pay all fees and expenses (including any extrajudicial fees, if any) as may be incurred by the Company in the context of preparing, signing and, where applicable, registering the security granted under this Loan Agreement and, where applicable, any procedure for the purpose of pleading the rights and recourses set out pursuant to this Loan Agreement or pursuant to the law.

The Borrowers represent and warrant that the assigned non-registered annuity or TFSA contract(s) was/were not previously assigned and is/are free and clear of any pledge, priority, lien, security interest or charge other than the assignment granted hereby. The Borrowers shall keep the assigned non-registered annuity or TFSA contract(s) free and clear of any income tax, pledge, lien, security interest or other charge of whatever nature. The Borrowers agree not to enter into any transaction or permit any transaction to be entered into which results or could result directly or indirectly in the sale, assignment, exchange or liquidation of the assigned non-registered annuity or TFSA contract(s) or the creation of any pledge, lien, security interest or other charge of any kind on the assigned non-registered annuity or TFSA contract(s) without the Company's prior written consent.

The Borrowers agree to refrain from executing or permitting the execution of any transactions that result or may result directly or indirectly in the sale, assignment, exchange or liquidation of the assigned non-registered annuity or TFSA contract(s), or the creation of a security or any other charge of any kind whatsoever in respect of the assigned non-registered annuity or TFSA contract(s), without the prior written consent of the Company.

This Collateral Assignment is in addition to, and does not replace, any other security that is currently or may in the future be held by the Company. Said Collateral Assignment is a continuous security and shall remain in effect until such time as the Loan Amount has been repaid in full to the Company and a written notice has been sent to the Borrowers confirming that the Company grants a release from said Collateral Assignment.

### **13. DEFAULT**

Default occurs under this Loan Agreement when:

- the Borrower has failed to pay an amount owing on a scheduled payment;
- the value of the Company's security in the assigned or hypothecated non-registered annuity or TFSA contract(s) diminishes for any reason, including but not limited to the withdrawal of a sum of money invested in the assigned or hypothecated non-registered annuity or TFSA contract(s) or the payment of any benefit under the assigned or hypothecated non-registered annuity or TFSA contract(s), or the Company has any reason to believe that the value of its security in the assigned or hypothecated non-registered annuity or TFSA contract(s) will diminish;
- the Borrower fails to fulfil an obligation set out in the assigned or hypothecated non-registered annuity or TFSA contract(s) and does not remedy the situation within 10 days after notice is given by the Company attesting to said default;
- the Borrower becomes or is about to become insolvent or bankrupt, assigns his assets to his creditors, takes advantage or attempts to take advantage of the Bankruptcy and Insolvency Act or any other legislation relating to arrangements with creditors;
- the Borrower ceases to honour his obligations in the normal course of business as they fall due;
- the Borrower or the assigned or hypothecated non-registered annuity or TFSA contract(s) is the subject of a receiving order, liquidation order, dissolution order or any other such order;
- the Borrower is in arrears or fails to remit taxes or other charges that he is legally required to pay to the appropriate government authorities;
- the Borrower does not fulfil any other obligation arising herefrom and does not remedy the situation within 10 days after notice is given by the Company advising of said default;
- any of the information or documentation provided by the Borrower to the Company herein proves to be false, incomplete or inaccurate;
- the Borrower passes away.

### **14. LENDER'S REMEDIES**

In the event of default, the Company, without giving formal notice, may exercise any of its contractual or statutory rights or remedies, including but not limited to the right to surrender the assigned or hypothecated non-registered annuity or TFSA contract(s), a personal action, and the hypothecary rights and remedies (if the Borrower resides in Quebec) allowed by law. In all cases, the Company is entitled to payment of incurred expenses.

The Company's failure to exercise a right shall not constitute a waiver of such right for the future. Moreover, the Company's acceptance of the payment of a sum of money by the Borrower following default shall not constitute as a waiver of its other rights and remedies. The Company's decision to exercise one or more of its rights under this Loan Agreement or under the law shall not prevent it from exercising any other rights that it may possess.

## 15. RIGHT TO SURRENDER THE ASSIGNED OR HYPOTHECATED NON-REGISTERED ANNUITY OR TFSA CONTRACT(S)

In addition to the other remedies provided in this Loan Agreement in the event of default, the Company is hereby authorized, irrevocably and without additional authorization from the Borrower being required, to surrender all or part of the assigned or hypothecated non-registered annuity or TFSA contract(s) in order to remedy said default, up to the balance of the outstanding Loan Amount.

## 16. TERMINATION OF CONTRACT PRIOR TO MATURITY

Should the Borrower die or become disabled, the Company may also terminate the present Loan Agreement and demand immediate payment of the full Loan Amount.

Furthermore, the Borrower acknowledges that if, further to legislative or regulatory changes or an interpretation of the law, regulations or this Loan Agreement by the courts, the Company can no longer legally grant this loan or any additional loans, or can no longer legally fulfil all or part of its obligations under this contract, the latter may terminate this contract and demand immediate payment of the full Loan Amount.

## 17. DECLARATION OF BORROWER

The Borrower declares the following:

- No claims are pending against the Borrower, and no action, suit or proceeding is threatened or pending against the Borrower or its property which could adversely affect the Borrower's financial situation;
- The Borrower is not in default under the contracts to which he is a party;
- The Borrower is not in arrears to pay the competent government authorities income taxes or other charges which he/she is legally bound to pay;
- The Borrower has the requisite power and capacity to enter into the Loan Agreement and to comply with the obligations stipulated therein.

## 18. APPROVAL OF THE LOAN

The Borrower acknowledges that the coming into force of this Loan Agreement is subject to approval by the Company, at its sole discretion, and that the Company makes no representation and gives no warranty whatsoever that such approval will be granted. More specifically, but without limiting the generality of the foregoing, the Borrower acknowledges that the Company may withhold or limit its approval of any loan application in order to satisfy the requirements of the regulatory authorities. Prior to any loan disbursement, the Company must receive all required documents, duly signed by the Borrower in favour of the Company. The Borrower understands that no Loan Agreement shall be accepted by the Company without the consent of the irrevocable beneficiary designated in the assigned or hypothecated Non-registered Annuity or TFSA Contract(s).

## 19. NON-LIABILITY OF THE COMPANY

In no case shall the Company be liable for any losses, damages or expenses of any kind whatsoever that are sustained or incurred by the Borrower in relation to this Loan Agreement. More specifically, but without limiting the generality of the foregoing, the Company shall not be liable for any indirect losses or damages, lost profits or any other special damages.

Furthermore, the Company may not be liable for any losses, damages or expenses sustained or incurred by the Borrower due to the Company's failure to disburse part or all of the Loan Amount in relation to the investments, or through any other use of the Loan Amount by the Borrower or in relation to the garnishment, recovery, realization or exercise of any rights and remedies of the Company with respect to the assigned or hypothecated non-registered annuity or TFSA contract(s).

## 20. MISCELLANEOUS

**Applicable laws** – The Loan Agreement shall be governed by the laws in force in the Borrower's province of residence.

**Severability** – Each provision of the Loan Agreement shall apply to the extent permitted by law, and the total or partial invalidity of a provision shall have no impact on the rest of such provision nor on any other provision of this Loan Agreement. Notwithstanding the foregoing, if, further to an amendment of the applicable legislation, a provision of the Loan Agreement should become contrary to law but the legislative provision may be renounced, the Borrower shall be deemed to have renounced it.

**Other documents** – The Borrower shall, at his own expense and as soon as the Company so requests, prepare and sign all documents and take all measures as may reasonably be required by the Company to give full effect to the Loan Agreement and to the Collateral Assignment or Movable Hypothec with delivery that is assigned or granted herein.



Yvon Charest  
President and Chief Executive Officer



Jennifer Dibblee  
Corporate Secretary



# F16A

## Application

### About iA Financial Group

Founded in 1892, iA Financial Group offers life and health insurance products, mutual and segregated funds, savings and retirement plans, RRSPs, securities, auto and home insurance, mortgages and car loans and other financial products and services for both individuals and groups. It is one of the four largest life and health insurance companies in Canada and one of the largest publicly traded companies in the country. iA Financial Group stock is listed on the Toronto Stock Exchange under the ticker symbol IAG.

### Customer Service - Individual Savings and Retirement:

<b>Telephone number: 1-844-4iA-INFO (1-844-442-4636) Email: <a href="mailto:savings@ia.ca">savings@ia.ca</a></b>		
<b>Quebec:</b> 1080 Grande Allée West PO Box 1907, Station Terminus Quebec City, QC G1K 7M3 Fax: 418-684-5161	<b>Toronto:</b> 522 University Ave., Suite 400 Toronto, ON M5G 1Y7 Fax : 1-800-810-0197	<b>Vancouver:</b> 2165 Broadway West PO Box 5900 Vancouver, BC V6B 5H6 Fax: 604-689-9682

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