# Employee Hardship Loans Policy

**Effective: 2/10/2019**

All regular full-time employees are eligible to apply for an employee hardship loan after the completion of **five** years of active employment (careerist). The employee must be in good standing with the company. Employee hardship loans are available in the event of a personal financial crisis. Regular full-time employees may request an interest-free loan up to a maximum of 2 weeks gross pay (80 hours). It is to be paid back through payroll deductions at the greater amount of $50 or 52 equal biweekly payments (2 years).

An unexpected financial crisis is defined as an unplanned expense such as, but not limited to:

* A medical emergency not covered by medical insurance.
* An unanticipated family emergency: i.e., parent, spouse or child stranded out of state due to a non-self-directed event.
* Domestic emergency, i.e., incarceration of a custodial child, court-mandated change in custody of a child.
* Unexpected transportation repairs.
* Impending eviction from one's home through no flagrant fault of employee.

An employee seeking to apply for a company loan must obtain an application from his or her supervisor. Supervisor must sign off on the loan request and forward it to the Human Resources Director and the company ownership team for approval.

The ownership loan committee will review all submitted loan applications. All applications will be prioritized on the basis of the following criteria:

* Purpose of the loan *(loans for material purchases and extravagances will not be approved).*
* Amount of loan: the amount of the loan is not to exceed 2 weeks gross pay
* Term of loan: Payroll deductions at the greater amount of $50 or 52 equal biweekly payments (2 years).
* Employee’s outstanding indebtedness.
* The employee must not have enough funds in their 401K to cover the requested amount.
* The employee’s willingness to sign a promissory note and agree to remain an employee of NOR-CAL for the duration of the loan.

All employees who have submitted applications will receive notice of either approval or rejection of their individual request from a member of the human resources department. Applications for loans that are not approved will be discarded and will not be utilized in any additional requests.

***Additional loans*:** An employee may not apply for an additional loan until there is a zero balance on prior loans.

The employee hardship loan program is designed to help those employees who have exhibited good work/attendance practices and who are having financial hardships as defined above. This program may not be abused and may be terminated at any time. Employee abuse, including misrepresentation, will be cause for discipline, up to and including termination of employment. The company reserves the right to deny approval of a loan for any legitimate reason. The hardship loan program is intended as a benefit to the individual employee involved and is not assignable to any other person.