

**SECTION 403(b)
DEFINED CONTRIBUTION PLAN
FOR TAX-EXEMPT COLLEGES AND UNIVERSITIES
IN VIRGINIA**

Loan Administration Policy

This document outlines the parameters of the loan program available through the Section 403(b) Defined Contribution Plan for Tax-Exempt Colleges and Universities in Virginia. The Plan document governs loans and outlines the general rules that apply to loans made to Participants.

In accordance with the applicable provisions of the IRC and ERISA, and subject to the terms of the underlying Investment Arrangements and any applicable loan agreement and/or promissory note, loans under the Plan and will:

1. Be made available to all Participants on a reasonably equivalent basis,
2. Not be made available to Highly Compensated Employees or officers in an amount greater than the amount made available to other Employees;
3. Bear a reasonable rate of interest; and
4. Be adequately secured by the Participant's vested account balance.

Loan availability is subject to the following:

1. Loans under the Plan are limited to no more than 3 loans outstanding at one time.
2. New loans are not available to a Participant who has terminated employment.
3. New loans are not available to a Participant who has defaulted on a previous loan, unless such loan is paid off or the defaulted amount is offset by the Vendor.
4. Loans can be taken for any reason.
5. Loans will not be available on accumulations held in a Roth account, but the accumulation in the Roth account will be used to determine the loan principal limitations.
6. Loans will not be available from a Special Employer Discretionary Contribution account

Loan Interest Rate. The rate of interest charged under the loan agreement will be equal to the prime rate when the loan is issued plus 1%.

Loan Application Procedure. Any Participant eligible for a loan under the terms of the Plan and underlying Investment Arrangements must provide a completed loan application to TIAA for each loan furnishing all information requested and pay any required loan application fees. If the Plan is subject to the requirements of ERISA, and to the extent required by ERISA, the loan application must be signed by the Participant's spouse, if

any, within the 180-day period prior to the making of the loan, and witnessed by a notary public or Plan representative. The Plan will rely on the current TIAA process to initiate and complete this transaction without the need for Adopting Employer approval. Loans are only available for accumulations held under the TIAA Retirement Choice contracts.

Source of Funds Available for Loans (to the extent permitted by the funding vehicle). (Check applicable boxes):

- ☒ Elective Deferrals that are:
 - ☒ Not Matched by the Employer
 - ☒ Matched by the Employer
 - ☐ Roth Elective Deferrals
- ☐ After Tax Employee Contributions that are:
 - ☐ Not Matched by the Employer
 - ☐ Matched by the Employer
- ☒ Mandatory Employee Contributions that are:
 - ☒ Not Matched by the Employer
 - ☒ Matched by the Employer
- ☐ Matching Employer Contributions
- ☐ Safe Harbor Employer Contributions
- ☐ Employer Profit Sharing Contributions
- ☒ Rollovers

Loan Principal Limitations:

The minimum loan amount is \$1,000 and the maximum loan amount is the lesser of 50% of the Participant's vested account balance or \$50,000. The maximum aggregate dollar amount of loans outstanding to any Participant from all plans of the employer may not exceed \$50,000. This maximum amount is reduced by the excess of the Participant's highest outstanding balance of all loans on any day during the one (1) year period ending on the day before the loan is made, over the outstanding balance of loans from any plan of the employer on the date the Participant's loan is made.

Term of the Loan. A loan must be repaid in level payments, not less frequently than quarterly over a maximum five (5) year term, or longer if for the purchase of a principal residence. Upon your termination of employment, you must continue to pay your loan or it will go into default. All repayments will be invested in the same investment funds and in the same proportion as your current investment elections.

Default. A loan will be in default in the event of:

- ☐ Failure to remit any payment in a timely manner as required under the Loan Agreement

- ☐ Breach of any of the participant's obligations or duties under the Loan Agreement

If a default occurs after three (3) months of payments or the first three (3) monthly payments of the loan have been satisfied, you may pay the outstanding balance, including accrued interest from the due date, by the last day of the calendar quarter following the calendar quarter which contains the due date of the last monthly installment payment, and the loan will not be considered in default.

In the event of default, you will be limited from taking further loans from the plan subject to the limitations described above. If you default, you will be taxed on the entire outstanding loan balance, including possible penalties.

Military Service.

Repayment of loans may be suspended for any period during which you are performing qualified service in the uniformed services. To satisfy the loan repayment requirements, loan repayments must resume upon completion of the military service, and the frequency and the amount of each installment payment upon resumption will not be less than the frequency and amount under the terms of the original loan. The loan must be repaid in full (including the interest that accrues during the period of military service) by the end of the period that equals the original term of the loan plus the period of military service. A loan that was written for less than a five (5) year period may be extended to a five (5) year term plus the period of military service. The interest rate on the loan for the period of military service may not exceed 6% per annum.

Loan Fees

Loans from the Plan are subject to the following fees, payable by the participant:

\$75 per loan