HARVARD UNIVERSITY

Tax Deferred Annuity (TDA) Plan Loan Policy

Effective January 1, 2017

In accordance with Section 6.2 of the Harvard University TDA Plan (“Plan”), the Plan Administrator has adopted the following loan policy. A Participant in the Plan who is employed with the University or is otherwise a “party in interest” within the meaning of ERISA 3(14), or a deceased Participant’s beneficiary who has not yet received the entire portion of the deceased Participant’s account and who is a “party in interest” within the meaning of ERISA 3(14) (a “Borrower”), may apply for a loan only as permitted by the Plan and this loan policy. If the information in this loan policy is inconsistent with the Plan, or if the Plan contains more complete or detailed information or rules, the provisions of the Plan will prevail.

Loan Administration: The Harvard Human Resources Benefits Office is responsible for the operation and administration of the TDA loan program.

Loan Purpose: A Borrower may take a loan for any purpose.

Loan Application: Only amounts invested in TIAA-CREF Traditional Contracts are available as collateral for loans. If a Borrower’s account is not invested in TIAA-CREF funds, the Borrower must transfer amounts under the Plan from another vendor to TIAA-CREF. Roth Contributions are not available as collateral for loans.

Borrowers can begin the loan process in one of two ways:

1. Call the Harvard University Retirement Center (HURC) at 1-800-527-1398. A HURC representative will send the required documentation to the participant.

2. Or on-line at www.tiaa-cref.org. The participant can then log into his/her account and obtain all the loan program information at that site.

Loan Fees: There are no loan application or processing fees.

Loan Amount:
- Minimum Amount: $1,000
- Maximum Amount: 45% of the Borrower’s annuity account which, together with any indebtedness under the Plan or other retirement plans of the University, shall not exceed $50,000. Loans cannot exceed the portion of the Borrower’s annuity account attributable to pre-tax (non-Roth) contributions.
- Offset: The $50,000 maximum loan amount will be reduced by the excess of (i) the Borrower’s highest outstanding loan balance from all University retirement plans during the previous 12 months, over (ii) the Borrower’s outstanding loan balance from such plans immediately prior to the loan.

Number of Loans: A Borrower may have a maximum of two (2) outstanding loans at a time.

Loan Repayment Periods: Loan repayments are made monthly or quarterly.
- Minimum: One year (12 months)
- Maximum: Five years (60 months)
- Primary Residence: Up to ten years (120 months)
- Exceptions: If on a Military Leave, repayment will be suspended for the entire period of the Military Leave and will resume upon completion of Military Leave. There are no other exceptions.
- Loan repayments: Repayments are made by the participant electronically (e.g., through electronic debit of the participant’s savings or checking account) or by sending a check to TIAA-CREF.
Loan repayments continue under the agreed-upon repayment schedule after a participant’s termination from Harvard University. There is no acceleration of payments.

**Interest Rate:** The loan interest rate is tied to the Moody’s Corporate Bond Yield and is set for the first six (6) months following the issuance of the loan. The interest rate can then change at the beginning of each quarter with an increase or decrease of 0.5% in the Moody’s Corporate Bond Yield.

**Loan Approval:** Generally loans will be granted if the Borrower meets all of the certification and documentation requirements set forth in the Plan and this loan policy. Loans will not be approved if the Borrower has a loan that is in default. Default occurs once the grace period has passed without a loan payment. The Borrower would not be eligible for future loans while this loan remains in default.

**Collateral:** 110% of the loan amount as determined at loan origination is secured as collateral in the TIAA Traditional Fund within the Borrower’s GSRA contract. Roth Contributions are not available as collateral for loans.

**Default:** TIAA-CREF will send a written notice to the Borrower within 45 days of the payment due date if the Borrower fails to make a scheduled payment. If payment is not made in full within 14 days of such written notice, the loan will be considered in default.

**Spousal Consent:** Spousal consent is required. It must be in writing and witnessed by a Notary Public. Unless a Qualified Domestic Relations Order requires otherwise, spousal consent is not required if the Participant is legally separated. Spousal consent is also not required if the Participant can establish to the satisfaction of the Plan Administrator that he/she does not have a spouse or that the Participant’s spouse cannot be located.

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**ADOPTED:**

[Signature]
Marilyn Hausammann
Vice President for Human Resources

**12-21-16**
Date