

## HARVARD UNIVERSITY

### Tax-Deferred Annuity (TDA) Plan Loan Policy

Effective August 14, 2023

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) (in either case, 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:** 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 Borrower.
2. Or on-line at [www.tiaa.org](http://www.tiaa.org). The Borrower can then log into his/her account and obtain all the loan program information at that site.

**Loan Fees:** For loans taken prior to March 1, 2019, there are no loan application or processing fees. For loans taken on and after March 1, 2019 and prior to August 14, 2023, Borrowers are charged \$75 for each new general-purpose loan initiated and \$125 for each residential loan initiated. A general-purpose loan has a repayment period of not more than five years (60 months). A residential loan, where the proceeds of the loan are applied toward the purpose of a principal residence for the Borrower, may have a repayment period of up to ten years (120 months). The full loan amount is deducted from the Borrower's account and the fee is deducted from the proceeds of the loan check. In addition, for loans taken on and after March 1, 2019 and prior to August 14, 2023, there is an annual maintenance fee of \$25 for each outstanding unpaid loan, which fee is deducted from the Borrower's account on the anniversary of the loan until the loan is paid off or deemed distributed upon the occurrence of a triggering event.

For loans taken on and after August 14, 2023, Borrowers are charged \$50 for each new general-purpose or residential loan initiated. Effective August 14, 2023, there is no annual maintenance fee for any loan regardless of the date of initiation.

**Loan Amount:**

- **Minimum Amount:** \$1,000
- **Maximum Amount:** 50% of the Borrower's 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 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.
- Roth contributions are not available for loans but may be included when determining the maximum amount available for a loan.

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

**Loan Repayment Periods:** Periodic loan repayments are made monthly or quarterly (as elected by the Borrower when establishing the loan) by electronic Automated Clearing House (ACH) payments only. Final loans payoffs may be made via a personal check, a cashier's check, or an electronic ACH payment.

- **Minimum:** One year (12 months)
- **Maximum:** Five years (60 months)
- **Primary Residence:** Up to ten years (120 months) if the loan is applied toward the purchase of a principal residence for the Borrower
- **Exceptions:** If the Borrower is on an approved 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 to the foregoing rules on loan repayment periods.
- **Loan repayments:** Periodic loan repayments are made by the participant electronically (e.g., through electronic debit of the Borrower's savings or checking account). Loan repayments continue under the agreed-upon repayment schedule after a Borrower participant's termination from Harvard University. There is no acceleration of loan repayments upon termination of employment.

**Interest Rate:** The interest rate for each loan is a fixed rate tied to the Wall Street Journal Prime Rate plus 1%. The interest rate will be determined as of the commencement date of each loan and will remain fixed for the duration of the loan repayment period.

**Loan Approval:** Generally, loans will be approved 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 ever defaulted on a loan from the Tax-Deferred Annuity Plan, regardless of whether a loan is currently in default. Default occurs once the grace period has passed without a loan payment.

**Default:** TIAA 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 for any loan to a Participant who is married on the date of the loan. Such consent 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:**

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Manuel Cuevas-Trisán  
Vice President for Human Resources

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Date