Trinity University 403(b) Retirement Plan  
Loan Policy

This document outlines the parameters of the loan program available through the Trinity University 403(b) Retirement Plan (the "Plan"). The Plan document governs loans and outlines the general rules that apply to loans made to Participants. This document forms part of the Plan.

Plan Name: Trinity University 403(b) Retirement Plan

Employer Name: Trinity University

Effective Date of the Loan Policy: January 1, 2017

In accordance with the applicable provisions of the Internal Revenue Code and ERISA, and subject to the terms of the underlying funding vehicles and any applicable loan agreement and/or promissory note, loans under the Plan will:

(a) be made available to all participants on a reasonably equivalent basis,
(b) not be made available to Highly Compensated Employees or officers in an amount greater than the amount made available to other employees;
(d) bear a reasonable rate of interest; and
(e) be adequately secured by the participant’s vested account balance.

Participants may have no more than three outstanding loans at a time. A defaulted loan is considered an "outstanding loan."

Loan Interest Rate. The rate of interest charged may depend on the funding vehicles available under the Plan. The Plan’s loan interest rate will be calculated as:

- TIAA GSRA contract: Variable rate based on Moody’s Corporate Bond Yield Average adjusted quarterly beginning with the third quarter

Interest rates and subsequent modifications to the rates may be limited under applicable state law.

Loan Program Administrator. The Plan Administrator (Trinity University) is responsible for administering this Loan Policy. The Loan Program Administrator (or its representative) is authorized to approve a plan loan to an eligible participant, provided such participant has submitted a loan application completed to the satisfaction of the Loan Program Administrator or its representative.

Loan Application Procedure. Any participant eligible for a loan under the terms of the Plan and underlying funding vehicles (to the extent applicable) must provide to the Loan Program Administrator (or its representative) a completed loan application for each loan furnishing all information requested and pay any required loan application fees. Because the Plan is subject to ERISA, the loan application must be signed by the participant's spouse, if any, within the 90-day period prior to the making of the loan, and witnessed by a notary public or Plan representative.

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

- Elective Deferrals that are:
  - Not Matched by the Employer
  - Matched by the Employer
  - Roth Elective Deferrals

- Nondeductible 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
- Employer Contributions
- Rollovers

Limitations on Types of Loans (to the extent permitted by the funding vehicle): Loans may be taken for the following purposes:
General purpose
☑ Safe Harbor Hardship Reasons
☑ Purchase of a principal residence
☐ Other: _______________________________________________________________

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-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.

Loans from the TIAA RL and GSRA contracts are further limited to the lesser of 45% of the Participant’s vested TIAA-CREF account balance or $50,000. For the GSRA loan, an amount equal to 110% of the loan amount will be set aside as collateral for the loan. For RL loans, a participant will be required to move 110% of the loan amount to the RL as collateral for the loan.

Term of the Loan. A loan must be repaid in level payments, not less frequently than quarterly over a term that is generally five years, or longer if for the purchase of a principal residence.

Default. The Plan Administrator may treat this loan in default in the event of:

- Failure to remit any payment by the end of the "cure period." The “cure period” is the repayment period allowed by the Plan Administrator and it will not extend beyond the last day of the calendar quarter following the calendar quarter during which the last scheduled installment payment was due and not paid.
- Breach of any of the participant’s obligations or duties under the Loan Agreement
- Termination of employment (as permitted by the funding vehicle)

In the event of default, you may be limited from taking further loans from the Plan. If you default, you will be taxed on the entire outstanding loan balance. If loan repayment is by payroll deduction, your loan will be payable in full when you terminate employment. If you fail to repay the outstanding loan balance, your loan will be in default and you will be taxed, including possible penalties.

Military Service. Repayment of loans may be suspended for any period during which an employee is 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 which equals the original term of the loan plus the period of military service. A loan that was written for less than a five-year period may be extended to a five-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. Plan loans are subject to the following fees, payable by the participant:

- Loans from the TIAA RL or GSRA Contracts: $0
- Mutual Fund Payroll Advantage or Retirement Plan Loans:
  - $75 for standard loan (1-5 years)
  - $125 for home loan (over 5 years)