



# **Bentley University Retirement Plan**

## **Loan Policy**

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As of January 1, 2023

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The Plan Administrator is authorized to administer the Loan Policy, and to prescribe such forms and regulations as it considers necessary or appropriate to conduct the objectives of the Loan Policy according to its express terms. Any loan must be made in accordance with any Investment Arrangement Documentation.

## Loan Eligibility

A Participant who has a vested Account balance and who is actively employed may apply for a loan.

## Loan Amount

The minimum loan amount is \$1,000.

The maximum loan amount is the lesser of the following:

- \$50,000, reduced by a Participant's highest outstanding loan balance on any Plan loan such Participant had during the previous 12 months, or
- 50% of a Participant's total vested Account balance in the Plan.

## Number Of Loans

A Participant may have no more than three Plan loans outstanding at any one time. A Participant who has defaulted on an existing loan will not be able to receive a new Plan loan until the defaulted loan is repaid.

## Spousal Consent

A spouse's written consent to a loan must be obtained if a Participant is married.

## Loan Interest Rate

A loan shall bear interest at the prevailing rate for loans having similar terms and conditions, as determined in accordance with applicable law and regulations. Loans granted at different times, having different durations, or repayment methods may bear different interest rates. For each loan established for a Participant there will be a fixed rate of interest determined for that loan. Currently, the interest rate is based on the prime rate, as published by Reuters, plus 1.0%. The interest a Participant pays on a loan will be credited back to such Participant's Account.

## Loan Fees

A reasonable administrative fee will be charged to a Participant's Account to establish and administer the loan. Currently, there is a \$75 loan set-up fee and a \$6.25 quarterly maintenance fee for taking a loan. These fees are subject to change.

## Requesting A Loan

In order to request a loan, a Participant must contact Fidelity or TIAA. The Plan Administrator shall supply to any Participant, upon request, a copy of this Loan Policy and any other descriptive material that the Plan Administrator considers necessary or appropriate with respect to a Plan loan.

## Repayment Schedule

A Participant must repay the loan through ACH (automated clearing house system for electronic funds transfer). The repayment period of any loan shall be no more than 60 months, except that if the proceeds of a loan are used to acquire a dwelling to be used as a Participant's principal residence, the Plan Administrator may permit a longer repayment period, which shall not exceed 15 years.

## Plan Accounting

The distribution of the proceeds of a loan shall be charged solely against a Participant's Account. All repayments of principal and interest shall be credited solely to a Participant's Account. The unpaid principal balance of a loan shall be reflected as a receivable for a Participant's Account. A Participant must pay the administrative expenses incurred or imposed by the Plan custodian and/or the Plan Administrator in connection with a loan, and any such expenses shall be charged against the Participant's Account.

## Required Payments During A Leave Of Absence

If a Participant is on a leave of absence (other than certain military leave) such Participant must continue to make loan payments through ACH.

## Military Leave

If a Participant is on an approved leave of absence to serve in the military, such Participant may suspend the loan repayments for the full period of the military leave, even if that period is longer than one year. During a Participant's period of military leave, the interest rate on the loan(s) will be limited to a maximum of 6% per year. Accordingly, any payments made during the military leave will reflect the actual loan interest rate or 6%—whichever is *lower*. Upon such Participant's return to work, interest owed for the period of the military leave will be calculated using the actual loan interest rate or 6%—whichever is *lower*—and any interest over 6% during that time must be forgiven. However, if the original loan interest rate is higher than 6%, the interest rate will revert to the higher rate upon the Participant's return. The amount of the loan will be re-amortized, and the term will be extended by the length of such Participant's leave.

## Loan Default

If a loan payment is missed, it will be considered delinquent, and such Participant will receive a delinquency notice. If payment is not made by the end of the calendar quarter following the calendar quarter in which the repayments were initially due, the loan will be considered in default and may be treated as a distribution, making it subject to income tax and possibly to a 10% early withdrawal penalty, pursuant to applicable laws and regulations.

## Severance Of Employment With An Outstanding Loan(s)

In the event of a severance from employment while a Participant has an outstanding loan(s), such Participant will have the opportunity to continue to repay the loan in accordance with the provisions of the loan's promissory note. Such Participant should contact Fidelity or TIAA for further information.

## Death Of A Participant With An Outstanding Loan(s)

In the event a Participant dies with a loan(s) outstanding, the loan will be considered to be in default and the outstanding balance will be offset against such Participant's Account at the time of distribution.

## Approval Or Denial

A Participant's loan application shall be reviewed by the Plan Administrator and may be approved only to the extent that the loan request complies with the requirements of this Loan Policy. In considering a loan application, the Plan Administrator shall take into account the feasibility of a Participant's repayment of the loan and such other factors as a commercial lender may reasonably and in accordance with applicable law consider, but the Plan Administrator shall not discriminate in favor of highly compensated employees, or discriminate against any applicant on account of race, age, creed, color, gender, or ethnic background. To the extent that a loan application is denied, the Plan Administrator will inform the Participant of the reason(s) for the denial, with specific reference to the requirements of the Loan Policy upon which the denial is based.

## Amendment Of Loan Policy

The Plan Administrator may amend this Loan Policy at any time.

## Loan Administration Contact Information

If a Participant has questions about this loan policy, such Participant should contact the applicable loan administrator as follows:

### **Fidelity Retirement Service Center**

800-343-0860

Representatives are available weekdays from 8:30 a.m. to 8:00 p.m. ET, excluding days the New York Stock Exchange is closed.

### **TIAA National Contact Center**

800-842-2252

Representatives are available weekdays from 8:00 a.m. to 10:00 p.m. ET.

## Important Terms

Certain key words used throughout this Loan Policy are capitalized. The key words are defined below:

**Account:** The Plan Administrator maintains an Account for a participating Employee (as defined in the Plan document) or formerly eligible Employee who participated in the Plan. The Account may include subaccounts, as applicable for any pre-tax elective deferral contributions, any fixed nonelective contributions, or any others deemed appropriate by the Plan Administrator.

**Loan Policy:** The document that describes the rules and restrictions of the Plan's Loan Policy.

**Participant:** A Participant is an eligible Employee (as defined in the Plan document) who has satisfied the eligibility and entry date requirements and is eligible to participate in the Plan or a formerly eligible Employee who has an Account balance remaining in the Plan.

**Plan:** The Bentley University Retirement Plan which is a 403(b) Plan.

**Plan Administrator:** Bentley University.