Washington University in St. Louis

403(b) Retirement Savings Plan Loan Policy

This Loan Policy is adopted by Washington University in St. Louis (the "Employer") and the Plan Administrator of the 403(b) Retirement Savings Plan (the "Plan"). The Employer has elected to allow participants to make loans from the Plan. The Loan Policy has been conveyed to the Plan's vendor, TIAA, who has the responsibility of administering loans under this policy. In the event of any conflict between this Loan Policy and the Plan or Internal Revenue Code (IRC) regulations, the Plan document or the IRC regulations control.

Availability of Loans

Participants may borrow against a portion of (i) their employee pre-tax elective contributions, and (ii) all rollover balances in their Plan account. Participants may not borrow against the contributions that have been made by the University or their after-tax Roth elective contributions. Eligibility for participant loans is based on criteria established by the Employer and applicable law. Two outstanding loans are permitted at any given time.

Amount of Loan

The minimum amount that a participant may borrow is $1,000 and the maximum amount that may be borrowed is the lesser of $50,000, reduced by the participant's highest outstanding loan balance within the last 12 months, or 45% of the participant's contributions. Investment selection and other variables may factor into loan availability.

Loan Terms

The minimum repayment period is one year. The maximum repayment period is five years (or up to ten years if the loan is used to purchase a primary residence). Loans may be repaid early without penalty. Participants will be charged a variable rate of interest on the loan, which is determined by the vendor. The initial loan interest rate will be the same as the published monthly average corporate yield shown in Moody's Corporate Bond Yield Averages for the calendar month ending two months before the loan is issued. The loan interest rate can increase or decrease once a year on the first day of the month in which the loan was originally issued. The rate will change only if the new rate for the month ending two months before the rate is subject to change, differs from the current interest rate by at least half a percent. The loan interest will not go lower than 4%.

Special rules may apply to participants who are performing Qualified Military Service. Contact the vendor for more information.

Applying for a Loan

Participants should contact the vendor to apply for a loan. A participant who is married at the time of a loan request must obtain spousal consent for the loan. The spouse's consent must be in writing and witnessed by a notary public or plan representative. Unless a Qualified Domestic Relations Order requires otherwise, spousal consent is not required if the participant is legally separated. Spousal consent is not required if the participant can establish that the participant does not have a spouse or that the participant's spouse cannot be located.

Loan Defaults

If a loan payment is missed, the participant will be considered in default on the entire outstanding loan balance. Generally, if the total overdue amount is not paid by the end of the following calendar quarter in which repayment was due, the loan will be in default and the outstanding loan balance (including accrued interest) will be reported to the IRS as current taxable income to the participant and may be subject to penalties for early distribution. The loan will remain outstanding and the portion of the participant's account held as collateral for the loan will not be available for distribution until the loan is either repaid by direct repayment or by deemed repayment through an offset against the participant's account. Defaulting on a loan will eliminate the participant's ability to take a loan in the future. Participants can cure the defaulted loan to get access to a new loan.

Vendor-Specific Loan Provisions

The Employer previously had two Plan vendors, TIAA and Vanguard. The loan provisions are different for each vendor:

Loans through TIAA (current vendor):

- *Collateral*: Participant loans will be secured using the participant's employee pre-tax contributions in the Plan account. The amount of collateral will be 110% of the loan amount. That portion of the participant's account held as collateral will be invested in a TIAA Retirement Loan certificate.

  Example: If the value of the eligible employee contributions in the retirement savings account is $10,000, the participant may borrow up to $4,500. If $4,500 is borrowed, then $4,950 of the employee contributions in the Participant's account will serve as collateral for the loan and will be invested in a TIAA Retirement Loan certificate. As payments are made on the loan, the excess collateral will be transferred to the investment allocation on file for the participant's account.
- *Fees*: TIAA does not charge a fee. To offset the cost of administering the Employer's loan program, TIAA retains the difference between what participants earn on collateral and what they pay in interest.
- *Payment Options:* Loans will be repaid through electronic funds transfer from the employee's bank account. Loans may not be repaid through payroll deduction.

Loans through Vanguard (previous vendor):

- *Collateral*: Participant loans were secured using the participant's employee contributions in the Plan account. As the loan is repaid, the repaid portion will be re-allocated to the participant's account based on the prior allocations established by the employee.
- *Payment Options*: Loans are repaid through payroll deduction in accordance with an established repayment schedule (subject to exceptions during certain leaves of absence).

Temporary Provisions due to CARES Act

Participants may have different loan options available to them as a result of the CARES Act, which was signed into law on March 27, 2020. The Act temporarily expands loan limits and repayment terms for eligible participants. Participants should contact the vendor to determine eligibility.