Washington University in St. Louis

403(b) Retirement Savings Plan Loan Policy

This Loan Policy is adopted effective February 8, 2021 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. Outstanding loans prior to the effective date are covered by the previous loan policy.

Availability of Loans

Participants may borrow against a portion of their (i) employee pre-tax elective contributions, and (ii) 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 50% of the participant's eligible account balance. 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 fixed rate of interest on the loan, which is determined by the vendor. The vendor charges a loan initiation fee of $75 for general purpose loans and $125 for primary residence loans. There is an annual loan maintenance fee of $25. Loans are repaid through electronic funds transfer from the employee's bank account. Loans may not be repaid through payroll deduction.

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 calendar quarter following the 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.