Supplemental Retirement Accounts for All Employees of Dartmouth College

Loan Policy

This Loan Policy explains the rules related to applying for and repaying a loan from the Supplemental Retirement Accounts for All Employees of Dartmouth College ("Plan" or "SRA"). If an item or event is not covered under the Loan Policy, the Plan Document or applicable Internal Revenue Code regulations will apply. The Plan Administrator reserves the right to amend or update the terms of this Loan Policy at any time.

Loan Administration: The Dartmouth Human Resources Benefits Office is responsible for the operation and administration of the loans from the SRA.

Loan Purpose: An actively employed participant may take a loan for any purpose subject to the terms and conditions outlined in this Loan Policy.

Loan Application: Participants may apply for a loan from one or both Investment Companies (e.g. Fidelity or TIAA) that hold their SRA account balance. Loans will be granted if the participant meets the requirements discussed in this Loan Policy. The Investment Company will provide documentation confirming the terms of the loan to the participant.

- To apply for a loan at Fidelity, participants may apply over the phone at (800) 343-0860 or online at NetBenefits.com.
- To apply for a loan at TIAA, participants may apply over the phone at (800) 842-2252 or online at tiaa.org.

Interest Rate: Loans will bear an interest rate of 1% over the Prime Rate as determined by each Investment Company's administrative policy, and this rate will remain fixed over the length of the loan.

General Loan Terms:

- Number of Loans**:** A participant may have three (3) outstanding loans at any time.
- Security for the Loan: A loan will be secured by a participant's account balance held at the Investment Company issuing the loan.
- Fixed Loan Agreement: The terms of the loan may not change once the loan has been issued unless exceptions apply as outlined under the Loan Repayment section below.
- Spousal Consent: Spousal consent is required if the investment product securing the loan requires it and the participant is married at the time of the loan. However, spousal consent is not required if the participant can demonstrate to the satisfaction of the Plan Administrator that they are unmarried, or their spouse cannot be located. Forms and procedures to obtain spousal consent are available from the investment provider.

Loan Amount:

- Minimum Amount: $1,000
- Maximum Amount: 50% of a participant's total account balance (across both Investment Companies, if applicable) up to $50,000. The $50,000 maximum loan amount will be reduced by the participant's highest outstanding loan balance at any point during the 12-month period ending on the date of the new loan. Any defaulted loan balances will further reduce the maximum available loan until they are repaid.
- Calculating the maximum loan amount: Roth account balances are not considered. Balances at all Investment Companies administering the Plan must be included; the Plan's investment providers will aggregate a participant's eligible account balances across both providers when calculating the maximum loan amount.

Loan Repayment: Repayments must be made on a monthly basis through Automated Clearing House (ACH) payments only.

- The minimum loan repayment period is one year.
- For general purpose loans, loans must be paid off in five years.
- For loans used for the purchase of a primary residence, the loan must be fully paid off in 15 years.
- Loan repayments are invested according to the investment elections in place at the time of the repayment.
- The number of loan repayments may not be renegotiated once the loan is issued except if a participant has a Military Leave as defined in the Plan Document. A participant going on Military Leave must notify Dartmouth and the Investment Company prior to going on leave and again upon returning to active employment. At the end of the Military Leave, repayments will resume as scheduled and the term of the loan will be extended based on the length of the Military Leave.

Accelerated Loan Repayments: Participants can repay their loan in full at any time before the term ends. In addition to the regular scheduled payments, they can make additional repayments, provided that each extra payment is an exact multiple of the scheduled payment amount.

Default: Participants who do not make loan repayments according to the terms of the loan are at risk of defaulting on the loan. A loan is in default after the grace period ends without payment. The grace period begins the day after a missed payment and ends at the close of the following calendar quarter. For example, if a payment is missed on January 15th, it must be made by June 30th to stay within the grace period.

The Investment Company holding the account balance of the loan will send a delinquent payment notice once a payment is missed. If the loan is not brought current by the end of the grace period, the outstanding loan balance will be treated as a taxable distribution and reported to the participant and the Internal Revenue Service on Form 1099-R. An additional 10% early distribution penalty tax may also apply if the participant is under age 59½. Interest will continue to accrue on the defaulted loan balance, increasing the total amount owed if the participant later chooses to repay it. The defaulted loan will also count against the participant's maximum loan limit until it is repaid in full.

Terminated Participants: ACH loan repayments will continue via the participant's designated bank account when employment ends at Dartmouth. The participant is responsible for ensuring the account remains active and sufficiently funded to avoid default. If ACH repayments stop prior to the loan being paid off, the loan default rules listed above apply.

Loan Fees: Participants will be charged a fee for the loan's set-up and ongoing administration. The fees vary by Investment Company; ask the Investment Company if the fee will be deducted from the loan amount or the account balance.

- Fidelity will charge a one-time fee of $50, plus $6.25 for each calendar quarter that the loan has an outstanding balance. This applies to both general purpose and residential loans.
- TIAA will charge a one-time fee of $75 for a general purpose loan and $125 for a loan to purchase a primary residence. Once either loan is taken, TIAA will charge $25 each year the loan has a balance.