Loan Policy Statement
Research Foundation of CUNY Group Supplemental Retirement Annuity (GSRA)

This is an explanation of the rules for applying to take a participant loan from the Research Foundation GSRA. All loans will be made strictly in accordance with the provisions of the Plan and in accordance with this Loan Policy Statement. In the case of any item not covered by this explanation, or in the event of any conflict between this explanation and the Plan or Internal Revenue Code (IRC) regulations, the Plan document or IRC regulations always will control.

For loans issued on or after January 1, 2014 the following applies:

1. Plan Administration - The Research Foundation Benefits Committee is responsible for decisions concerning the Loan Program except as provided under the GSRA contract. The Human Resources department is responsible for the administration of the loan program. A participant's loan application must be approved by the Benefits Specialist prior to TIAA-CREF issuing the loan proceeds. Each loan will require the participant to sign a promissory note for the face amount of the loan, plus a reasonable rate of interest.

2. Loan Program:
    A. Participant loans are available to active employees from the GSRA only.
    B. As of January 1, 2014, TIAA-CREF is the sole investment vendor allowed to issue participant loans.
    C. Participants may have a maximum of five (5) outstanding loans at one time.
    D. Participants who have defaulted on a loan cannot take out another loan for 6 months from date of default.

3. Minimum and Maximum Loan Amounts - The minimum loan amount that a participant may request is $1,000. The maximum loan amount that a participant may request is 45% of the participant's Plan account balance up to $50,000, reduced by the participant's highest prior loan balance from any and all plans offered by the Research Foundation or its controlled group members within the 12 months prior to the loan request. If a loan is used to refinance an existing loan, the second loan may be limited to the extent deemed necessary to comply with the IRC. Regulations generally require both the existing loan and the refinancing to be treated as outstanding loans for purposes of the loan amount limit if the refinancing extends the original loan beyond the longest permissible term for that loan type, unless the loans are structured so that they satisfy the IRC (that is, the refinancing loan is treated as a completion of the existing loan according to its original terms and a new loan consisting of the remainder of the refinancing loan).

4. Repayments - Loan payment requirements are based on the investment vendor's loan application and promissory note. Payments are made to TIAA-CREF. Once a loan is approved, the Research Foundation is not involved in the repayment phase of the loan.

5. Loan Approval - Generally, a loan will be granted if the applicant duly meets all of the requirements set forth in the Plan, this Loan Policy Statement, the IRC, and the GSRA contract.

6. Interest Rates - A loan will bear a reasonable rate of interest as determined by TIAA-CREF.

7. How to take out a loan - Loans can be requested at www.TIAA-CREF.org

8. Failure to Repay – Except in the case of military leave, if the participant goes on leave or is terminated, the participant is still required to continue making the scheduled loan payments.

If the participant fails to make a scheduled loan repayment at any time, TIAA-CREF will send the participant a notice within 45 days following the due date. If payment is not received in full by the end of the calendar quarter following the quarter in which the payment was due (the "grace period"), the loan will be considered in default. Interest will continue to accrue during the grace period. Upon default, the balance of the loan will become due and payable immediately, and the unpaid balance of the loan plus accrued interest will be reported to the participant and the Internal Revenue Service ("IRS") as a taxable distribution.

If the participant defaults on an outstanding loan that has been reported to the IRS as a taxable distribution, then no additional loans will be made unless the loan is repaid directly to TIAA.

9. Default - The Research Foundation Benefits Committee will treat a loan as defaulted if:

- any scheduled payment remains unpaid beyond the grace period;
- the participant made a material representation or statement in applying for the loan that proves to have been false in any material respect when made or furnished;
- a distribution is required to be made under a qualified domestic relations order affecting the participant's account, and the amount of the distribution would exceed the participant's vested account balance, less the loan balance; or
- the participant's death.

Upon default, the entire amount of the loan will be due and payable. If a distribution event has occurred, the Plan will foreclose on the defaulted note by offsetting the amount due against the participant's vested account balance. If no distribution event has occurred, the defaulted loan will be reported for tax purposes as a "deemed distribution" as required under Code §72(p). A defaulted loan will continue to accrue interest until paid or until a loan offset is made.

10. Participants on military leave may be granted an exception to the plan's default policy. Loan payments will be suspended and the time on military leave will be added to the end of the term of the loan even if doing so will extend the term beyond five years. However, interest on the outstanding loan will continue to accrue during military service to the extent permissible by law.