**Section 2700.770 Loans**

a) Eligible Participants and Nondiscrimination. A Participant who is an Employee may apply for and receive a Loan from the Participant's Account Balance as provided in this Section. Loans shall be made available on a reasonably equivalent basis, and Loans shall not be made available to highly compensated Participants as defined by the Internal Revenue Service in an amount greater than the amount made available to other Participants. A Beneficiary may not apply for a Loan from the beneficiary's Account Balance.

b) Interest and Security. Loans must be adequately secured. All Loans shall provide a fixed rate of interest of 1% above the prime interest rate as published in the Wall Street Journal on the first business day of the month in which the loan was originated.

c) Participants shall not have more than one Loan outstanding at a time; a Loan must be repaid in full before another Loan can be applied for and received. A Participant may only apply for and receive another Loan 30 days after the date a previous Loan is repaid in full.

d) Loan Amount. No Loan shall exceed the value of the vested portion of the Participant's Account Balance. The amount to be loaned shall be selected by the Participant at the time a Loan application is filed but shall not be for an amount less than $1,000. The maximum amount of any Loan may not exceed the lesser of $50,000 or 50% of the Participant's vested Account Balance under the Plan on the date the Loan is made.

1) The $50,000 maximum Loan amount must be reduced by the highest outstanding balance of all other loans during the one-year period ending on the day before the Loan is made.

2) Unless it has been repaid by the Participant or offset from the Participant's Account Balance, a Loan that has been deemed distributed to a Participant (including interest accruing on the Loan) is considered as an outstanding Loan.

e) Any amount in an account or accounts established for an alternate payee shall be excluded in determining the amount available for purposes of subsection (d).

f) Loan Term. A Loan shall, by its terms, require that repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not extending beyond five years from the date of the Loan. Notwithstanding anything in this Section to the contrary, in accordance with the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act; 15 U.S.C. 116), a Participant who is a qualified individual for the purposes of section 2202 of the CARES Act is permitted to delay Loan repayments due between May 29, 2020 and December 31, 2020; however, interest will accrue on all deferred payments.

g) A Participant may pay off the entire Loan balance its due date by contacting the Recordkeeper and requesting the Loan's payoff amount, which shall include unpaid principal and accrued interest. Payoff must be made via a single payment.

h) Military Suspension. Loan repayments may be suspended as permitted under Code section 414(u)(4).

i) Loan Default. Failure to make Loan repayments in the manner and within the time period provided for in the Loan shall result in a default on the Loan. If a Participant defaults on a Loan, foreclosure on the note and attachment of security will not occur until the affected Participant experiences a distributable event under the Plan.

j) In the event a Participant dies with an outstanding Loan, the Participant's Loan request shall be void as of the date of death and the proceeds shall not be disbursed, so long as the Recordkeeper is notified of the Participant's death prior to the disbursement of proceeds.

k) The amount of the Loan may not be changed or revoked by the Participant and shall remain in effect until repaid or defaulted.

l) Appeal of Loan Denial. A Participant that is not approved for a Loan or a Loan amendment may appeal the denial in writing to the Hardship Committee within 30 days after the date of the Loan denial. The Hardship Committee shall render a final decision, within 30 days after receipt of the appeal, that shall be binding on all parties. If an appeal for a Loan is approved, the Loan shall be made and repaid in accordance with this Section.

m) Loan Application and Initiation

1) The Recordkeeper will administer Loans in accordance with this Section.

2) A Plan Participant, who is an active Employee, may apply for a Loan from the Plan. Beneficiaries and alternate payees are not eligible for a Loan. A Participant may initiate a Loan via telephone, online, or a paper form with the Recordkeeper. If a Participant meets the Plan requirements for eligibility contained in this Section, and certifies that the Participant has no other outstanding loans across all qualified Employer plans, then the Participant may initiate a Loan. In order to initiate a Loan, a Participant will be required to provide banking information to allow for ACH Debit and agree to the terms and conditions of the Recordkeeper's ACH Debit set up.

3) Once a Loan is approved by the Recordkeeper, the Participant shall execute a promissory note in the form prescribed by the Recordkeeper.

4) Participants will be permitted to investigate a Loan even if they are not eligible to initiate a Loan.

5) Loans may not be refinanced.

6) A Participant will be charged a loan origination fee when the Loan is processed. Additionally, a loan maintenance fee will be deducted quarterly from the Participant's account.

7) Loan Repayments:

A) The Loan shall be repaid monthly via ACH Debit in substantially equal installments of principal and accrued interest under a level amortization schedule. The repayment schedule will be established when the Loan is initiated.

B) The Plan does not permit partial pre-payment or partial advance payment of future Loan payments.

C) The Participant is responsible for notifying the Recordkeeper of any failure of Loan repayments to be initiated or otherwise made in accordance with the terms of the Loan.

D) If a Loan repayment is not successfully debited from the Participant's banking account, the Recordkeeper will notify the Participant and the Participant will be required to take one of the following actions prior to the quarter following the quarter of the missed Loan repayment (the cure period): immediately pay the total amount of any rejected Loan repayments; or pay the entire remaining Loan balance in full. If all delinquent payments are not received by the end of the cure period, the Loan will be defaulted.

E) The Loan repayment amount shall be invested in accordance with the Participant's current investment election on file with the Recordkeeper.

8) Through the Recordkeeper's website, Participants will have the ability to access and monitor Loan information.

(Source: Amended at 47 Ill. Reg. 12412, effective August 4, 2023)