

401(a) RETIREMENT PLAN LOANS

LOAN PROGRAM GUIDELINES:

- The minimum loan amount is \$2,500. You may borrow up to 50% of your 401(a) VESTED Account Balance. The minimum 401(a) VESTED Account Balance must be at least \$5,000. The Maximum loan is the lesser of \$50,000 or 50% of your 401(a) VESTED Account Balance.
- The combined, total loans on ALL 401(a) and 457 plans may not exceed the \$50,000 Maximum loan amount. Participants may not borrow more than \$50,000 in Retirement Plan loans in one rolling 12-month period.
- Loans must be paid via payroll deductions within 1 to 5 years (or up to 15 years for a principal residence loan). Loans may be paid off early.
- Loans will reduce the participant's account balance by the amount of the loan and charge a fixed interest rate equal to Prime + 1%.
- Participants will be charged a loan origination fee for new loans and refinances, as well as an annual maintenance fee. Please review current loan fees on Loan Application.
- All loans are 100% due and payable upon separation from service. If not paid off within default guidelines, they are reported as taxable distributions to the IRS, subject to taxes and potential penalties. Participants that experience a loan default will be permanently disqualified from using the loan program.

LOAN PROCESSING REQUIREMENTS:

1. All participants interested in a loan must first call CRA Participant Plan Services to determine their Eligibility, and to obtain the interest rate and monthly payment information.

Call: (800) 352-0313, say "Withdrawal," and follow the prompts

2. After obtaining loan information via this process, you will need to complete a **Loan Application** provided by your Employer and then submitted to Empower via the following options:
 - a. **Uploaded** through the **Participant Website** or the **Plan Service Center (preferred method)**.
cra-online.empower-retirement.com/participant/#/login
 - b. **Faxed to Empower Fax at (866) 745 - 5766**

Applications may be submitted to Empower via Option a or b above. Please direct all phone calls to CRA or Empower. They will be reviewing and approving all Loan Applications.