The following description of the Participant loan program is effective as of January 1, 2017.

Any loan issued from the Plan is subject to the terms of the applicable annuity contract or custodial account agreement. In the event of a discrepancy between this Loan Program and the provisions of the applicable annuity contract or custodial account agreement, the provisions of the annuity contract or custodial account agreement will control.

**Plan:** Wellesley College 403(b) Retirement Plan

**Eligibility:** Loans are available only to Plan Participants.

**Authorized Position/Person to administer loan program:** Plan Administrator

**Application Procedure:** The Participant completes a loan application. If the application is approved, the Participant must sign a promissory note and obtain his/her spouse's written consent if applicable. The Participant must agree to bear the administrative expense of processing the loan.

**Loan Approval Basis:** All loan applications that meet all the following requirements shall be approved. However, the administrator shall refuse to grant loans to Participants who indicate intent to not repay the obligation in accordance with its proposed terms and/or to Participants who have other loans from the Plan which are in default, unless the administrator determines that renegotiation of defaulted loans is the best method for securing repayment.

**Types of Loans Available:** Loans for a maximum term of 5 years. The interest rate shall be equal to regional bank rates for similar loans or such other reasonable rate as may be required under the applicable annuity contract or custodial account. The term of a loan to be used to acquire a Participant's principal residence may extend over a reasonable period that may exceed 5 years. The collateral will be 50% of the Participant's vested interest in the Plan.

**Maximum/Minimum Amount of Loan:** A Participant's loan shall not exceed the lesser of: (1) $50,000, which amount shall be reduced by the highest outstanding balance of loans, if any, during the preceding 12-month period over the current outstanding balance of loans; or (2) 50% of the Participant's vested interest. Loans from all plans of the sponsoring Employer are combined to determine the maximum available loan. Loans may be taken only from the portion of the Participant's account derived from pre-tax savings contributions the Participant has made (and not from any contributions made by the College) that are invested with TIAA-CREF. The funding vehicle may impose additional restrictions on the amount of contributions that may be borrowed.
Loans may not be made from the portion of a Participant's account that is derived from Roth contributions.

**Loan Repayment:**
At least quarterly payments of principal and interest with level periodic payments. Loans will be repaid by payroll deduction from the borrower's wages, by check, or by such other method as the Plan's investment company may permit or require.

Repayments may be suspended in the case of a Participant who is on an unpaid leave of absence due to military service. The suspension shall not exceed the lesser of five years or the Participant's period of military service. Except in the case of a loan used to acquire the Participant's principal residence, the loan must be repaid in full within a period (starting on the date the loan is first made) that is not to exceed (1) five years, plus (2) the lesser of the period of military service or five years.

Repayments may be suspended in the case of a Participant who is on an authorized, unpaid leave of absence for other reasons. The suspension shall not exceed the lesser of twelve months or the period of the Participant's authorized leave. Except in the case of a loan used to acquire the Participant's principal residence, the loan must be repaid in full within a period (starting on the date the loan is first made) that is not to exceed five years.

**Loan Default Procedure:**
A loan to a Participant shall be considered in default at such time as the required payments are delinquent. A loan payment shall be deemed delinquent, and the loan will be in default, if the loan payment is not made by the end of the calendar quarter following the calendar quarter in which the payment was due (or such earlier date as the applicable funding vehicle may require). Upon default, the loan will be treated as a taxable distribution to the Participant and a Form 1099-R will be distributed reflecting the entire amount of the outstanding loan as a taxable distribution. A Participant who has terminated employment and whose loan is in default, or who elects a distribution of his vested account prior to repaying the loan, shall have his/her Plan interest reduced by the amount of the outstanding loan.

Date  Plan Administrator