M E M O R A N D U M

TO: ALL SUNY CAMPUSES

FROM: DAVID MORRELL UNIVERSITY-WIDE BENEFITS DIRECTOR

DATE: MAY 16, 2018

SUBJECT: LOAN POLICY STATEMENT EFFECTIVE SEPTEMBER 4, 2018

The following is the loan policy for The State University of New York's Optional Retirement Program (ORP) including the Voluntary Defined Contribution Program (VDC) and the SUNY Tax Deferred Annuity Plan (TDA).

This is an explanation of the rules for taking a loan from an account under the ORP, VDC and TDA (the "Plans"). All loans are made strictly in accordance with the provisions of the Plans, the authorized Investment providers' arrangements, and in accordance with this Loan Policy Statement as determined by the Plans' Administrator. In the case of any item not covered by this explanation, or in the event of any conflict between this explanation and the Plans or the Internal Revenue Code and Internal Revenue Service (IRS) regulations, the Plan documents, SUNY Board of Trustee's Resolution or IRS regulations will always control.

Active employees who are participants in the Plans can request a loan from the authorized investment providers. An active employee is one who has not terminated employment. The loan provision is a valuable feature for participants who occasionally need access to their funds for non-recurring financial needs. However, size and frequency of loans may affect the amount of money a participant will have at retirement since loan funds are not available to be invested in the potentially higher-yielding investments held by the Plans.

1. Plan Administration

The Vice Chancellor of Human Resources Administration, or the Vice Chancellor's designee is the Plan Administrator for all Plans. The Plan Administrator has approved the following investment providers to execute loans for all plans:

Fidelity

TIAA

VALIC

Voya

Each authorized investment provider makes loans available and processes each loan according to its own internal procedures.

No loans are available from account balances held in MetLife contracts with the effective date of this policy. Participants must transfer account balances held in Met Life contracts to one of the approved investment providers listed above in order to obtain a loan based on that account balance.

2. Eligibility Rules; Maximum Number of Loans

Active employees who are participants in the Plans, will be eligible to take out loans, as follows:

a. The Optional Retirement Program (ORP) and the Voluntary Defined Contribution Program (VDC): Participants in the ORP and VDC Program who are employed by the State University of New York or a New York State Agency eligible for the VDC and certain other State-related entities may take out loans from their accounts.

b. SUNY Tax Deferred Annuity Plan (TDA): All active employees who are participants in the TDA Plan may take out loans from their accounts.

Maximum Number of Loans: As of September 4, 2018, all eligible participants shall be limited to the following maximum number of loans outstanding at any time: The ORP and VDC allow one (1) outstanding loan for active employees; the TDA plan allows two (2) outstanding loans for active employees. An employee may take one loan per 12 month period

Any loan that has been defaulted will be considered an outstanding loan for this purpose. Any loans taken prior to September 4, 2018 will remain in effect and subject to all existing repayment and default provisions. Loans can be taken for any reason. Loans are not available from Roth Accounts.

3. Amount That Can Be Borrowed

Account Balance	Maximum Loan Amount Available
Less than $1,000	No loan available
$1,000 - $100,000	50% of the account balance
Over $100,000	$50,000

Additional limits may be applied from the authorized investment providers.

If another Plan loan is outstanding, the Maximum Loan Amount shall be the lesser of (a) $50,000 reduced by the highest outstanding balance of any other loan(s) from the Plans during the one-year period ending the day before the newest loan is made; or (b) 50% of the account balance reduced by the current outstanding balance of any other loan(s) from the Plans. A loan that has defaulted and is "deemed distributed" will be considered an outstanding loan for the purpose of calculating the dollar amount available for a new loan and total number of loans available.

All loans from the New York State Deferred Compensation Program and any County Deferred Compensation Program are not counted as outstanding SUNY retirement plan(s) loan(s), however are considered as an outstanding loan balance for purposes of calculating the maximum aggregated loan amount available.

Participants who terminate employment, are laid off, take a leave of absence, are on worker's compensation, or are suspended must continue making loan payments in accordance with the authorized investment provider's policies. Participant loan payments cannot be suspended for any reason nor may loans be discharged in bankruptcy proceedings. See below for special rules for employees on qualified military leave.

4. Period

The payment period for non-residential loans may not exceed 60 months. Loans for more than 60 months and up to 30 years will only be granted for the purchase of the Participant's primary residence. Loans for purchase of primary residence are subject to the rules of the approved investment provider from which the loan was originated. Payments will be made according to the participant's loan payment schedule until all principal and interest due is paid, subject to specific procedures adopted by the approved investment provider where the loan was originated. Loans must be paid via check or ACH to the provider where loan was originated.

5. Investment of Repayments

All payments will be invested in the same investment funds and in the same proportion as the participant's current investment elections.

Any outstanding loan, including deemed distributed loans, may be repaid in full at any time, subject to the administrative rules of the authorized investment provider from which the loan originated.

6. Loan Approval

Generally, a loan will be granted if it meets all of the requirements set forth in the applicable Plan and this Loan Policy Statement; however, the Plan Administrator retains discretion to determine compliance with these requirements when approving or denying a participant's loan application.

7. Interest Rates

A loan will bear a fair market interest rate as determined by the authorized investment provider and set out in the authorized investment provider's loan agreement from which the loan is secured and at the time the loan is made.

8. Default

If a participant fails to make a scheduled loan repayment, the authorized investment provider will send a notice to the participant within 30 days following the due date. If payment is not received by the end of the next calendar quarter, the loan will be considered in default. Upon default, the balance of the loan will become due and payable immediately. Any unpaid balance will be reported to the participant and the Internal Revenue Service as a taxable distribution that is not eligible for rollover. No additional loans will be allowed after a default, and any unpaid loans will remain in the Plan account and will be considered as outstanding loans when applying for new loans. These unpaid loans (deemed distributed loans) can be paid back during employment to increase future loan availability; however, repaying these loans does not change the prior taxable status of the defaulted loans. An exception to this default policy is made for participants who go on military leave. In accordance with Internal Revenue Code section 414(u), interest greater than 6% cannot be charged while on military leave and the loan will not be defaulted. The time for which a participant is 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.

9. Death or Termination of Employment

In case of a participant's death, any outstanding loans must be repaid in full. If the loan is not repaid, it will be considered in default and the remaining balance of the loan will be considered a taxable distribution subject to income tax and any applicable early payment penalties. The loan balance will also be offset against the participant's account balance under the Plan from which the loan is taken. Beneficiaries inheriting an account with a loan will be subject to the authorized investment provider's loan agreement from which the loan is secured. No loans will be issued to terminated or retired employees after September 4, 2018.

10. Fees

Loans may be subject to fees in accordance with the policies of the authorized investment provider from which the loan originated.