Carnegie Mellon University Faculty and Staff Retirement Plan Loan Policy

This policy describes the basis on which loans will be made available under the Carnegie Mellon University Faculty and Staff Retirement Plan (the "FSRP"), effective October 1, 2017. The Total Compensation Committee ("TCC") of Carnegie Mellon University ("CMU") has sole discretion to establish this policy and to decide all issues related to the offering of loans under the FSRP, including sole discretion to approve any loan from the FSRP and to establish such loan's terms. The TCC may change this policy at any time.

Loan Application: You may only receive a loan from amounts in your pre-tax salary reduction contribution and rollover contribution accounts that are invested in a TIAA Contract. If your salary reduction contribution or rollover contribution accounts are not invested in TIAA funds, you must change your investments from Vanguard to TIAA, using the FSRP's normal procedures for transferring your investments from one vendor to another vendor.

You can begin the loan process in one of two ways:

- Call the TIAA National Contact Center at 1-800-842-2252. A representative will send the required documentation to you.

- Log onto your account at TIAA (https://www.tiaa.org/public/tcm/carnegiemellon). You can obtain loan program information on this site.

Loan Fees: There is no loan application or processing fees.

Loan Amount:

- Minimum Amount: The minimum amount that you may receive as a loan is $1,000.

- Maximum Amount: The maximum amount that you may receive as a loan is the lesser of (i) 45% of your total balance in your pre-tax salary reduction contribution and rollover contribution accounts that is invested with TIAA or (ii) $50,000. This $50,000 maximum loan amount will be reduced by the excess of (i) your highest outstanding loan balance from all CMU retirement plans during the previous 12 months and (ii) your outstanding loan balance from such plans immediately prior to the loan.

Number of Loans: You may have a maximum of two loans outstanding at a time. However, if default on your loan, you will not be eligible to request any new loans.

Loan Repayment Periods: Loan repayments are made monthly or quarterly.

- Minimum: The minimum term of a loan is one year (12 months).

- Maximum: The maximum term of a loan is five years (60 months) if the loan is not used to purchase your primary residence and ten years (120 months) if the loan is used to purchase your primary residence. The maximum term of the loan may be extended if you are absent due to military leave (as described below). The maximum term of the loan cannot be extended in any other circumstance.

- Military Leave: If you are absent from CMU due to military leave, repayment of your loan will be suspended for the entire period of your military leave and will resume once you return from your military leave. You must contact TIAA to suspend payments.

- Loan repayments: You may repay your loan electronically through electronic debit of your savings or checking account or by sending a check to TIAA.

- Termination of Employment: Your loan repayments will continue under the existing repayment schedule after you terminate employment with CMU. Your payments will not be accelerated.

Interest Rate: The loan interest rate is tied to the Moody's Corporate Bond Yield and is set for the first six months following the issuance of the loan. After this six-month period, the interest rate can change at the beginning of each quarter with an increase or decrease of 0.5% in the Moody's Corporate Bond Yield.

Loan Approval: Generally your request for a loan will be granted if you meet all of the certification and documentation requirements in the FSRP and this loan policy. However, the TCC (or its delegate) has sole discretion to grant loans from the FSRP, and may decline to grant a loan for any reason.

Collateral: A portion of the remaining balance in your salary reduction contribution and rollover contribution accounts that is invested in the TIAA Traditional Contract will be used as collateral for your loan. This portion will be equal to 110% of the loan amount, determined as of the date your loan originated.

Default: TIAA will send you a written notice within 45 days of the payment due date if you fail to make a scheduled payment. If you default on your loan, the outstanding balance on the loan will be taxable to you in the year of the default. It will be subject to ordinary income tax and, if you are under age 59½ at the time of the default, the outstanding balance may also be subject to a 10% penalty tax. Contact your personal tax advisor for information about the tax consequences of defaulting on a loan. You will not be eligible to request a new loan if you default on a loan.

Spousal Consent: If you are married, you must obtain your spouse's written, notarized consent to receive a loan (unless you are separated from your spouse and provide evidence that your spouse cannot be located).