Florida State University 403(b) Plan

Loan Policy Statement

This serves as an explanation of the rules for applying to take a participant loan from the Florida State University 403(b) Plan (Plan). All loans will be made strictly in accordance with the provisions of the Plan and this Loan Policy Statement. In the case of any item not covered by this explanation, or in the event of any conflict between this explanation and the Plan or Internal Revenue Code (IRC) regulations, the Plan document or IRC regulations always will control.

For loans issued on or after July 1, 2016 the following applies.

1. Plan Administration

The Florida State University Human Resources Benefits Office (Benefits Office) is responsible for the operation of the Loan Program. A participant’s loan application must be approved by the Benefits Office prior to the investment provider issuing the loan proceeds.

2. Loan Program

   A. Participant loans are available to active employees.
   B. Participants may have a maximum of three (3) outstanding loans at one time.
   C. A participant in default on a loan(s) from the Plan will not be eligible to receive another loan from the Plan until the defaulted loan(s) is repaid in full.
   D. Loans are not permitted for discontinued investment providers.

3. Minimum/Maximum Loan Amount

The minimum amount that can be borrowed is $1,000 (must have $2,000 in the account). The maximum loan amount that a participant may request is 50% of the participant’s Plan balance up to $50,000, reduced by the participant’s highest outstanding loan balance within the 12 months prior to the loan request. For purposes of this section, any loan from any other plan maintained by FSU and any related employer will be treated as if it were a loan made from the Plan.

4. Loan Terms

Interest rate and loan repayment requirements are based on the investment provider’s loan application and promissory note.

5. Required Documents

Follow the instructions listed on the retirement web page at http://www.hr.fsu.edu/?page=benefits/retirement/retirement_hardship_loans

6. Loan Approval

Generally, a loan request will be approved if the applicant meets all of the certification and documentation requirements set forth in the Plan and this Loan Policy Statement.