Important information about available loans in your Illinois State University 403(b) Tax-Sheltered Annuity (TDA) Plan

The way TIAA will administer the Illinois State University TDA plan loans will be changing. Please read this notice carefully to learn how you may be affected.

Summary of the changes starting January 4, 2021

- Loans will be offered with a fixed rate of interest and funded directly from your retirement account. The loan amount is deducted from your account balances, and subsequent loan payments, including interest, are credited to your account.
- If you take out a loan, you will be charged a one-time origination fee. The fee is $75 for general purpose loans and $125 for primary residence loans. Additionally, there's an annual loan maintenance fee of $25.
- You can have a maximum of 3 outstanding loans at any one time.
- If you are or become a former employee, you will not be eligible to request new loans.

How this affects you

If you currently have an outstanding loan, it will not be affected by this change. There will be no interruption to your repayment schedule, and the terms of your loan will continue as issued. You can access your retirement account to view your detailed loan information at **TIAA.org/ilstu**.

For loan applications in process, any additional required documents must be received by TIAA by 3 p.m. (CT) on December 28, 2020. If your request isn't completed by this date, you will need to reapply according to the new loan process after January 4, 2021.

The chart below highlights the differences between the new and current loan types.

	Retirement plan loans (new)	**Collateralized loans (current)**[1]
Online loan application	Yes	Yes
Maximum loan amount	The lesser of 50% of the vested balance of $50,000 [2,3]	The lesser of 45% of the vested balance of $50,000 [2,3]
Investment account(s) funding loan	Participant balance[3]	TIAA general account
Collateral	N/A	Restricted TIAA and CREF annuity assets[5]
Loan terms	Conventional, 1-5 years; primary residence, up to 10 years	Conventional, 1-5 years; primary residence, up to 10 years
Loan origination fee	$75 for conventional and $125 for primary residence	No
Loan maintenance fee	$25 annually	No
Interest rate	Wall Street Journal Prime Rate +1[6]	Moody's Corporate Bond Index

Loan disbursement	Check or electronic funds transfer (EFT)	Check or electronic funds transfer (EFT)
Signature	Online[7]	Online[7]
Maximum loans outstanding	Three[8]	No limit, unless specified by your plan
Loan repayment	Online single ACH payments	Checks or online, single ACH payments
Payoff	Certified check or online single deduction	Certified check or online single deduction
Contract type	Supplemental Retirement Annuity (SRA) and Group Supplemental Retirement Annuity (GSRA)	Supplemental Retirement Annuity (SRA) and Group Supplemental Retirement Annuity (GSRA)

If you have questions, please contact us at **800-842-2252**, weekdays, 8 a.m. to 10 p.m. (ET).

We look forward to assisting you in pursuing your future financial success.

1. Although there are no fees with collateralized loans, the difference if any, between the interest paid by participants for loans and the crediting rate applied to loan collateral is retained by TIAA to help defray the costs of administering the loan program
2. Internal Revenue Code limit 72(p).
3. Other restrictions and calculations may impact amount available.
4. Includes loanable balances in mutual funds and annuities, excluding TIAA Traditional non-liquid assets in RA, GRA and RC contracts.
5. Collateralized assets are restricted from taking withdrawals, transfers, or annuity income. For GSRA, collateralized assets are commingled with other assets in the contract. For RA, GRA, RC or RCP, a separate contract for the collateralized assets is set up.
6. *Retirement Plan Loans* have a fixed interest rate for the life of the loan. The rate can be configured at the plan level to go + or - 2 percentage points, in increments of 0.25%.
7. Spousal waiver or plan sponsor approval, if required by your plan rules.
8. An institution has the right to further restrict the allowable number of outstanding loans.

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