

SAVING FOR RETIREMENT

LOANS FROM YOUR RETIREMENT ACCOUNTS



FINANCIAL SERVICES
FOR THE GREATER GOOD

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This booklet will answer some of the questions you may have about taking and repaying loans from your employer's retirement plan.

Please keep in mind that since not all plans offer loans, you should check to see if your employer's plan with TIAA-CREF has a loan feature and the type of contract you have. You can check with your benefits office or call us at **800 842-2252**, Monday to Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET).

Note that TIAA-CREF does not offer loans on Roth balances in 403(b)/401(k) plans.

The maximum loan amount available to you is calculated based on total account balance. Roth balances will be excluded from your loan collateral and, therefore, could have an impact on the maximum loan amount available.

BORROWING LIMITS AND COLLATERAL

While the amount you're eligible to borrow from your retirement plan depends on your account balance, loans are generally available for a minimum of \$1,000 and a maximum of \$50,000 from each employer. You'll need to set aside an amount equal to 110% of your loan as collateral in the TIAA Traditional Annuity.

For collateral requirements and interest rates for other TIAA-CREF account types, please refer to the following sections:

- Retirement Annuity (RA), Group Retirement Annuity (GRA), Retirement Choice (RC) and Retirement Choice Plus (RCP) — *Page 9*
- Supplemental Retirement Annuity (SRA), Group Supplemental Retirement Annuity (GSRA) and 457(b) Public Plans — *Page 10*
- Interest rate information on loans issued through SRAs in Arkansas, Hawaii and New Jersey — *Page 12*

Note:

- Some plans may limit amounts available for loans.
- Plan loans require your account balance to be used as collateral.
- If your current plan doesn't allow for loans, you may still be able to obtain a loan if a previous employer's plan allows loans to terminated participants.
- Your employer's plan may limit the number of loans available.

GETTING YOUR LOAN: WHAT YOU NEED TO KNOW

Q: How long does it take to get a loan?

A: Once your loan application and the required supporting documentation have been received and are in good order, we will mail you a check or electronically transfer your funds within 3 - 5 business days of receiving your request. Note that not all loan proceeds can be sent via electronic transfer.

Q: How is the loan collateralized?

A: We will calculate and transfer the required eligible funds, pro rata from all your eligible annuity accounts and/or mutual funds to the TIAA Traditional Annuity, if needed.

Q: Can I get a loan if I already have one?

A: Yes. If your employer's plan permits, you can have more than one outstanding loan. The loan amount is subject to maximum loan guidelines of TIAA-CREF and federal law.

Note: If your employer's retirement loan contract was issued after December 31, 2003 and you have defaulted on a loan that has not been foreclosed, IRS regulations may prohibit you from taking additional loans under any employer plan.

Q: Is the loan interest tax deductible?

A: No, the interest you pay on retirement plan loans is not tax deductible.

Q: Does my TIAA collateral amount continue to earn interest while the loan is outstanding?

A: Yes, it will earn TIAA Traditional contractual interest and additional amounts as declared by TIAA's Board of Trustees. Note that this amount differs from the interest rate used to calculate your loan payments.

Q: If I have an outstanding loan, can I continue to contribute to my retirement accounts?

A: Yes, as long as you are still employed at your participating institution. But contributions can't be used to repay your loan.

Q: Can I receive retirement income or take withdrawals before my loan is repaid?

A: Yes, but the portion of your account balance reserved as collateral for your outstanding loan balance is not available for either retirement income or withdrawals.

Q: What happens if I die before repaying the loan in full?

A: The outstanding loan balance will be repaid from the collateral and treated as a taxable distribution to your estate. Any remaining balance will be available to your beneficiary.

Note: You can change your beneficiary at any time, online at tiaa-cref.org or by calling **800 842-2252**.

**REPAYING YOUR LOAN:
WHAT YOU NEED TO KNOW**

Q: How long can I take to repay my loan?

A: You have from one to five years. If the loan is for the purchase of a primary residence, you'll need to check your employer's plan regarding how long you can take to repay the loan. (This period could be less, depending on state laws.)

Q: When are my payments due?

A: Your first payment is due the first day of the third month after your loan is issued. Thereafter, your payments will be due every month or quarter, as you elected upon taking the loan.

Note: If you are performing military service, you may be eligible to suspend loan repayments during the period of your service.

Q: What about late payments?

A: For you to avoid additional interest on your outstanding balance, we must receive your loan payments by the day they are due. There is no grace period.

Q: How do I repay my loan?

A: You may repay your loan quarterly or monthly. We will send you a loan statement at least 10 days before payment is due.

To make repaying your loan as easy as possible, we offer a free Automatic Repayment service, through which your bank debits your checking or savings account and sends your payment to TIAA-CREF on the day it's due. (Check with your bank to see if charges apply.) This way, you don't have to worry about writing checks or incurring additional interest. You can also make a single loan repayment electronically through our website.

If you elect to repay your loan monthly, you must use Automatic Repayment and you can't change to quarterly later. However, if you elect quarterly, you may change to monthly at any time. Quarterly payments can be made by check as well as by the Automatic Repayment service.

Q: Can I prepay?

A: Yes, you can make full or partial prepayments at any time without penalty. Any partial prepayment will reduce the dollar amount of your future payments, but not the number of payments.

Q: What about defaults?

A: If we don't receive a loan repayment by the last day of the month it's due, the outstanding loan balance will be in default.

For loans issued on or after January 1, 2002: You have until the end of the calendar quarter following the calendar quarter in which the payment was due to pay the total overdue amount. If you fail to do so, we must report the outstanding loan balance (including accrued interest) to the IRS as current taxable income.

We'll deduct the outstanding balance (including accrued interest) from your collateral. Any funds considered non-distributable will be held in a separate account and accrue interest. For loans issued on or after January 1, 2002 the non-distributable funds (and any accrued interest) will affect additional loan availability.

If you default on a loan under a plan that was established between your employer and TIAA-CREF after

January 1, 2004, your default will be treated as previously stated. However, if non-distributable funds are required to offset your default on the loan, you will not be able to take an additional loan until you've reached a triggering event (such as age 59½ or you've separated from service with your employer).

For loans issued before January 1, 2002: The default amount will be the payment you missed plus accrued interest, which you have until the end of the year to pay. At the end of the year, we'll deduct any default amount from the collateral held in the TIAA Traditional Annuity and apply it to repaying the loan. And we must report the default amount to the IRS as income you actually received. For any non-distributable funds used to offset the default, interest will continue to accrue and be reported as income each year until foreclosure is permitted under federal tax law.

Defaults are taxable as ordinary income in the year they occur. If you are under age 59½, your default may also be considered an early distribution and be subject to a 10% federal tax penalty.

Note: Neither TIAA-CREF nor its affiliates provide tax advice. Please consult your tax advisor.

RETIREMENT, GROUP RETIREMENT, RETIREMENT CHOICE AND RETIREMENT CHOICE PLUS ANNUITIES

MAXIMUM AMOUNTS AND COLLATERAL

The maximum loan amount is the lesser of the following:

- \$50,000
- 45% of your combined TIAA and CREF Retirement, Group Retirement, Retirement Choice and Retirement Choice Plus Annuity balances under the retirement plan of an employer that allows loans
- 90% of your eligible TIAA-CREF account balances available for loans under the retirement plan of an employer that allows loans

And, you must set aside an amount equal to 110% of your loan as collateral in the TIAA Traditional Annuity account in a new Retirement Loan Certificate.

Note: Your employer's retirement plan may restrict funds available for loans. If your entire balance is in the TIAA Traditional Annuity, a loan will not be available since the collateral must come from the variable accounts.

INTEREST RATES

Interest rates are variable and subject to change every 12 months, but they cannot fall below 4%. The initial rate you pay will be the same as the Moody's

Corporate Bond Yield Average for the calendar month ending two months before your loan is issued.

Your loan interest rate will increase or decrease once a year on the first day of the month in which your loan was originally issued, provided the Moody's rate for the calendar month ending two months beforehand differs from yours by at least .50%. Each year, we'll tell you, about 10 days in advance, what your loan rate will be for the upcoming 12 months.

GROUP SUPPLEMENTAL RETIREMENT ANNUITIES AND 457(b) PUBLIC PLANS

ELIGIBILITY

While you can't borrow directly from a Supplemental Retirement Annuity, you may be able to get a loan if your employer offers Group Supplemental Retirement Annuities (GSRA). Generally, you can transfer some or all of your balance from your existing SRA to your employer's GSRA. If your employer's GSRA doesn't allow for loans, you may still be able to get a loan if a previous employer has a GSRA and you have an SRA or GSRA from that employer's plan. 457(b) Public Plan loans follow the same eligibility, collateral and interest rate requirements as GSRA plans.

MAXIMUM AMOUNTS AND COLLATERAL

The maximum GSRA loan amount is the least of the following:

- \$50,000
- 45% of your combined TIAA Traditional and CREF GSRA account balances

90% of the loan amount you take must be in the TIAA Traditional account at the time your loan is issued. Thereafter, 110% of your loan must remain in the TIAA Traditional account as collateral.

INTEREST RATES

The initial loan rate will not exceed the higher of:

- The Moody's Corporate Bond Yield Average for the calendar month ending two months before the loan rate is determined
- The interest rate credited on the balance under your Group Supplemental Retirement Certificate (as stated in the rate schedule in your contract), plus 1% per year

The interest rate will be subject to change every three months after the first payment due date. It changes only when the new rate differs from your current rate by plus or minus .05%. Your rate can't go below 4%. If your rate changes, we'll notify you at least 10 days in advance of the change.

Each year, we'll tell you, about 10 days in advance, what your loan rate will be for the upcoming 12 months.

LOANS ISSUED IN ARKANSAS AND HAWAII, AND NEW JERSEY ALTERNATIVE BENEFIT PLAN (ABP)

MAXIMUM AMOUNTS AND COLLATERAL

While your employer's retirement plan may restrict the amount of your balance that you can use for a loan, the maximum loan amount is generally the lesser of the following:

- \$50,000
- 45% of your combined TIAA

Traditional and CREF SRA savings or account balances under the retirement plan of an employer that allows loans

And, you must set aside an amount equal to 110% of your loan as collateral in the TIAA Traditional Annuity account in a new Retirement Loan Certificate.

INTEREST RATES

The current loan rate is 8%, which remains fixed for the entire term of the loan.

HOW TO APPLY FOR A LOAN

You can apply for your loan online by logging in to your accounts at **tiaa-cref.org**. You can also check maximum loan amounts and loan interest rates.

Or you can start the loan process by calling us at **800 842-2252**, Monday to Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET).

Investment products are not FDIC insured, may lose value and are not bank guaranteed. You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161 or log in to tiaa-cref.org for a prospectus that contains this and other information. Please read the prospectus carefully before investing.

Retirement Annuity (RA) TIAA Contract form series 1000.24, CREF Certificate series C1000.11 STD.1; Group Retirement Annuity (GRA) TIAA Contract form series G1000.4 or G1000.5, G1000.6 or G1000.7 (not available in all states), CREF Certificate series CG-1000.1; Supplemental Retirement Annuity (SRA) TIAA Contract form series 1200.8, CREF Certificate series C1200.4; Group Supplemental Retirement Annuity (GSRA) TIAA Contract form series G1250.1 (GSRA's are not available in all states), CREF Certificate series CG1250.1; Retirement Choice TIAA Contract form Series IGRS-01-5-ACC, IGRS-01-60-ACC, and IGRS-01-84-ACC, TIAA Certificate Series IGRS-CERT1-5-ACC, IGRS-CERT1-60-ACC, IGRS-CERT1-84-ACC, CREF Contract form series CIGRS, CREF Certificate series CIGRS-CERT1; Retirement Choice Plus TIAA Contract form Series IGRSP-01-5-ACC, IGRSP-01-60-ACC, IGRSP-01-84-ACC, TIAA Certificate Series IGRSP-CERT1-5-ACC, IGRSP-CERT1-60-ACC, IGRSP-CERT1-84-ACC, CREF Contract form series: CIGRSP, CREF Certificate series: CIGRSP-CERT1.

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