The following summarizes the existing loan rules that as of July 2013 apply to TIAA-CREF and Fidelity accounts. If you are considering a loan, contact TIAA-CREF and Fidelity for information. TIAA-CREF can be reached at 1-800-842-2888 and Fidelity at 1-800-343-0860.

Eligibility for a Loan
You must be an active employee of Temple University. Terminated or retired employees are not eligible to apply for a loan.

At any given time, an employee may have a maximum of three outstanding loans from his/her TIAA-CREF and/or Fidelity accounts combined. If you currently have three or more outstanding loans, you will not be able to take another loan until your number of loans falls below three.

If an employee defaults on a loan from either a TIAA-CREF or a Fidelity account that is then deemed as distribution (i.e., the outstanding loan and any interest is immediately taxable), he/she will not be able to receive another loan from either TIAA-CREF or Fidelity accounts until the full amount of the loan plus interest is repaid. This rule will also apply to loans in default prior to July 1, 2013. There are two ways to repay a loan in default: (1) repay the full amount of the loan plus interest from a personal source, or (2) request a distribution event (e.g., the attainment of age 59 1/2) and TIAA-CREF or Fidelity will offset the loan plus interest from your account balance.

Taking and Repaying Your Loan
You may take a loan from your account(s) at TIAA-CREF and/or Fidelity for any reason. You are required to repay the total loan amount in full, plus interest, within 5 years of the date you take the loan. There is no penalty for repaying the loan in less than 5 years but, if you do not repay the loan within 5 years, the outstanding amount of the loan will become taxable.

Loan Dollar Limits
You may not take a loan for an amount less than $1,000 or greater than $50,000. If you have less than $50,000 in your account(s), you cannot take a loan in an amount that is more than half (1/2) of your account balance (minus any outstanding loans). For example, if your total TIAA-CREF and Fidelity account balance is $40,000 on the day you take out a loan, you cannot take a loan for more than $20,000.

If your account balance is $50,000 or more but you have current outstanding loans there are additional limitations on loan amounts. If you have outstanding loans, the $50,000 maximum loan amount is decreased by the total amount of all outstanding loans, including those in default, plus the difference between your highest outstanding loan balance from the past twelve months and your current outstanding loan amount. For example, if your account balance is over $50,000 and you have an outstanding loan of $19,000, and your highest outstanding loan balance during the last twelve months was $27,000, your maximum allowable loan amount is decreased by $19,000 (outstanding loan amount) and $8,000 (excess of $27,000, the highest outstanding loan balance, over $19,000), which means that the maximum additional amount you can borrow is $23,000.

Any violation of the above rules will result in loan amounts and any interest becoming immediately taxable to you.

If you have additional questions about loans, please contact Heather Woods at (215) 926-2278.