Roman Catholic Archdiocese of Boston 401(k) Plan Loan Policy
Effective January 1, 2012

This document outlines the parameters of the loan program available through the Roman Catholic Archdiocese of Boston 401(k) Retirement Savings Plan (the "Plan"). Article IX of the Plan Document governs loans and outlines the general rules that apply to loans made to Participants. This document forms part of the Plan and shall be maintained and updated as necessary. The person authorized to administer the loan program is the Plan Administrator (or its/his/her representative).

1. All loans provided by the Plan will:

   (a) be made available to all Participants on a reasonably equivalent basis, meaning that the Employer will not discriminate among Participants on other than a financial basis; loans are available to all Plan Participants without regard to any individual's race, color, religion, sex, age or national origin;

   (b) not be made available to Highly Compensated Employees or officers in an amount greater than the amount made available to other Employees; the nondiscriminatory effect of a loan program will be considered based upon all relevant facts and circumstances;

   (c) be made in accordance with the provisions of the Plan;

   (d) bear a reasonable rate of interest; and

   (e) be adequately secured by the Participant's Vested Account Balance.

2. The Plan Administrator, through TIAA-CREF, is responsible for the distribution, collection and remittance of the loan documentation to the employee. TIAA-CREF exercises no discretion or authority with respect to the approval or denial of a loan. TIAA-CREF shall be responsible for the calculation of all payments due.

   (a) **Loan Application Process.** Any Participant who is actively employed by the Employer may apply for a loan from the Plan by contacting the Plan's recordkeeper, TIAA-CREF. For purposes of this loan policy, the term Participant means any Participant who is a party in interest with an account in the Plan. The employee should log in to his account online to request a loan, following all steps set forth by TIAA-CREF, including specifying the amount of the loan desired, the requested duration of repayment, and the source of security of the loan. A loan set-up fee of will be deducted from the Participant's 401(k) account by TIAA-CREF. Once the application process with TIAA-CREF is complete, an Authorization Form must be presented to the Plan Administrator, along with a copy of the Loan Agreement and a signed Loan Acknowledgment and Payroll Deduction Agreement. The Plan Administrator will review all documents presented and will approve loan applications in his/her discretion as outlined in this Policy.

(b) Terminated participants, beneficiaries and alternate payees are not eligible for participant loans.

(c) The Plan will not allow loan refinancing.

(d) **Limitation on Loan Amount.** The Plan Administrator will not approve any loan to a Participant which exceeds 50% of his or her nonforfeitable vested accrued benefit (account balance). The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed $50,000. A Participant may not request a loan for less than $1,000.

(e) The number of outstanding loans that a Participant can have at one time is one (1).

(f) **Source of Loan Proceeds.** The proceeds of the loan shall be withdrawn from the Participant's account from the contribution sources indicated below:

Rollover Contributions
Employee Pre-Tax Elective Deferrals

The Participant's investment vehicles will be liquidated on a pro-rata basis to provide the proceeds of the loan.

(g) **Evidence and Terms of Loan.** The Plan Administrator will document every loan in the form of a promissory note signed by the Participant for the face amount of the loan. TIAA-CREF shall administer the execution of all notes and shall make copies accessible to the employee and the Plan Administrator. A loan will provide a fixed rate of interest which is a commercially reasonable rate of interest determined as follows. The interest rate will be the Federal Reserve Board Bank Prime Rate plus 1%.

The interest rate will be fixed for the term of the loan. The loan is contingent upon the loan's being paid through payroll deductions. The loan must provide at least quarterly payments under a level amortization schedule.

The Plan Administrator may fix the term for repayment of a home loan for a period exceeding five (5) years, but not more than fifteen (15) years. A home loan is a loan used to acquire a dwelling unit which, within a reasonable time, the Participant will use as his/her principal residence; repayment terms for other loans cannot exceed five (5) years.

Participants should note the law treats the amount of any loan (other than a home loan) not scheduled to be repaid within five years after the date of the loan as a taxable distribution at the time the loan is made. If a Participant extends beyond five years a non-home loan having a five-year or less repayment term, the balance of the loan at the time of the extension is a taxable distribution to the Participant.

(h) **Security for Loan**. A Participant must secure each loan with an irrevocable pledge and assignment of 50% of the nonforfeitable amount of the Participant's vested account balance under the Plan or other security (e.g., principal residence) the Plan Administrator accepts and finds to be adequate, or both the Participant's vested account balance and other security. The Plan Administrator may request the Participant to secure each loan with additional collateral acceptable to the Plan Administrator or to substitute collateral given for the loan.

(i) **Form of Pledge.** If the Participant secures the loan wholly or partly with up to 50% of his/her vested account balance, the pledge and assignment of that portion of his/her vested account balance is used as collateral for the loan. Generally, security must be adequate to cover the loan principal and interest in the event the Participant defaults on the loan. The security is required to cover only the loan principal if the loan is backed by the Participant's vested account balance. The portion of the Participant's vested account balance used as a security interest held by the Plan by reason of a loan outstanding to the Participant shall be taken into account, in accordance with this Loan Policy and the Plan, for purposes of determining the amount of the vested interest payable at the time of death or distribution.

(j) **Loan Proceeds Availability**. The proceeds of a loan shall be distributed to the Participant as soon as administratively feasible after the loan is processed. Prior to receipt of the check, the Participant must provide:

(1) the delivery of an executed promissory note for the amount of the loan, including interest payable to the Plan;

(2) an assignment to the Plan of the Participant's vested interest in his/her Plan accounts; and

(3) an authorization to the Participant's Employer to make payroll deductions in order to repay his/her loan to the Plan. The promissory note shall be duly acknowledged and executed by the Participant, and shall be held by the TIAA-CREF as agent for the RCAB, as an asset of the Participant's loan account.

Until the loan has been satisfied, the Participant may not make any withdrawals which would reduce the vested portion of the net value of his/her accounts to an amount which is less than the amount of his/her outstanding loan.

(k) **Repayment of Loan During Employment**

All loans to active Employees shall be repaid through payroll deductions.

If the Participant is not actively at work but has not incurred a termination of service with the Employer, he/she shall pay the principal of the unpaid balance thereof, and interest on such outstanding loan by personal check under the repayment schedule in effect at the inception of the loan. The Participant will have the opportunity to repay any missed installments and resume current status of the loan, provided all such missed installments are made within 90 days of the last payment. If such a Participant fails to make payment within ninety (90) days of the due date (see paragraph (m) below), the loan shall be deemed to be in default as of the expiration of such ninety (90) day period. Such unpaid loan shall be treated as distributed to the Participant (a deemed distribution). The amount of the deemed distribution is the principal loan balance plus accrued interest. In accordance with IRS rules, the Participant will be taxed currently on the amount of the deemed distribution. A deemed distribution to a Participant under age 59-1/2 would be subject to an early distribution penalty of 10% unless an exception applies.

The Plan will not permit subsequent loans by a Participant following a Participant's deemed distribution.

(l) **Termination of Employment**

A loan will be due and payable upon termination of employment. There shall be a grace period of ninety (90) days in which the employee make repay the entire loan balance, including interest, owed as of the date of termination.

(m) **Default/Risk of Loss.** The Plan Administrator may treat this loan in default in the event of:

(1) any scheduled payment remaining unpaid for more than 90 days;

(2) any representation or statement to the Plan by or on behalf of the Participant which is false in any material respect when made or furnished;

(3) loss, theft, damage, destruction, sale, or encumbrance to or of any of the collateral, or a levy seizure or attachment thereof or thereon;

(4) death, dissolution, insolvency, business failure, appointment of receiver for any part of the property of, or an assignment for the benefit of creditors by the Participant; or

(5) the Participant terminates employment with the Employer and either: (a) does not voluntarily repay the entire unpaid balance of the loan and interest due within 90 days of the date he or she terminates employment or (b) makes a withdrawal (other than periodic distributions which may be used as loan repayments) while any portion of the loan remains outstanding.

Upon the Participant's termination of employment, the Participant may repay the loan in full or request distribution of the note. If the loan remains in default, the Plan Administrator has the option of foreclosing on any other security it holds or to offset the Participant's vested account balance by the outstanding balance of the loan. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, the Participant remains obligated for any unpaid principal and accrued interest.

The value of the Participant's accounts available for distribution to the Participant or a Beneficiary shall mean the value after the offset of the entire unpaid loan and interest thereon.

The Plan intends that this loan program does not place other Participants at risk with respect to their interests in the Plan. In this regard, the Plan Administrator may administer any Participant loan as a Participant-directed investment of that portion of the Participant's Vested Accrued Benefit (account balance) equal to the outstanding principal balance of the loan. The Plan will credit that portion of the Participant's interest with the interest earned on the note and with principal payments received by the Participant. The Plan also will charge that portion of the Participant's Account

Balance with expenses directly related to the organization, maintenance, and collection of the note.

(n) **Compliance with USERRA**.
Loan repayments under the Plan will be suspended as permitted under Code Section 414(u)(4).

A Participant's loan(s) will be suspended for any period during which he/she is performing service in the uniformed services regardless of whether the service is qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). Any such suspension may exceed one year. To satisfy the loan repayment requirements, loan repayments must resume upon completion of the military service, and the frequency and the amount of each installment payment upon resumption is not less than the frequency and amount under the terms of the original loan. The loan must be repaid in full (including the interest that accrues during the period of military service) by the end of the period which equals the original term of the loan plus the period of military service. A loan that was written for less than a five (5) year period may be extended to a five (5) year term plus the period of military service. The interest rate on the loan for the period of military service may not exceed 6% per annum in accordance with the Soldiers' and Sailors' Relief Act.