

Memorandum

City of Las Vegas
Department of Human Resources
Insurance Services Division

To: Investment Committee
From: Steve Miller, Benefits Administrator
CC: Vicki Robinson, Manager Insurance Services
Date: September 26, 2006
Re: Loan Amendment Outline

Loan Provision Basic Outline

Loan Accounts: Only 457 Plans maintained by the City of Las Vegas will be eligible for loans. 401(a) Plans will not be eligible for loans.

Loan Application Fee: Each company may charge a loan set up fee and may charge an annual fee to administer the loan. Each company has the option to implement either or both of these provisions.

Loan Default: All loans are due and payable in full upon separation from service.

Loan Default fee: At the time when a default occurs, a loan default fee may be deducted from the Participants account. Each Company has the option to implement this provision.

Loan Frequency: No more than one loan outstanding at one time. This is aggregated between all accounts. (For example, a person with ICMA and Hartford accounts can only apply for one loan, not one loan from each company).
No more than one loan application in a calendar year.

Loan Interest Rate: Prime Rate plus 1%.

Loan Maximum: Lesser of (i) 50% of the Participants vested account balance minus any outstanding loan balance under the Plan
or (ii) \$50,000 minus the highest outstanding loan balance during the preceding calendar year. Loan Maximum amounts are aggregated between accounts.

Loan Minimum: \$1,000

Loan Repayment: Must be repaid by payroll deduction.

Loan Security: By accepting a loan, the Participant is giving a security interest in his or her vested Plan balance as of the date of the Loan Process Date, together with all additions thereof, to the Plan that shall at all times be equal to 100% of the unpaid principal balance of the loan together with accrued interest and fees.

Loan Term: Maximum 5 years.
A loan for purchase of a principal residence with a 15-year repayment schedule is not allowed.