

Title 154
procedural rule

MR/CAJ

WEST VIRGINIA ADMINISTRATIVE RULES

TEACHERS RETIREMENT BOARD

Title: Loans

Chapter 18-7A
Series VII 7

Section 2. Loans

1.01. Any member - of the system may borrow from his individual account as prescribed below:

- (a) Loans shall be in multiples of ten (\$10.00) dollars.
- (b) Minimum loan shall be one hundred (\$100.00) dollars.
- (c) Maximum loan shall not exceed one-half of member's contributions and in no event shall total principal exceed three thousand (\$3,000) dollars.
- (d) Minimum time of loan shall be six (6) months.
- (e) Maximum time of loan shall be forty eight (48) months.
- (f) Interest shall be eight (8) percent per annum.
- (g) Loans shall be restricted to one per twelve (12) month period.
- (h) If loan is not repaid by absent member the interest on said loan shall accrue.

1.02. Application blanks - shall be furnished by the Executive Secretary.

1.03. Employers - shall remit the loan payments in the same manner as contributions are remitted.

1.04. Payment on Death of Member - In the event a member dies and has an outstanding loan, the amount of the loan and interest due shall be deducted from the amount due the member's estate or beneficiary. In the event a beneficiary qualifies as a surviving spouse, said spouse shall be permitted to

repay such loan in a lump sum, otherwise, any loan balance due the Board shall be deducted from the monthly benefit prior to the payment of any benefits or refunds.

1.05. Effective Interest Rate - The effective interest charged on loans to members shall be 8% per annum based on the add on method of calculation not to exceed an actuarial annual percentage rate of 14.68% depending on the length of the loan contract.

1.06. The Teachers Retirement Board - will conform to the applicable sections of the Federal Truth in Lending as Amended 10-28-75.

1.07. Any loan balance - in force at the time of retirement by a member can be paid in a lump sum, otherwise, the balance due shall be deducted prior to the payment of any benefits or refunds.