FARM CREDIT FOUNDATIONS DEFINED CONTRIBUTION / 401(k) PLAN
LOAN POLICY

The Farm Credit Foundations Trust Committee ("Trust Committee"), acting in its role as the Plan Administrator of the Farm Credit Foundations Defined Contribution/401(k) Plan (the "Plan"), adopts the following loan policy pursuant to the terms of the Plan.

1. **ELIGIBILITY.** Any Participant may apply for a loan from the Plan, provided such Participant has a vested account balance and is actively employed by an employer that is participating in the Plan.

2. **LOAN APPLICATION.** A Participant who wishes to apply for a loan must do so using the loan program established with John Hancock Retirement Plan Services ("John Hancock"). Loan applications are available through the John Hancock website at https://wwwcd.bcomplete.com or by contacting a Participant Services Representative at the John Hancock hotline at 1-800-294-3575. The Participant must specify the desired amount and duration of the loan and must agree to the terms and conditions of the loan. A John Hancock origination fee may be charged to the Participant for each loan application. The loan application will be reviewed by a representative at John Hancock and will be approved only to the extent that the requested loan complies with the requirements of the loan program. To the extent that the loan application is denied, the representative will inform the participant of the reason(s) for the denial, with specific reference to the requirements of the loan program on which the denial is based.

3. **ACCEPTANCE OF TERMS AND CONDITIONS OF THE LOAN.** A Participant must agree to the terms and conditions of the loan as set forth on the Loan Agreement and Promissory Note and in the Participant Loan Disclosure Statement. If a Participant is not willing to agree to these terms and conditions for any reason, the Participant should not cash the check representing the loan proceeds but should instead mark the front of the check "Void" and return it immediately to John Hancock. Upon receipt of a voided check, the proceeds of a voided loan will be reinvested in the Participant’s account.

4. **LIMITATION ON LOAN AMOUNT.** The Plan Administrator will not approve any loan to a Participant if the combined total of the new loan and any existing loans would exceed the lesser of (a) 50% of the Participant’s vested account balance as reflected by the books and records of the Plan or (b) $50,000. The maximum amount that may be borrowed by a Participant will be reduced by the amount of the Participant’s highest outstanding loan balance during the 12-month period ending on the date of the new loan. A Participant may not request a loan for less than $1,000.

5. **LIMITATION ON NUMBER OF OUTSTANDING LOANS.** The maximum number of loans that may be outstanding at any one time with respect to any Participant is two. Notwithstanding the foregoing, a Participant may be permitted to have up to three loans outstanding at any one time if all three of the loans were taken out prior to January 1, 2007, and the loans were made in accordance with the loan policy that was in effect at the time the loans were made. The refinancing of an existing loan will count as a second loan for purposes of the limit on the number of maximum loans if the term of the new loan would extend past the maximum permissible term for the original loan.

6. **RATE OF INTEREST.** The Trust Committee has determined that the loan will provide an interest rate based on the prime rate as published in the Wall Street Journal. The interest rate in effect at the time the participant applies for the loan will be the fixed rate for the life of the loan.

7. **SOURCE OF LOAN FUNDS.** The proceeds of a Participant’s loan will be withdrawn on a pro-rata basis from the investment options in his/her account. Detailed information as to the specific amounts that will be withdrawn from each investment may be obtained from John Hancock.
8. **TERM FOR REPAYMENT.** The Plan Administrator will fix the term for repayment of any loan; however, in no instance may the term of repayment be greater than five years, unless the loan qualifies as a “home loan.” The Plan Administrator may fix the term for repayment of a home loan for a period not to exceed 25 years. A home loan is a loan used to purchase or construct the participant’s principal residence. A sales or construction contract is required for all home loans.

9. **PERIODIC PAYMENTS.** The loan must provide at least monthly payments under a level amortization schedule. All periodic payments, while actively employed, will automatically be paid through payroll deduction and may not be suspended. For those Participants who have separated from service and want to continue loan repayments, John Hancock will convert the semi-monthly (or, if applicable, bi-weekly) payment to a monthly payment and will allow payments to be made from a checking or savings account via ACH debit. Additionally, John Hancock will continue to invoice those Participants who had previously made arrangements to be invoiced and who have not switched to ACH debits. (See Paragraph 17 below for more information on loan repayment following a termination of employment.) *It is the Participant’s responsibility to ensure that payments are being made.* If a Participant determines that a payroll deduction has not been made, the Participant is required to promptly contact the Farm Credit Foundations Human Resources Department.

10. **LOAN PAYOFFS – FULL AND PARTIAL.** A Participant may choose to pay off an outstanding loan at any time. A Participant may also choose to make an additional payment on an outstanding loan that is over and above the required periodic payment but which is less than the entire outstanding balance of the loan. A Participant who wants to pay off or make an additional payment on an outstanding loan must request a “loan repayment package” from John Hancock. This package may be requested online through [https://wwwcd.bcomplete.com](https://wwwcd.bcomplete.com) or by calling 1-800-294-3575. After receiving a “loan repayment package,” the Participant must then complete and return the loan repayment form along with a check made payable to “JHTC as Trustee, FBO [INSERT THE PARTICIPANT’S NAME].” The check must be a cashier’s check or a bank check. Personal checks will not be accepted.

11. **LEAVE OF ABSENCE.** If requested by the Participant, the Plan Administrator may suspend payments on a loan while the Participant is absent from work due to an approved unpaid leave of absence. The maximum length of time that loan payments may be suspended due to a Participant’s leave of absence is limited to one year. Interest will continue to accrue while payments are suspended and the loan must be paid in full by the due date of the loan. When payments resume, a Participant may elect to reamortize the remaining payments or the Participant may elect to pay the remaining balance with the last regularly scheduled payment.

12. **MILITARY SERVICE.** If a Participant is on active duty in the United States military, the interest rate on any outstanding loans to the Participant may not exceed 6%, compounded annually, during the period of the Participant’s military service. Additionally, if a Participant is absent from employment due to service in the “uniformed services” (as that term is used in USERRA) and the Participant so requests, payments on a loan may be suspended for the duration of the Participant’s service in the “uniformed services.” Interest will continue to accrue while payments are suspended. Following the completion of the Participant’s service in the “uniformed services,” the remaining term of the loan will be extended by the length of the Participant’s service in the “uniformed services” and the remaining payments will be reamortized.

13. **LOAN DOCUMENTATION.** For each loan that is approved and made, John Hancock will include a statement on the check issued to the Participant for the amount of the loan indicating that endorsement of the check serves as acceptance by the Participant of the terms and conditions of the loan.
14. **SECURITY FOR LOAN.** A Participant must pledge his/her account balance under the Plan as security for any loan(s) obtained by the Participant. The amount pledged by the Participant may not exceed 50% of his/her vested account balance under the Plan.

15. **DEFAULT.** The Plan Administrator will treat a loan as in default:

   (a) If any scheduled payment remains unpaid more than 30 days after the day on which it is due; or

   (b) If any representation or statement to the Plan that was made by or on behalf of the Participant proves to have been false in any material respect at the time the representation or statement was made or furnished; or

   (c) In the event of the death of the Participant.

16. **OPPORTUNITY TO CURE A DEFAULT.** In the event that a loan is in default as a result of a failure to make a scheduled payment, the Participant will have the opportunity to take one of the following actions:

   (a) Repay the outstanding loan balance in full; or

   (b) Restore the loan to current status by paying any missed payments plus interest; or

   (c) If distribution is available under the Plan, request the entire outstanding balance of the loan be considered to be a taxable distribution.

If the loan remains in default as of the last day of the calendar quarter after the calendar quarter in which the missed payment was due, the Plan Administrator may offset the Participant’s account balance by the outstanding balance of the loan, but only to the extent that a distribution to the Participant is permissible under the Plan. 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.

17. **REPAYMENT FOLLOWING TERMINATION OF EMPLOYMENT.** A Participant who terminates employment while still having an outstanding loan balance under the Plan will have the opportunity to take one of the following actions:

   (a) **Continue Scheduled Payments.** The Participant may arrange with John Hancock to continue making scheduled loan payments. Under this option, John Hancock will allow payments to be made from a checking or savings account via ACH debit. Additionally, John Hancock will continue to mail an invoice each month for the next month’s loan payment to those Participants who had previously made arrangements to be invoiced and who have not switched to ACH debits. If the monthly payment is not paid within 30 days of its due date, the Participant will be considered in default on the loan; or

   (b) **Payoff Loan.** The Participant may repay all outstanding principal and interest on the loan(s) within 30 days of the date that the Participant’s last loan payment was due while he/she was still employed; or
(c) Take Distribution. The Participant may elect not to repay all outstanding principal and interest on the loan. Under this option, any outstanding loan balance will be treated as a taxable distribution and may be subject to a 10% penalty tax applicable to early distributions from qualified plans.

Provided, however, that if a Participant terminates employment because of service in the military and does not take a distribution of his/her account balance, his/her loan repayments may be suspended until the completion of the military service.

18. REPAYMENT FOLLOWING DEATH OF THE PARTICIPANT. In the event of the death of the Participant, the Plan Administrator will allow the Participant’s beneficiary to repay the loan. If the beneficiary does not do so within 60 days after the Participant’s death, the Plan Administrator may offset the Participant’s account balance by the outstanding balance of the loan as described above.

19. DEEMED DISTRIBUTIONS. Participants should note that the law treats the amount of any loan (other than a home loan) not repaid five years after the date of the loan as a taxable distribution on the last day of the five-year period or, if sooner, at the time the loan is in default. If a Participant extends a non-home loan having a five year or less repayment term beyond five years, the balance of the loan at the time of the extension is a taxable distribution to the Participant.

20. PARTICIPANT ACCOUNTS. The Plan intends that other Participants will not be placed at risk with respect to their interests in the Plan as a result of this loan program. In this regard, the Plan Administrator will administer any Participant loan as a Participant directed investment of that portion of the Participant’s 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 loan and with principal payments received by the Participant. The Plan may also charge that portion of the Participant’s account balance with expenses directly related to the organization, maintenance and collection of the loan.

21. AMENDMENT AND INTERPRETATION OF POLICY. The Trust Committee may modify this policy from time to time or may terminate the Plan loan program. The Trust Committee has discretion to interpret the provisions of this loan policy. The Trust Committee’s decisions regarding the application or interpretation of this loan policy are final and binding on Participants.