This document describes some of the main features of participant loans available under the Bank of America 401(k) Plan (the “Plan”). This updated policy is effective January 1, 2019 and applies to all new loans requested and all outstanding loan balances on and after this date. Additional information can be found in the loan documentation you receive when you request a loan from the Plan.

Eligibility

You may borrow from your Plan account for any reason, with no financial review or credit check. To be eligible for a new loan, you must (i) be actively employed or on a paid leave, (ii) be currently eligible to participate in the Plan, (iii) agree to repay your loan through payroll deductions, and (iv) have a vested Plan account balance of at least $2,000. Additionally, if your work location is in the United Kingdom, you are not permitted to request a loan.

Some examples of ineligible situations:
- Employees receiving long-term disability or severance installment payments
- Employees who are not currently eligible to participate in the Plan
- Employees on unpaid Leave of Absences or unpaid Military leave

Types of loans

There are two types of Plan loans:
- A general purpose loan may be used for any purpose. You can elect a repayment period of 12 to 60 months.
- A primary residence loan must be used to either purchase or construct your primary residence. The loan cannot be used to refinance or remodel your current residence or to purchase a second home, vacation property or rental property. You can elect a repayment period of 12 to 180 months (up to 15 years).

Number of outstanding loans

At any time, you can have only two loans outstanding from the Plan—either one general purpose loan and one primary residence loan, or two general purpose loans. For example, if you already have one general purpose loan and one primary residence loan outstanding, you may not take a second general purpose loan even if you intend to use the proceeds to pay off the existing general purpose loan. Together, a general purpose loan and a primary residence loan, or two general purpose loans, cannot exceed the maximum amount you are eligible to borrow.
BANK OF AMERICA 401(k) PLAN LOAN POLICY
Updated January 1, 2019

Loan minimum and maximum

The minimum loan amount is $1,000.

The maximum amount you can borrow is the lesser of:

- One half of your total vested account balance under all of the plans listed below, reduced by the unpaid balance of any other loan(s) under any of the plans listed below:
  - Bank of America 401(k) Plan
  - Bank of America Pension Plan
  - Bank of America Transferred Savings Account Plan
- $50,000, reduced by your highest outstanding loan balance at any time during the preceding 12 months (even if you repaid all or part of that prior loan) in the following plans:
  - Bank of America 401(k) Plan
  - Bank of America Pension Plan
  - Bank of America Transferred Savings Account Plan.

Example: Susan takes out a $30,000 primary residence loan in March from her Bank of America Pension Plan account and has repaid $4,000 by January of the following year. As of Jan. 31, Susan’s Bank of America Pension Plan vested account balance is $60,000 (including her outstanding loan balance of $26,000), and her Bank of America 401(k) Plan vested account balance is $80,000. Susan does not have a vested account balance under any other Plan. If, on Feb. 1, she wants to request a general purpose loan from her Bank of America 401(k) Plan account, the maximum she could borrow would be the lesser of:

- $44,000, which is $70,000 (one-half of Susan’s total vested account balance under all of the Plans) minus $26,000 (the unpaid principal balance of her outstanding loan(s) under any of the Plans)
- $20,000, which is $50,000 minus $30,000 (her highest outstanding loan balance during the preceding 12 months under any of the Plans)

Therefore, on Feb. 1, the maximum Susan could borrow from her 401(k) Plan account would be $20,000.
Interest rates

Loans are made at an interest rate equal to the prime rate as quoted by Reuters on the last business day of the month prior to the loan request plus 1%. The interest rate is fixed for the life of the loan. The current interest rate for plan loans, as well as the annual percentage rate (APR) which will be impacted by your specific payroll frequency and certain other information for representative loan amounts is available from the Plan’s record keeper.

Loan fees

The Plan does not charge a fee to take a loan from your Plan account.

Requesting a loan

General Purpose loans are generally pre-approved and can be requested by contacting the Plan’s record keeper. Some married participants are required to obtain Spousal Consent before processing a loan. You will need to complete the spousal consent form that is available via a hyperlink on the Benefits OnLine loan request screen if the participant has account balance sources requiring spousal consent or via the Plan’s record keeper. Your loan will not be processed until a completed spousal consent form is returned.

Primary Residence loans require an application and are available to purchase a primary residence that is already built or to build a new home that you plan to live in as your primary residence. Before your primary residence loan can be processed, you must provide documentation showing that your loan is for the purchase or building of your primary residence. Acceptable forms of documentation for a primary residence loan include the following:

- For purchasing a primary residence, the application must be submitted along with a Purchase Agreement that includes the following:
  - Purchase Agreement was executed within the past three months
  - A future closing date
  - A statement that the Title will transfer
  - A purchase price that is no less than the requested loan amount
  - A seller’s signature
  - A buyer’s signature where the buyer is the loan applicant
  - The street address of the property being purchased

- For constructing a primary residence, the application must be submitted along with documentation that supports both the land and building aspects of the construction.
For the Land portion:
  o A copy of a signed purchase agreement for the purchase of land, or
  o A deed to land that is in the loan applicants’ name.

For the Building portion:
  o A copy of a signed construction contract that includes the purchase price, closing date/completion date (in the future), signatures of the buyer and seller and the street address of the property, or
  o A signed declaration stating that the loan applicant has an immediate intention to build their principal residence.

Loan processing
A loan may be made from certain sub-accounts within your Plan account and in a particular order from those sub-accounts. Note that any designated Roth sub-accounts will be included when determining the maximum amount you can borrow, but such amounts cannot be used to fund the loan.

Your loan amount is funded from your account on a pro-rata basis from your investment choices and then credited to the Loan Fund held in your account. Your statement summarizes how your loan was deducted from each investment choice and will also reflect your new Loan Fund which will show the outstanding loan balance that will need to be repaid.

Once you receive a loan from the Plan, you cannot change the terms or extend the payment period.

Loan repayments via payroll deductions
The Plan requires loan repayments to be made by payroll deductions as a provision of the loan. Your loan repayments should begin to be deducted from your pay on an after-tax basis within one to two pay periods after your loan is approved. You should review your pay slips to confirm loan repayment deductions have begun from your pay, and notify the Plan’s record keeper if they have not, or if there is any discrepancy in the repayment amount being deducted.

Commission pay is not eligible for loan repayment. If you are a commissioned or incentive paid employee receiving two paychecks in a pay period, the loan deduction will be taken from the first paycheck only (the first check is usually regular wages (salary/draw)). If the first paycheck does not have enough funds, the system does not take the loan deduction from the second paycheck (commissions/incentives).
To ensure your loan repayments continue to be deducted from your payroll according to the normal schedule you agreed to when you first took the loan, you should review your pay slips periodically. You can also confirm that the loan repayments are being applied to your outstanding loan balance by viewing your Account History on Benefits OnLine.

**Loan Re-amortization**

The Plan’s record keeper will calculate a new loan repayment amount typically after you have a change in payroll frequency or a change in certain employment statuses. Re-amortization neither benefits nor hurts you; it simply aligns the required repayment amount with a new repayment frequency. While re-amortization changes the repayment amount and frequency, the interest rate and term remain the same. You will receive a re-amortization notice if this occurs.

If you (i) experience a voluntary or involuntary termination of employment, (ii) are bridging to a retirement milestone, (iii) start receiving long-term disability (LTD) benefits, or (iv) are transferred to a position for which you are paid from a payroll outside the U.S., you are still responsible for sending in loan repayments; however, your loan will be automatically re-amortized to a monthly schedule. You will receive a re-amortization notice once this occurs.

If you go on unpaid leave of absence and wish to have your loan re-amortized to a monthly schedule you will need to contact the Plan’s record keeper to request re-amortization of your loan.

You may elect to make your monthly loan repayment by either (i) setting up deductions through an electronic payment process to allow your repayments to be deducted from your checking or savings account, or (ii) you may send in repayments by bank, certified check or money order along with a Loan Repayment Form. Contact the Plan’s record keeper for instructions on how to make such repayments. You must keep a copy of this form and submit with each manual payment.

If you choose not to continue making loan repayments, your loan will default and become taxable to you. Please see **Loan Defaults** section for more information.

If you are rehired, return to work at Bank of America after you stop receiving long-term disability (LTD) benefits, return from an international assignment and are paid from U.S. payroll, or you requested to have your loan re-amortized to a monthly schedule and return from an unpaid leave of absence, your loan repayments will be re-amortized back to your normal pay frequency and automatically deducted from the applicable paychecks within one to two pay periods after your return.
If you are transferred from an international location back to the U.S., you may need to contact the Plan’s record keeper to request re-amortization of your loan and to restart your loan repayments through automatic payroll deduction.

Loans cannot be re-amortized to make up for delinquent loan repayments.

**When loan repayments cannot be made from your pay**

If you are an active employee, go on an unpaid leave of absence, your pay is insufficient or if your loan repayments are not deducted as scheduled from your pay for any other reason, causing you to miss a loan repayment, you are still responsible for sending in loan repayments according to the normal schedule you agreed to when you first took the loan. If you do not continue making loan repayments, your loan will default and become taxable to you. Please see Loan Defaults section for more information.

To keep the loan current you will be required to make loan repayments when they are due with guaranteed funds by submitting a bank, certified check or money order to the Plan’s record keeper. Personal checks or cash will not be accepted. Contact the Plan’s record keeper for instructions on how to make such repayments.

**Military Leave**

If you processed a loan prior to entry into military service and the interest rate on the loan(s) are greater than 6%, you may be eligible for a loan interest rate cap of 6% under the federal Servicemembers Civil Relief Act (SCRA).

Participants on military leave who have an outstanding loan balance are not subject to the Plan’s loan default rules until they return from leave. Upon return from leave, additional repayment options may be available. Please contact the Plan’s record keeper for further information.

**Investment of loan repayments**

Each scheduled loan repayment consists of a repayment of both principal and interest. When a loan repayment is received, both the principal repayment portion as well as the interest will be invested based on your current investment direction on record for your future contributions. In addition, an amount equal to the principal repayment is transferred from the Loan Fund, reducing your outstanding loan balance. Any time that your change your investment elections for your future contributions, the direction of your future loan repayments will adjust accordingly.
If you have no investment direction on record for your future contributions, your loan repayments are automatically directed to your age-appropriate LifePath® Fund until you make an election to direct your future contributions to another investment choice or choices. See the Plan’s Summary Plan Description or the Qualified Default Investment Alternative Notice available on Benefits OnLine for information on default investments.

**Early loan payoffs**

You may make an early loan payoff for the full amount of the outstanding loan balance at any time, without penalty. You cannot, however, make a partial loan payoff. You can obtain information about making an early loan payoff by contacting the Plan’s record keeper. The information provided includes your early loan payoff amount and the date by which you need to make your payoff, as well as instructions on how to make such a payoff.

After you have completely repaid a Plan loan, there is a 20-day waiting period before you can request a new loan.

**Loan Defaults**

Your loan is in default if one of the following occurs:

- Missed loan repayment(s) are not made up by the end of the quarter following the quarter in which the payment(s) were due.
- The unpaid principal balance is not repaid by the end of the quarter following the quarter in which the end date of your loan occurs.

If your loan is in default, the entire outstanding balance of the loan (including accrued interest) at the time of the default becomes immediately due and payable. The outstanding balance is reported as a taxable distribution (a deemed distribution) to you for income tax purposes. This deemed distribution is not eligible to be rolled over and may be subject to penalty taxes.

If you die with an outstanding loan, your loan will default and the loan balance and any applicable taxes or penalties will be charged against your account. However, your spouse can choose to avoid the default (and any consequences that follow) by repaying your outstanding balance with guaranteed funds so long as the repayment is made prior to the last possible date before your loan would have otherwise defaulted without payment (for example, assuming you were not delinquent in your loan at the time of death, the deadline for the repayment would be the last day of the quarter following the quarter in which the death occurred), or by the date the assets are distributed, if sooner.

Generally, if you default on a Plan loan, you may not take another loan from that Plan.
BANK OF AMERICA 401(k) PLAN LOAN POLICY
Updated January 1, 2019

If you have repaid a defaulted Plan loan, the defaulted loan is no longer outstanding and you will be able to request a new Plan loan in accordance with the generally applicable rules described earlier in this Loan Policy. You can obtain information about repaying a defaulted Plan loan by contacting the Plan’s record keeper.

**If you are rehired**

If you are rehired with Bank of America and your outstanding loan has not defaulted, your loan repayments will be re-amortized based on your new payroll frequency and the current end date of the loan. The re-amortization will calculate a new repayment amount that will be deducted from your pay to allow you to pay off the loan by the original end date and avoid default. Please note that if your payments have fallen too far behind schedule, being rehired will not prevent the normal loan default rules from applying.

If you had a defaulted Plan loan upon termination and took a full distribution of your Plan benefit, upon rehire you will be treated as a new participant with respect to your ability to request a new Plan loan in accordance with the generally applicable rules described earlier in this Loan Policy.

**Tax consequences of loans**

All loan repayments are made with after-tax dollars and include principal and interest. Under current federal law, the interest you pay is generally not tax-deductible.

If you default on your loan, the entire outstanding balance (including accrued interest) at the time of the default is reported as a taxable distribution (a deemed distribution) to you for income tax purposes. This deemed distribution is not eligible for rollover and may be subject to penalty taxes. This taxable distribution may be eligible to be rolled over but you must produce the funds for the rollover from another source.

If you chose to take a full distribution of your Plan account balance, any outstanding loan balance you have will be reflected in that distribution and may also represent a taxable distribution. If you want to roll over your distribution, including the loan amount, you can either repay the loan as specified above or use money from other non-Plan sources to roll over the unpaid loan amount.

**Plan record keeper contact information**

If you have questions about loans under the Plan, contact the Bank of America Employee Retirement Savings Center (ERSC) at **1.800.637.4015** (TTY: **1.800.637.1215**). Representatives are available Monday through Friday between 7 a.m. and 8 p.m. Eastern any day the New York Stock
Exchange is open. If you are located outside the U.S., call 609.818.8817 collect to speak with a representative.

This policy provides information about participant loan features under certain Bank of America qualified retirement plans. Receipt of this document does not automatically entitle you to a benefit under any of the Plans. Every effort has been made to ensure the accuracy of the contents of this policy. However, if there are discrepancies between this policy and the official plan documents, the plan documents always will govern.

Bank of America reserves the right to amend or terminate any Plan in its sole discretion at any time and for any reason. The bank also retains the discretion to interpret any terms or language used in this policy. For convenience, we use the name Bank of America or bank in this policy because it is used at companies with different names within the Bank of America Corporation family of companies. However, by using the terms Bank of America or bank, it does not mean that you are employed by Bank of America Corporation; you are employed by the entity that directly pays your wages. Bank of America is solely responsible for the content of this document.