Online Loan Administration

Best Practices for Efficient Loan Processing

Here are some tips to help you and your participants keep online loan administration running smoothly:

1. **Align loan repayment dates with your payroll calendar.**
   When requesting a loan online, participants sometimes select a loan repayment start date that is between payroll cycles. This causes the loan repayments to follow an incorrect amortization schedule, thus delaying the contribution files you send to us. Review and ensure that loan start dates align with your payroll cycles to avoid additional administrative challenges or even compliance issues.*

2. **Double-check the number of loan repayments requested.**
   Online loan requests require a participant to enter the number of repayments desired, with a maximum repayment period of five years for general purpose loans. The number of loan repayments is based on payroll frequency, not on the number of months in the intended loan term. Many participants mistakenly enter 60 (months) rather than 130 (the number of biweekly payment periods) for a five-year loan. Be sure to verify that the participant entered the correct number of loan repayments based on payroll frequency and loan term.*

3. **Send only one loan request approval.**
   If you've approved a loan request online, leave the rest to us. Sending a duplicate request by fax, hardcopy, or email may cause delays due to duplicate processing.

*If you've elected Pass-Through Processing for loans, you're still responsible for ensuring that loan repayments correspond to your payroll frequency within the time allotted for approval. Watch for the email you'll receive when the loan request is submitted, then review the terms on the plan website.