

MEMO# 13985

October 1, 2001

DOL ISSUES FINAL INDIVIDUAL EXEMPTION FOR EXTENSIONS OF CREDIT IN CONNECTION WITH REDEMPTIONS FROM UNITIZED FUNDS

[13985] September 28, 2001 TO: PENSION COMMITTEE No. 65-01 RE: DOL ISSUES FINAL INDIVIDUAL EXEMPTION FOR EXTENSIONS OF CREDIT IN CONNECTION WITH REDEMPTIONS FROM UNITIZED FUNDS The Department of Labor has published a final exemption for certain extensions of credit by Riggs Bank, N.A. to participant-directed individual account plans in order to facilitate redemptions from certain unitized funds. The final exemption provides relief from ERISA section 406(a) for (a) the extension of credit by the Bank to a plan; and (b) the plan's repayment of such extension of credit, plus accrued interest. The conditions imposed under the final exemption are identical to those provided in the proposed exemption.¹ No comments were submitted in response to the proposed exemption. The final exemption is effective as of September 11, 2000. Kathy D. Ireland Associate Counsel Attachment (in .pdf format) 1 For a description of the proposed exemption, see Institute Memorandum to Pension Committee No. 54-01, dated August 9, 2001.

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