1.1. Loan Module Setup - Sources

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You first need to add a loan fund as an investment account. Select: 'Plan Specifications', then Edit'. Click the 'Work with Sources/Investment Accounts' link. Select 'Yes' for 'Use Investment Accounts to track Participant balances'.

You should see a list of all sources allowed by the plan on this screen. If not, click the 'Add Default Sources' link. Suppress any sources that are not used. Next click the 'Loan Source Distribution/Hierarchy' link. This is where you can indicate which sources are available for loans. Click 'Update'.

Select either 'Pro Rata' (across all available sources), or 'Ordering Rule' for the way loans are distributed. If you select the latter you will need to enter sequence numbers to indicate how the sources should be ordered when a loan distribution is processed - the loan will be taken from the source with the lowest number first. Click 'Update', then close the window and return to the source setup screen.