

The background is a solid green color with several large, stylized, overlapping leaf shapes in a slightly darker shade of green. The leaves are oriented vertically, with their stems pointing downwards. The overall aesthetic is clean and modern.

Loans

General Purpose ♦ Residential ♦ Nonpay Status

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Things to Consider Before You Borrow

The Thrift Savings Plan was designed to provide you with income after you retire. The amount you will have in your account at retirement depends on the decisions you make—how much you contribute, how you invest, and whether you take money out of your account—before you retire.

The TSP loan program is an important benefit that gives you access to the money in your account. However, taking a loan could result in less money for you at retirement. So, before you borrow from your account, consider the following:

- If your TSP investments earn higher rates of return than the interest rate on the loan, your TSP account will end up being smaller than it would have been if you had not borrowed from it.
- If you are not able to contribute as much to the TSP because of the financial burden of your loan payments, your TSP account will not grow as quickly. If you are a FERS employee or a uniformed services member covered by the Blended Retirement System (BRS) and you have to reduce your contribution rate to below 5%, you will not receive the full agency/service match.
- A TSP residential loan is not a mortgage. Therefore, the TSP loan interest payments are not tax deductible, as they might be for a mortgage or home equity loan.

Before you take a TSP loan, read this booklet in its entirety to make sure you realize the potential effect a loan has on your retirement income.

Rules for Borrowing

You can borrow from your account if all of the following are true:

- You have **at least \$1,000** of your own contributions and associated earnings in your account. (Agency/service contributions and earnings on that money cannot be borrowed.)
- You are **currently employed** as a federal civilian employee or member of the uniformed services. (Separated or retired participants and beneficiary participants are not eligible.)
- You are in **pay status**. (Loan payments are deducted from your pay. Note you can borrow from your TSP account even if you have stopped contributing your own money.)
- You have **not repaid a TSP loan** (of the same type) in full within the past 60 days.
- You have **not had a taxable distribution** on a loan within the past 12 months, unless the taxable distribution resulted from your separation from federal service. (See pages 12 – 13 for more information on taxable distributions.)



If you have both a civilian account and a uniformed services account, the eligibility requirements apply to the account from which you intend to borrow.

There are two types of loans.

- **General purpose loan** with a repayment period of 1 to 5 years. No documentation is required.
- **Residential loan** with a repayment period of 1 to 15 years. Documentation is required. See Appendix II.

A residential loan can be used only for the purchase or construction of a primary residence. The residence can be a house, condominium, shares in a cooperative housing corporation, a townhouse, boat, mobile home, or recreational vehicle, but it must be used as your

primary residence. The residence must be purchased (in whole or in part) by you or your spouse. You can obtain a residential loan for constructing a new residence or purchasing an existing residence. You **cannot** use a residential loan for refinancing or prepaying an existing mortgage, for renovations or repairs, for buying out another person's share in your current residence, or for the purchase of land only.

You may have **only one general purpose loan and one residential loan** outstanding at any one time. This is a per-account limit. If you have both a civilian account and a uniformed services account, you may have one of each type of loan for each account.

Minimum and Maximum Loan Amounts

Minimum loan amount. The smallest amount you can borrow is \$1,000.

Maximum loan amount. The maximum loan amount you can borrow is the *smallest* of the following:

- (1) Your own contributions and earnings on those contributions in the TSP account from which you intend to borrow (civilian or uniformed services), not including any outstanding loan balance (the Contributions and Earnings Test).
- (2) 50% of your total vested account balance (including any outstanding loan balance) or \$10,000, whichever is greater, minus any outstanding loan balance (the Internal Revenue Service (IRS) Vested Balance Test).
- (3) \$50,000 minus your highest outstanding loan balance, if any, during the last 12 months (the IRS \$50,000 Test). **Even if the loan is currently paid in full, it will still be considered in the calculation if it was open at any time during the last 12 months.** For example, if you took out a loan for \$35,000, then paid the loan back in full within 12 months, the maximum loan amount you would be eligible to borrow would remain \$15,000 (\$50,000 minus \$35,000, the highest outstanding balance during the last 12 months) even though the money has been returned to your account. **Note:** The above example is based on the assumption that the IRS \$50,000 Test is the lowest of the three maximum loan amount tests.



If you have both a civilian account and a uniformed services account, the combined account balances and outstanding loan amounts will be used to calculate the maximum loan amount for Items 2 and 3 on page 3.

Your account balance is recalculated at the end of each business day based on that day's closing share prices and any transactions processed for your account that night. Therefore, your maximum loan amount may also change each day. To see the maximum loan amount you are eligible to borrow, log into My Account at tsp.gov, and click on "TSP Loans" on the left-hand menu. The maximum loan amount you can borrow will be displayed in the center of the page.

Where Your Loan Comes from and is Repaid To

When you borrow from your TSP account, the loan is disbursed proportionally from any traditional (non-Roth) and Roth balances in your account. Similarly, if you are a uniformed services member with tax-exempt contributions in your traditional balance, your loan will contain a proportional amount of tax-exempt contributions as well. If your TSP account is invested in more than one fund, your loan is deducted proportionally from the employee contributions (and earnings on those contributions) that you have in each fund.

When you repay your loan, your payments (including interest) are deposited back into the traditional (non-Roth) and Roth balances of your account in the same proportion used for your loan disbursement. Repayments are invested in TSP funds according to your existing contribution allocation.

Interest Rate

The loan interest rate you pay for the life of the loan will be the G Fund's interest rate that is in effect on the date that your *Loan Agreement* is generated.

Nonpay Status

Loan payments are submitted through payroll deductions. Therefore, if you are not currently receiving pay (i.e., in nonpay status), you will not be eligible for a TSP loan. See Appendix I, “How Nonpay Status Affects Your TSP Loan,” for more information.

- For **civilian** TSP participants, nonpay status includes leave without pay and furlough.
- Most **uniformed services members** will never be in nonpay status. However, if you are a member of the Ready Reserve and you have been approved by your command for non-attendance of scheduled drill dates or you have been approved by your command to perform your yearly drill schedule over a one- or two-month period, you are considered, for TSP purposes, to be in nonpay status during the months you do not drill. When you return to pay status, you may apply for a TSP loan.

Note: If your unit does not drill in a given month, you are **not** considered to be in nonpay status. You must submit payment directly to the TSP any month you do not drill.

Spouses' Rights

By law, your spouse has certain rights to your TSP account. Therefore, when you request a loan, you must indicate whether you are married, even if you are separated from your spouse. If you are married, the following rules apply:

- **If you are a FERS participant or a member of the uniformed services,** your spouse must consent to your TSP loan by signing the *Loan Agreement*—not the *Loan Application*—that we will send you (or that you print from the TSP website if you request a loan online). Signing the *Loan Agreement* does not make your spouse responsible for repaying the loan.
- **If you are a CSRS participant,** we must notify your spouse when you apply for a loan.

Exceptions may be approved under certain very limited circumstances. For more information, refer to Form TSP-16, *Exception to Spousal Requirements* (TSP-U-16 for members of the uniformed services), which is available at tsp.gov or from your agency or service.

We may pursue, and refer to the Department of Justice for prosecution, any person who attempts to deprive a spouse of his or her TSP rights by forging the spouse's signature, lying about marital status, or taking similar fraudulent actions.

If you have a court order against your account, you will not be able to get a loan.

We must honor certain orders, such as those that enforce payment of child support or alimony, or that award a portion of your account to a former spouse. When we receive a court order, a hold is placed on your account. You cannot get a loan until the court order has been satisfied. For more information about court orders, read the TSP booklet *Court Orders and Powers of Attorney*, available from tsp.gov, the ThriftLine, or your agency/service.

Applying for a Loan

You can apply for a TSP loan in one of two ways.

If you are applying for a general purpose loan, you might be able to complete the loan application and agreement process entirely online. **But if any of the following are true, then you will have to print out your *Loan Agreement* and submit it to us for processing:**

- You are applying for a residential loan.
- You are requesting funds through an electronic funds transfer (EFT).
- You are a married FERS or uniformed services participant and do not have an approved Form TSP-16 (or TSP-U-16), *Exception to Spousal Requirements*, on file.

Whether or not you can complete the whole process online, the most efficient way to request a loan is through the TSP website (tsp.gov). If any of the above items are true, then you should use the online process and print out and submit the *Loan Agreement* for processing. Log into the My Account section of tsp.gov using your 13-digit TSP account number (or customized web user ID) and your TSP web password. If none of the above listed conditions are true, then you will be able to complete the process online. Otherwise, you will be instructed to print out the partially completed *Loan Agreement*, complete it, and mail or fax it to us along with any additional required information. We must receive the *Loan Agreement* **before** the expiration date at the top of the agreement.

If you do not wish to use the website, you may complete Form TSP-20, *Loan Application*, and mail or fax it to us. Loan applications are available at tsp.gov or from your agency or service. Once your application is processed, we will send you a *Loan Agreement* with the terms of the loan. Complete the form, and return it to us (with any additional required information). We must receive the *Loan Agreement* **before** the expiration date at the top of the agreement. Note that requesting a loan by completing Form TSP-20 without using the website may increase the chances that you will make an error, delaying the processing of your request.

Important: Be sure to submit only one *Loan Agreement*, per account, at one time. The first *Loan Agreement* received will be processed. Any others will be rejected.

If you are requesting a **residential loan**, you are required to document the costs associated with the purchase or construction of a primary residence. See Appendix II for a list of acceptable documentation.



If you do not return all of the required documents by the expiration date, you will have to reapply by submitting another Form TSP-20, *Loan Application*, or by applying online.

We will deduct a \$50 fee from the proceeds of the loan to cover administrative costs.

This fee will be deducted proportionally from any traditional (non-Roth) and Roth money included in the loan amount. Your total loan amount

will be reduced by the amount of the fee. For example, if you request a loan for \$5,000, we will deduct the \$50 fee, and the amount paid to you will be \$4,950. You cannot send a personal check to us to pay the loan fee.

There are two payment methods to choose from.

You can request that your loan be sent directly to your financial institution by **electronic funds transfer (EFT)**. EFT is a safer method of payment than issuing a check. Please verify the routing number of your financial institution and your account number **before** you submit this information to us. EFT payments can be made only to financial institutions in the United States. Remember, if you request an EFT, your loan request cannot be completed online.

If you do not request an EFT, or if the EFT information you provide is incomplete or invalid (and the rest of your form is completed correctly), your loan will be paid to you by **check**. It will be mailed to the address in your TSP account record. This address will be printed on the first page of your *Loan Agreement*. **If your address is not correct, contact your agency or service to have your correct address submitted to us before you apply for a loan. Lost, stolen, damaged, or misdirected checks can take 6 weeks or longer to replace.**

How long does it take to process a TSP loan?

If you make your loan request on the TSP website AND you are able to complete the process online, your loan will generally be disbursed from the TSP within 3 business days, and a check will be mailed to you. It may take an additional 5 to 10 business days to receive the check.

If you complete a paper *Loan Agreement*, it may take several weeks from the time we receive your properly completed *Loan Agreement* until your loan is processed and you or your financial institution receives your loan. Improperly completed forms or invalid residential loan documentation will delay the processing of your loan.

Your loan may be less than the amount shown on your *Loan Agreement*.

This can occur if the value of your account has declined since the agreement was done and the amount of employee contributions and their earnings are now less than the requested loan amount. In this case, you will receive your loan in the smaller amount **unless the amount you are eligible to borrow has dropped below the \$1,000 minimum loan amount**. The repayment period will be the same, but your loan payment amount will be reduced. You will receive a written confirmation of the loan disbursement, which will show the amount disbursed and the required payment amount.

Repaying a Loan

Regularly scheduled loan payments are made through payroll deductions. When your loan is disbursed, we will notify your payroll office immediately to begin deducting loan payments from your salary each pay period. Loan payments can start the first pay date after your payroll office receives the notification but **must start within 60 days of disbursement**. Check your earnings and leave statement to be sure that loan payments have started and that they are in the correct amount.

It is vitally important that you keep your address up to date so that you promptly receive any notice about the status of your loan. To change your address, contact your agency or service, not the TSP. But you should contact us to verify that the change has been made. You can also find copies of all loan notices in the My Account section of tsp.gov.

You are responsible for ensuring that correct loan payments are submitted on time. It does not matter if your agency or service was responsible for a missed loan payment. You must pay the missed amount directly to the TSP using your own personal funds in order to avoid a taxable distribution. (See pages 12 – 13.) Your payroll office cannot make up missed payments from your paycheck.

We will report your loan payments on your **quarterly participant statement**, and provide an annual loan summary on your **annual participant statement**. Review your statements carefully and report any discrepancies to your agency or service. You can also review the loan payments you have made within the last 90 days by logging into My Account at tsp.gov.

If you are a member of the Ready Reserves whose drilling interval is irregular (that is, other than monthly) or a **civilian with an intermittent pay schedule**, you should think carefully before taking a loan from your TSP account. You are at a greater risk of defaulting on your loan and having a taxable distribution declared. (See pages 12 – 13.) You must submit payment directly to the TSP any time your agency/service does not.

You can reamortize your loan at any time. Reamortizing means shortening or lengthening the term of your loan, which changes your payment amount. You may do this as long as you do not exceed the 5-year maximum term for a general purpose loan or the 15-year maximum term for a residential loan. There are no restrictions on the number of reamortizations that you can have during the life of a loan. You can reamortize your loan at tsp.gov or by calling the ThriftLine. You must ensure that your payroll office begins deducting the new amount from your pay. If the payment amount is not changed and you do not submit the additional amount, you may face serious tax consequences.

If you change agencies or payroll offices—for example, when you transfer from one civilian agency to another, from one component of the uniformed services to another, or from active duty to Ready Reserves—you must inform your new agency or service that you have a TSP loan and instruct it to continue your TSP loan payments. You are responsible for submitting loan payments directly to us until your new agency or service begins deducting loan payments from your pay. If you transfer to an agency that has a **different pay cycle** from your previous agency, you should reamortize your loan to update the pay cycle and avoid missing loan payments.

You cannot stop your loan payments. When you agree to the loan terms, you agree to repay the loan in full, and you authorize payroll deductions. (If you go into nonpay status, please see Appendix I, “How Nonpay Status Affects Your TSP Account.”) If you are experiencing financial difficulties, you may be able to reamortize your loan to reduce

the amount of each payment, but you cannot suspend or stop your loan payments.

Missed loan payments? At the end of each calendar quarter, we identify loans with missing loan payments. If you missed loan payments or, in some cases, paid incorrect amounts, we will send a notice to you indicating that you have until the end of the following calendar quarter to pay the missing amount. If the missing amount is not posted to your loan by the deadline given on the notice, you may face serious tax consequences. (See pages 12 – 13.)

You can make additional loan payments by check or money order at any time to restore your account more quickly or to make up for missed payments. Make your check or money order payable to the Thrift Savings Plan, and send your payment with a *Loan Payment Coupon* (TSP-26), which can be downloaded from tsp.gov. The mailing address is on the coupon. Be sure to provide your complete TSP account number and your loan number on the check or money order **and** the *Loan Payment Coupon* to help us identify your account. You may send a check using online banking. If you do, all of the information required on the coupon needs to be on the check for the payment to be processed. If any information is missing, the posting of the payment may be delayed or your payment may be returned to you. You will receive a notice confirming your payment. Please allow several days for processing upon receipt of your payment. See page 21 for more information about making direct payments.

Note: This is the only way to make additional payments. Uniformed services payroll deductions cannot be used to make payments on a loan from your civilian account, and civilian payroll deductions cannot be used to make payments on a loan from your uniformed services account.

You can also repay your loan in full at any time without a prepayment penalty using the same procedures outlined above. The TSP website or the ThriftLine can provide you with the prepayment amount, which includes all unpaid principal and any unpaid interest. We will notify you and your payroll office when your loan has been paid in full. If payments continue, contact your payroll office immediately.

Taxable Distribution

We must declare a **taxable distribution** on the **entire** unpaid balance (including any accrued interest) of your loan in **any** of these situations:

- Your loan is in default (i.e., you miss loan payments or your payments are made for less than the amount required), and you do not submit the amount needed to bring your payments up to date within the time period specified by us.
- You do not repay your loan in full by the maximum term limit (5 years for a general purpose loan; 15 years for a residential loan).
- You separate from federal service and do not repay your loan in full.

The IRS treats the amount of the declared taxable distribution as taxable income. In addition, if you are under age 59½, you may have to pay a 10% early withdrawal penalty tax. Once a taxable distribution has been declared, the loan is closed and you will not be allowed to repay it.

If any part of your loan is associated with **tax-exempt or Roth contributions**, those contributions will **not** be subject to tax. However, the following conditions apply to Roth **earnings**:

- If the taxable distribution is declared because **you separate from federal service**, any Roth earnings that are not qualified¹ will be subject to tax. However, Roth earnings that are qualified will not be subject to tax.
- If the taxable distribution is declared for **another reason** (such as a default on your loan), the Roth earnings will be subject to tax, even if you have already met the conditions necessary for your Roth earnings to be qualified.

A taxable distribution permanently reduces your TSP account. If we declare a taxable distribution of your loan, your final account balance at retirement will be less than it otherwise would have been.

¹ Roth earnings become qualified (i.e., paid tax-free) when the following two conditions have been met: (1) 5 years have passed since January 1 of the calendar year in which you made your first Roth contribution **and** (2) you have reached age 59½ or have a permanent disability. **Note:** We cannot certify to the IRS that you meet the Internal Revenue Code's definition of disability when your taxes are reported. Therefore, you must provide the justification to the IRS when you file your taxes.

A taxable distribution will affect your eligibility for another loan. You cannot apply for another loan from that account within 12 months of the date of the distribution unless the distribution was because of separation. (See the next section, “Separated Participants.”)



Consult the IRS or a tax advisor for information and advice if your loan is declared a taxable distribution. We will send you the appropriate tax form by January 31 of the year after the distribution.

Separated Participants

This section explains what happens to your TSP loan when you leave federal service, also known as separating. It is important to understand that leaving or separating means **any** of the following:

- Your loan is from your uniformed services TSP account and you are no longer a member of the uniformed services² or you are in inactive Ready Reserve duty status.
- Your loan is from your civilian TSP account and you are no longer a federal civilian employee.²
- You have transferred to an agency that is not covered by FERS, such as the Federal Reserve or an international agency.
- You are no longer employed by the federal government in any way.

The requirements and procedures described in this section apply equally to all of the above situations.

If you leave federal service, your loan must be closed within 90 days of the date when your agency or service reports your separation to us. You may

- repay your loan in full;
- partially repay your loan, and receive a taxable distribution on the remaining outstanding balance; or

² This remains true even if you’re combining a uniformed services TSP account with a civilian TSP account. The loan must be closed before the accounts can be combined.

- receive a taxable distribution of the entire outstanding loan balance.

Note: A withdrawal cannot be processed from your account until your loan has been closed.

When your agency or service reports your separation, you will be sent a notice with instructions. If we do not receive payment in full by the required date shown on the notice, a taxable distribution will be declared. (See pages 12 – 13.) You will have to pay federal income tax on the unpaid balance of your loan. Also, you may be subject to the IRS 10% early withdrawal penalty tax, unless you turn 55 or older in the calendar year in which you separate from federal service.³

You may be able to roll over (i.e., deposit within 60 days of the taxable distribution) any or all of the taxable amount of the distribution into an IRA or an eligible employer plan using your personal funds. You thereby avoid taxes and penalties on that amount.⁴ Members of the uniformed services can also roll over tax-exempt amounts to an IRA **if** the IRA will accept them. For more specific information about rollover rules, see the TSP tax notice *Important Tax Information About Payments From Your TSP Account*, available at tsp.gov. You may also want to consult with a tax advisor regarding your eligibility for, and the tax consequences of, making a rollover.

If you are a civilian employee who separated to perform military service and a taxable distribution was declared for the loan from your civilian account, you may be eligible to reverse the distribution when you return to federal civilian service. For more information, see the fact sheet *TSP Benefits That Apply to Members of the Military Who Return to Federal Civilian Service*, available at tsp.gov.

In the event of your death, the outstanding loan balance plus any unpaid interest is reported as a taxable distribution to your estate. Your loan cannot be repaid by your estate or anyone else. The distribution is **not** subject to an early withdrawal penalty tax. However, any nonqualified Roth earnings included in the distribution will be subject to federal tax.

³ This is reduced to age 50 if you are a public safety employee as defined in section 72(t)(10)(B)(ii) of the Internal Revenue Code.

⁴ Taxable distributions resulting from default while you are still employed are not permitted to be rolled over.

Appendix I

How Nonpay Status Affects Your TSP Loan

After you receive your loan, you may suspend loan payments while in nonpay status (e.g., furlough or leave without pay) under the following conditions:

- If you go into approved nonpay status, loan payments can be suspended for up to one year of the nonpay period. If your nonpay period exceeds one year, loan payments can no longer be suspended. Your loan will be automatically reamortized at the end of the calendar quarter (March, June, September, or December) following the expiration of your one-year limit. Once you have received confirmation of your reamortization, you must make loan payments directly to us from your personal funds to avoid being in default. These loan payments are required even if you are still in nonpay status. **Note:** We will not automatically remove the nonpay hold on your account when your loan is reamortized after you reach the one-year limit. This will happen only when you return to pay status and you or your agency or service submits one of the documents listed below. Your return to pay status will **not** result in a second automatic reamortization.
- If you are a civilian and go into approved nonpay status to perform **military service**, loan payments can be suspended until you return to pay status, even if this is longer than one year. (Your service cannot make deductions from your uniformed services pay as a way of making payments on the loan from your civilian account.) **Note:** If the nonpay documentation submitted to us does not specify that you are in nonpay status to perform military service, the suspension of your loan payments cannot exceed the one-year period described above. If your agency or service reports you as **separated** from civilian service to perform military service (rather than in nonpay), your loan must be closed within 90 days of the date when your agency or service reports your separation to us.

When you begin your period of nonpay status, ask your **agency or service** to submit one of the following to us:

- Form TSP-41, *Notification to TSP of Nonpay Status*
- Form SF-50, *Notification of Personnel Action*
- A letter on agency or service letterhead signed by an appropriate agency official (or your commander or adjutant) and containing your name, date of birth, Social Security number, the beginning date of the nonpay status, the type of nonpay (military or general), and the signature and title of the agency or service representative providing the information

Or you may submit a Form SF-50 or a copy of your military orders directly to us.

It is **your** responsibility to ensure that we receive the proper documentation (including whether your nonpay status is due to military service or something else) **immediately after** you enter nonpay status. (We will then send you confirmation that your loan has been placed into nonpay status.) Otherwise, you must send loan payments directly to us while in nonpay status or risk defaulting on your loan. If you have received a notice of missing payments, you must submit nonpay documentation prior to the declaration of a taxable distribution. You will not be able to have payments suspended after a taxable distribution has been declared. (See pages 12 – 13.)

Interest on your loan will continue to accrue while loan payments are suspended. For this reason, you may want to continue making loan payments while in nonpay status. To continue making loan payments, send us a personal check or money order. Use the *Loan Payment Coupon* (TSP-26) when you send in your payments. The coupon can be found at tsp.gov.

When you return from nonpay status, you or your agency or service must notify us of your date of return using any type of documentation described above. Once we are informed that you have returned to pay status, your loan will be reamortized automatically, and your loan payments made by payroll deductions must resume. (As mentioned on page 15, your loan will not be automatically reamortized upon your return to

pay status if that was already done after your nonpay status exceeded one year.) Your reamortized loan payments must repay your loan by the maximum time allowed (5 years for a general purpose loan; 15 years for a residential loan). If your current loan payment amount will repay your loan within this time period, your loan payment amount will not be changed; the term of your loan will just be extended to allow you to continue making the same payment amount and still repay the interest that accrued while payments were suspended. However, if your current loan payment amount will **not** repay the reamortized loan in full within this time period, your loan payment amount will be increased. If you are in a position that routinely goes into nonpay status, be aware that your loan payments could increase substantially over the term of the loan. Any loan payments received by us during the nonpay period will be taken into account when the loan is reamortized.

If you are on approved leave without pay to work full time for an employee organization under which your TSP contributions may continue, or if you are on an Intergovernmental Personnel Act (IPA) assignment, you are eligible to apply for a TSP loan, but you may be required to send loan payments directly to us while in this status. If you already have a loan when you begin your work for an employee association or IPA assignment, and your employee organization does not submit contributions or loan payments to us, you must continue making your loan payments by submitting them directly to us using your own personal funds. See your personnel or benefits officer for information about your TSP account.

Note to members of the Ready Reserve: If you have a loan from your **civilian** account with an interest rate higher than 6% and you are called to active military duty, you may elect to lower the interest rate to 6% for the period of your military duty, subject to the Service Members Civil Relief Act (50 U.S.C. App. § 501). Write or call us for more information.



For more information about how nonpay status affects TSP loans, see the fact sheet *Effect of Nonpay Status on Your TSP Account*, available at tsp.gov or from your agency or service.

Appendix II

Requirements for Residential Loan Documentation

When you request a residential loan, you must provide supporting documentation that shows the costs associated with the purchase or construction of your primary residence.¹ We must receive this documentation before your loan can be approved. On each document you submit, write your name, TSP account number, and TSP loan number. Do not submit original documents; they will not be returned.

All of your documentation must

- be from a third party (that is, someone who is selling the home to you or building it for you);
- be dated no more than 24 months before the expiration date on the *TSP Loan Agreement*;
- show that you or your spouse is the purchaser or that the residence is being built for you;
- show the purchase or construction price;
- show the full address of the primary residence; and
- show signatures of the buyer and seller (contracts only).

Note: A buyer/broker agreement or a Mortgage Application or Statement is **not** an acceptable form of documentation. However, other forms of documentation may be adequate under certain circumstances (e.g., legal/court documentation for auction purchases). If you are unsure if your documentation is acceptable, contact us before submitting it.

¹ A primary residence is one that you plan to live in for most of the year. A vacation home or a second home is not considered a primary residence.

Acceptable Types of Documentation

Purchase of House/Townhouse/Condo

- Contract, **or**
- Final (not estimated) settlement sheet

Construction of New Home — *Your documentation must clearly show that an entire home is being built and that your expenses total at least the loan amount you are requesting.*

- Construction contract(s), **or** some combination of the following:
 - ◆ Building permits
 - ◆ Blueprints
 - ◆ Utility permits
 - ◆ Material receipts

Purchase of Co-op

- Documentation showing that you own shares in a co-op, **and** at least one of the following:
 - ◆ Complete purchase contract showing the sale price, **or**
 - ◆ Final (not estimated) settlement sheet

Purchase of Mobile Home²

- Contract with serial number (or other identifying number) **and**
- Address where vehicle will be located

² A mobile home is a house trailer that can be installed on a permanent site and used as a home. Although a mobile home is movable, it requires another vehicle to transport it from one site to another.

Purchase of Recreational Vehicle (RV)³

Contract with serial number (or other identifying number),

- Address where vehicle will be located,
- Description of vehicle's facilities and accommodations, **and**
- Signed statement that RV will be your primary residence

Purchase of Boat

Contract with serial number (or other identifying number),

- Description of the on-board facilities and accommodations,
- Letter from marina or other location where the boat will be moored, **and**
- Signed statement that the boat will be your primary residence



RVs and boats are commonly used solely for recreational purposes or only on a part-time basis (e.g., summer travel). So we are more strict about the documentation needed to show that the RV or boat can and will be your primary residence.

³ A recreational vehicle (RV) is a motorized wheeled vehicle that can be used as a home. It does not require the use of another vehicle to move it from one location to another.

Appendix III

Checklist for Making Loan Payments Directly to the TSP¹

- ✓ Obtain a *Loan Payment Coupon* (TSP-26) from tsp.gov and print **all** information on the coupon, including your TSP account number and loan number, to help us identify your account. Otherwise, your payment will be delayed or returned to you. If you do not know your loan number, check your account at tsp.gov or call the ThriftLine, 1-877-968-3778.
- ✓ Make your payment with a personal check, cashier's check, or money order made payable to the **Thrift Savings Plan**.
- ✓ Sign your check. Do not send cash.
- ✓ If you want to make payments for more than one loan, send a separate check (or money order) and coupon for each loan.
- ✓ Do not send correspondence or other TSP forms with the coupon.
- ✓ Mail the coupon and your check to:

**Thrift Savings Plan
P.O. Box 979004
St. Louis, MO 63197-9000**

Send overnight deliveries to:

**U.S. Bank
Box 9004
Government Lockbox SL-MO-C2GL
1005 Convention Plaza
St. Louis, MO 63101**

¹ Regularly scheduled loan payments are made through payroll deductions. Use this checklist if you would like to make additional loan payments to restore your account more quickly or to make up for missed payments.

Sources of Loan Information

The TSP website, tsp.gov, offers the following:

- General information about the loan program, including the current loan interest rate
- Forms and publications
- Loan calculator to estimate loan payments based on specific terms
- Residential Loan Checklist

In the My Account section (using your TSP account number or web user ID and TSP web password), you can do the following:

- Learn the amount in your TSP account that is available for you to borrow
- Obtain the current loan interest rate
- Estimate the amount or repayment term of your loan payments
- Start (and possibly complete) a loan request
- Check the status of your loan request
- Change the terms of your loan
- Obtain your outstanding loan balance
- See your overdue loan (cure) amount if you have missed a payment
- Get prepayment information

TSP ThriftLine, 1-877-968-3778*

Using your TSP account number and your TSP PIN to access your account, you can do the following:

- Learn the amount in your TSP account that is available for you to borrow (must speak to a Participant Services Representative)
- Obtain the current loan interest rate
- Check the status of your loan request
- Get prepayment information

*Outside the U.S. and Canada, call 404-233-4400 (not toll free).

Forms and correspondence (other than loan payments) should be mailed to:

Thrift Savings Plan
P.O. Box 385021
Birmingham, AL 35238

Or faxed to:

1-866-817-5023



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