

# Frequently Asked Questions About TSP Loans During a Lapse in Appropriations

These FAQs explain special loan eligibility rules and loan suspension procedures for participants who are either

- on shutdown furlough (i.e., not allowed to work but entitled to retroactive pay under the Government Employee Fair Treatment Act of 2019), or
- “excepted” from shutdown furlough (i.e., continuing to work and earn pay, but their pay is delayed until appropriations are authorized).

These FAQs do not apply to participants who work for an agency that is not experiencing a lapse in appropriations or to participants who are “exempt” from the lapse in appropriations (e.g., because they are not paid from annually appropriated funds). If you are unsure of your status, you can find more information in the U.S. Office of Personnel Management’s (OPM) *Guidance for Shutdown Furloughs*.

## ***Can I take a loan?***

You can take a loan at any time during a lapse in appropriations as long as you meet the following eligibility requirements:

- You have not had an outstanding general purpose loan balance within the past 60 days. (If you have both a civilian TSP account and a uniformed services TSP account, this applies separately to each account.)
- You have at least \$1,000 of your own contributions and earnings in your TSP account.
- You have not had a taxable distribution of a loan within the past 12 months unless it was the result of your separation from federal service.

If you are planning to take a loan and an in-service withdrawal (financial hardship or age-based), we can only process one request at a time from the same account. Therefore, we will reject the second request if it is received while you already have a pending application for a TSP loan or other type of in-service withdrawal.

## ***Can I take a loan if I already have an outstanding loan or loans?***

You can have one outstanding general purpose loan and one outstanding residential loan from any one TSP account at a time. This rule does not change in the case of a lapse in appropriations. Additionally, the limitations on the amount of money that you can borrow and the repayment period still apply in the case of a lapse in appropriations. Go to [tsp.gov](https://tsp.gov) for more information.

## ***How do I take a loan?***

To apply for a loan, log into My Account and access the online tool under TSP Loans to help you with your loan request.

The online tool and/or the *Loan Agreement* may ask you to certify that you are in “pay status.” You may certify that you are in pay status if you would be in pay status were it not for the lapse in appropriations.

If you can’t apply online or need assistance, you can call the ThriftLine at 1-877-968-3778 and speak to a Participant Service Representative.



# Fact Sheet

TSPFS13 (12/2020)

### ***How can I make loan payments during a lapse in appropriations?***

Normally, your loan payments are deducted from your paycheck. If the lapse in appropriations is short enough that you don't miss a paycheck, then you do not need to take any action.

If the furlough lasts long enough that you miss a paycheck, you can either suspend your loan payments or submit loan payments directly to us using the *Loan Payment Coupon*, available on [tsp.gov](http://tsp.gov). You can check the status of your loan by logging into My Account, selecting TSP Loans, and then selecting "Are my payments up to date?" or you can call the ThriftLine at 1-877-968-3778 and speak to a Participant Service Representative.

### ***Should I suspend my loan payments?***

Suspending your loan payments is typically not necessary for a lapse in appropriations lasting a short period of time. You should only suspend your loan payments if you are at risk of defaulting on your loan due to missed payments. At the end of each calendar quarter, we identify loans with missing loan payments. If you missed loan payments, 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, your loan will be in default.

### ***How do I suspend my loan payments?***

You'll need to fill out Form TSP-45, *Notification to TSP of Furlough Status*, available on [tsp.gov/shutdown](http://tsp.gov/shutdown) and send it to us with a copy of the furlough letter or email you received from your agency or service. We will make this form available only if the lapse in appropriations causes missed paychecks. We will accept the form without your furlough letter, but we encourage you to submit a copy so as not to delay processing.

### ***How do I confirm my loan payments have been suspended?***

You should receive a confirmation notice from us once your TSP loan has been suspended. If you don't receive a confirmation notice within two weeks of submitting Form TSP-45, *Notification to TSP of Furlough Status*, call the ThriftLine at 1-877-968-3778 to verify that we received your request.

### ***If I don't suspend my loan payments, what happens to my loan payments when the lapse in appropriations ends?***

In most cases, your agency or service will deduct your loan payments from your retroactive pay and submit them to us.

However, due to differences in employing agency/service payroll systems, some payroll offices may not be able to deduct loan payments from your retroactive pay. If your loan payments haven't been taken out of your retroactive pay, you should submit your loan payments directly to the TSP using the *Loan Payment Coupon*. You can always check the status of your loan by logging into My Account, selecting TSP Loans, and then selecting "Are my payments up to date?" Or you can call the ThriftLine at 1-877-968-3778 and speak to a Participant Service Representative.

### ***If I suspend my loan payments, what happens when the lapse in appropriations ends?***

We will automatically unsuspend your loan payments when the lapse in appropriations ends. Neither you nor your agency will need to submit any additional documentation. Your loan may be automatically reamortized to increase your loan payment amount to adjust for the missing payments. If that occurs, you will receive a confirmation notice with your new loan payment amount.

### ***Can I take a loan if my agency has been affected by a lapse in appropriations but I am in nonpay status for other reasons (e.g., administrative furlough, voluntary leave of absence, seasonal work, sabbatical, disciplinary suspension)?***

You are not eligible to request a loan if you had been previously (before the lapse) scheduled to be in nonpay status. In effect, those periods of nonpay status already in place override the shutdown furlough status.

### ***I am in nonpay status for reasons other than a lapse in appropriations. My agency was unable to send you my nonpay documentation because they were affected by the lapse in appropriations. What can I do about my loan payments?***

You can submit other forms of documentation such as an SF-50. Please read our fact sheet *Effect of Nonpay Status on Your TSP Account*.