

Federal Retirement Thrift Investment Board

§ 1655.20

the application is filed and documentation that the current spouse has consented to the loan.

(2) If the Board receives a written allegation from the spouse that the participant may have misrepresented his/her marital status or the spouse's address (in the case of a CSRS participant), or that the signature of the spouse of a FERS participant was forged, the Board will submit the questioned document to the spouse and request that he or she state in writing that the information is false or that the spouse's signature has been forged. In the event of an alleged forgery, the Board will also request the spouse to provide at least three signature samples.

(3) If the spouse affirms the allegation in accordance with the procedure set forth in paragraph (f)(2) of this section and the loan has been disbursed, the Board will give the participant an opportunity to repay, within 60 days, the unpaid loan principal, plus unpaid interest. If the loan is repaid, the Board will not investigate the spouse's allegation.

(4) Paragraph (f)(3) of this section will not apply where the participant has received a final divorce decree before the funds are received by the Thrift Savings Plan.

(5) If the unpaid loan principal, plus unpaid interest, is not repaid to the Plan in full within the time period provided in paragraph (f)(3) of this section, the Board will conduct an investigation into the allegation. If the participant has received a final divorce decree before the funds are received by the Thrift Savings Plan, the Board will begin its investigation immediately.

(6) If, during its investigation, the Board finds evidence to suggest that the participant misrepresented his/her marital status or spouse's address (in the case of a CSRS participant), or submitted the Loan Agreement/Promissory Note with a forged signature, the Board will refer the case to the Department of Justice for criminal prosecution and, if the participant is still employed, to the Inspector General or other appropriate authority in the participant's employing agency for administrative action.

(7) Upon receipt of an allegation described in paragraph (f)(2) of this section, the participant's account will be frozen and no withdrawal or loan will be permitted until after:

(i) 30 days have elapsed since the participant's spouse was sent a copy of the questioned document and no written affirmation of the alleged false information or forgery (together with signature samples in the case of an alleged forgery) has been received by the Board;

(ii) The loan is repaid pursuant to paragraph (f)(3) of this section;

(iii) The Executive Director concludes that the Board's investigation did not yield persuasive evidence that supports the spouse's allegation;

(iv) The Executive Director has been assured in writing by the spouse that any future request for a loan or withdrawal comports with the applicable requirement of notice or consent; or

(v) The participant is divorced.

[61 FR 58757, Nov. 18, 1996, as amended at 63 FR 45391, Aug. 26, 1998]

§ 1655.19 Court orders.

Upon receipt of a document that purports to be a qualifying retirement benefits court order or qualifying legal process relating to a participant's legal obligations to provide child support or make alimony payments, the participant's TSP account will be frozen. After the account is frozen, no loan will be allowed until the account is unfrozen. The Board's procedures for processing retirement benefits court orders and legal processes are explained in 5 CFR part 1653.

[61 FR 58757, Nov. 18, 1996]

§ 1655.20 Loans for the purchase of a primary residence.

(a) A loan for the purchase of a primary residence will be made only for the purchase of the primary residence of the participant or the participant and his or her spouse and for related purchase costs. The participant must actually bear all or part of the cost of the purchase of the primary residence. If the participant purchases a primary residence with someone other than his or her spouse, only the portion of the purchase costs that are borne by the