

# HARDSHIP WITHDRAWAL GUIDELINES

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## REASON: Purchase of Principal Residence

### Basic Requirements

- withdrawal request must be for purchase of principal residence of participant
- **amount requested cannot exceed amount needed as supported by documentation**

### Required Documentation

#### FOR PURCHASE OF EXISTING HOUSE

- sales contract - must include closing date, buyer's (participant's) signature, seller's signature, current date, amount needed to purchase house, address of property
- mortgage/loan commitment letter - must include buyer's (participant's) name and signature, current date, amounts (such as closing costs) required to be paid to purchase house, address of property

#### FOR PURCHASE OF MOBILE HOME OR MANUFACTURED HOME

- sales contract - must include buyer's (participant's) signature, seller's signature or signature of authorized representative of company, current date, purchase price of home; may include down payment and closing costs

#### FOR CONSTRUCTION OF PRINCIPAL RESIDENCE

- contract - must include buyer's (participant's) signature, contractor's signature, current date (unless proof of extension), building cost; may include copy of construction loan

#### PURCHASE OF LAND FOR CONSTRUCTION OF PRINCIPAL RESIDENCE OR PLACEMENT OF MOBILE OR MANUFACTURED HOME

- contract - must include buyer's (participant's) signature, seller's signature, current date, purchase price, location of property
- documentation by contractor - must show intent for construction of principal residence within one-year timeframe

### Non-Eligible Expenses

- amounts already paid (for example, down payment, deposits, earnest money) are not eligible for hardship withdrawal (Exception: bridge loan (i.e., where a loan is taken for a short term while the hardship is being processed))
- refinancing of the mortgage of a principal residence is not eligible

## REASON: Payment of Unreimbursed Medical and Dental Expenses

### Basic Requirements

- must be eligible medical\* and/or dental expense (\*for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of treating any structure or function of the body)
- amount must (1) not be covered by insurance, (2) not paid in its entirety by insurance, or (3) not previously paid by participant
- documentation cannot be older than 6 months
- **amount requested cannot exceed amount needed as supported by documentation**

### Required Documentation

#### FOR MEDICAL EXPENSES INCURRED

- copy of bill(s) - must identify name of participant or dependent or primary beneficiary, service rendered, date of service, billed amount, amount paid by insurance (if applicable), outstanding amount

#### FOR MEDICAL EXPENSES NOT YET INCURRED

- doctor/hospital statement - must identify name of participant or dependent or primary beneficiary, service to be rendered, estimated cost of service; statement must be on doctor's/hospital's letterhead; and
- letter from insurance carrier (if applicable) - must identify amount to be paid by insurance or denying coverage

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## Non-Eligible Expenses

- cosmetic surgery is generally not eligible (unless required due to accident or medical condition)

## REASON: Payment of Tuition and Related Educational Expenses

### Basic Requirements

- tuition and/or related educational fees must be for a post-secondary education at an accredited college, university or trade school for either the participant, participant's spouse, or participant's dependents or primary beneficiary (post-secondary education must require individual to have a high school diploma or GED)
- expenses must be for the current semester or for next 12 months of education
- **amount requested cannot exceed amount needed as supported by documentation**

### Required Documentation

#### TUITION AND BOARD

- copy of tuition and/or board bill - must include name of student and name of educational institution, fee for tuition (may be broken down by class) for the **current** or **next semester**, fee for board for **current** or **next semester**

RELATED EDUCATIONAL FEES - must include copy of tuition bill or letter of college enrollment along with the following appropriate documentation:

- copy of bill(s) or booklist - must show fees for labs or list from bookstore with price of books, current date
- copy of bill for computer - must have current date

### Non-Eligible Expenses

- payment of outstanding student loan is not eligible

## REASON: Prevention of Eviction or Foreclosure from the Participant's Principal Residence

### Basic Requirements

- eviction or foreclosure must be on participant's principal residence
- date of eviction or foreclosure must be in the future
- **amount requested cannot exceed amount needed as supported by documentation**

### Required Documentation

#### FOR EVICTION FROM APARTMENT COMPLEX OR PROPERTY RENTED BY INDIVIDUAL

- eviction notice - must identify name of participant (as tenant); provide participant's address, amount needed to prevent eviction, and date on which amount must be paid; be dated and signed by owner or representative of apartment complex or landlord; state that eviction proceedings will begin if amount not paid

#### FOR FORECLOSURE

- foreclosure notice - must be from mortgage company, other appropriate agency, or state or local taxing authority; identify name of participant; provide participant's address; amount needed to prevent foreclosure; date on which amount must be paid; be dated and signed by authorized representative of mortgage company, other appropriate agency and/or taxing authority; state that foreclosure proceedings will begin if amount not paid

Note: The address on the eviction or foreclosure notice must be the same as the address on your account, unless the address on your account is a P.O. Box. If the address on your account is a P.O. Box, you must submit a copy of a utility bill that states your physical address that matches the address on the eviction or foreclosure notice.

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## Non-Eligible Expenses

- past due utility, water, and property tax bills are not eligible (*Exceptions*: Property tax bills that may lead to sale of principal residence if bill is not paid and utility and water bills that are included in an eviction notice.)

## REASON: Payment of Funeral and/or Burial Expenses

### Basic Requirements

- funeral and/or burial expenses must be for the participant's deceased parent, spouse, child or dependent or primary beneficiary
- documentation cannot be older than 6 months
- **amount requested cannot exceed amount needed as supported by documentation**

### Required Documentation

- copy of funeral and/or burial bill – must identify names of family member (i.e., deceased parent, spouse, child or dependent or primary beneficiary) and billed amount

## Non-Eligible Expenses

- amounts already paid through insurance

## REASON: Repair Damage to Principal Residence Due to Casualty Loss

### Basic Requirements

- damage to principal residence must be due to a casualty loss (fire, storm, disaster, or other casualty) that can be deducted on your tax return under casualty provision (determined without regard to whether the disaster is federally declared or whether the loss exceeds 10% of adjusted gross income)
- documentation cannot be older than 6 months
- **amount requested cannot exceed amount needed as supported by documentation**

### Required Documentation

- documentation must describe cause of casualty loss (fire, storm, disaster, or other casualty) and date of casualty loss
- documentation must show amount covered/not covered by insurance
- copy of repair bill(s)/estimate to have damage repaired – must satisfactorily indicate that the repairs are needed due to casualty loss, describe the repairs, including the date(s) of repair (in process or completed), and cost/estimated cost of repairs

## Non-Eligible Expenses

- amounts already paid through insurance