

# RENTAL TRANSITION LOAN GUIDLINES



HARVARD UNIVERSITY  
EMPLOYEES CREDIT UNION



In the 2004 contract negotiations, the University and HUCTW leaders jointly committed to assist HUCTW members with the process of transitioning from one rental situation to another. Help is available through the Harvard University Employees Credit Union (HUECU), which provides a zero-interest loan to any HUCTW bargaining unit member who needs to cover up-front costs, including realtor's fees, security deposits, first and/or last month's rent if required for occupancy, van rental and/or movers.

The loan is not a "blank check" while you look for an apartment. You may apply for the loan at the time of signing a rental agreement prior to move-in; or you may use the loan to reimburse yourself within three months time after you have taken occupancy.

The maximum loan amount per individual is \$3,500. Payments to HUECU must be made over a one year period (divided into 26 pay periods) through direct deposit such that payments come directly out of borrowers' Harvard pay, though members can pay the loan off earlier with no penalties.

Borrowers agree to pay balances due before leaving the University for any reason. It is important to make such arrangements before one's last day of Harvard employment. Any loan defaults, including failure to settle an outstanding loan prior to leaving the University, could negatively affect your credit rating, result in Harvard deducting the defaulted amount from your pay, lead to litigation against you, and/or cause the loan to be sent to a collection agency.

In addition, in the event of a default Harvard University will pay HUECU the unpaid balance owed. As a result of Harvard discharging this debt, the University will report the defaulted amount to the IRS as taxable income for the borrower and the borrower will owe relevant income taxes.

## In order to participate:

1. You will need to be a member of the HUECU (which requires a \$25 minimum deposit) and pay a \$25 processing fee at the time of the loan application.
2. You will need to obtain a Rental Housing Transition Loan Affidavit from the HUCTW website: [www.huctw.org](http://www.huctw.org). This form can also be faxed or emailed to you by HUCTW. The affidavit verifies that the funds are for rental housing transition expenses and that you are a member of the HUCTW bargaining unit. You will be asked to provide documentation of the nature of the expenses related to your rental transition (such as a rental agreement, lease, receipt, estimate, or bill from a mover). This form also serves as a contract between you and the HUECU, Harvard University, and HUCTW stating that you agree to a repayment schedule through ongoing direct deposits from your Harvard paycheck for one year until the loan is repaid.
3. HUCTW officials will sign the affidavit after verifying your status and the purpose of the loan, authorizing the amount based on the total expenses. The authorized affidavit will allow HUECU personnel to proceed with completing your loan application and provide you with a check to you or your new landlord.
4. If you are already a member of HUECU, bring them the completed affidavit from HUCTW, along with a copy of your pay-stub, which can be obtained through PeopleSoft. HUECU will ask that you complete their regular loan application. They are usually able to provide you or your new landlord with a check within a short period of time.
5. If you are joining as a new member of the HUECU, submit the loan application at the time you sign up.

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## If you have other questions about the Home Emergency Hardship Loan, please contact:

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