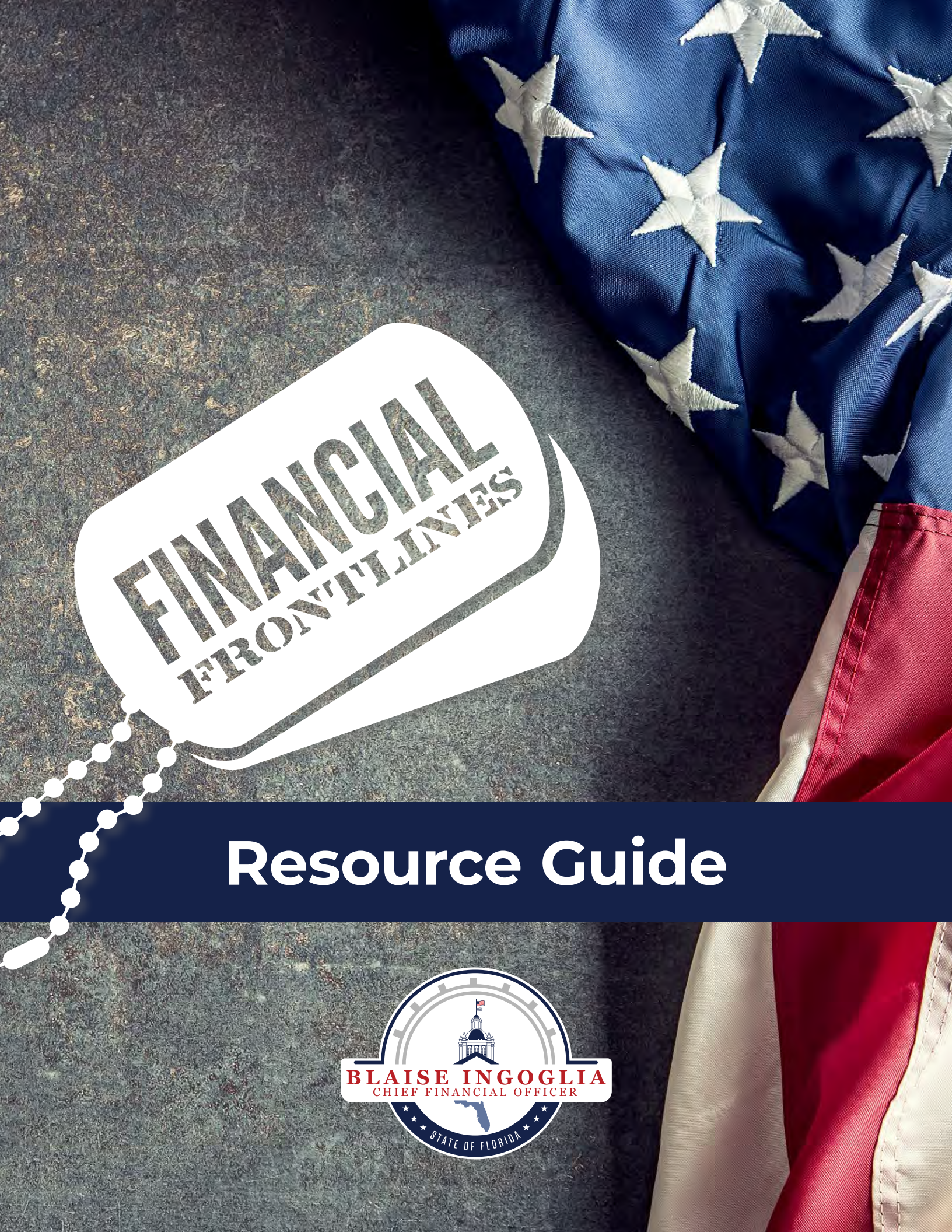


The background of the entire page is a close-up photograph of the American flag, showing the blue field with white stars and the red and white stripes. The flag is draped and folded, creating a textured, patriotic backdrop.

# FINANCIAL FRONTLINES

## Resource Guide



# TABLE OF CONTENTS

Active duty servicemembers, their families and veterans face unique financial challenges such as having to manage money during overseas deployment, balancing a spouse's career during frequent relocations, and transitioning to civilian life after leaving the military. This resource guide provides basic money management information and practices that can help you on your quest for financial security during and after your military career.

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**Financial Planning  
for Every Phase of  
Your Military Life**



# BUDGETING AND SAVING

Budgeting and saving money are two key components on the path to financial well-being. A budget is a plan you and your family can use as a guide for spending and saving. Creating a budget provides a clear picture of how much money you have coming in compared to the amount going out. A budget also helps you prioritize saving money which is an essential part of money management. A savings account helps you handle unexpected emergencies, meet financial obligations and secure wealth for your future. Having a full understanding of your finances will lead to fewer financial problems and less stress.

It is also important to understand how to deal with obstacles to financial security, like debt. Military servicemembers and their families tend to carry more debt than civilians. Debt that is mishandled can lead to money difficulties that can affect your ability to rent a home or purchase a car. More importantly as a servicemember, financial problems can also affect your security clearance. Debt can be considered a 'dishonorable' condition, and if your job requires a certain security clearance that you can't attain, you may be reclassified or even discharged. Having a budget and a well-tended savings account can help you keep any necessary debt manageable.

## BUDGETING

Below are a few basic steps to help create a budget; a process that will evolve as your financial needs change over time.

### ***Track Spending for a Month***

The first step in creating a budget is to examine your spending habits. Keep track of everything you spend for at least a month. You may be surprised to find that you can still have fun while making small adjustments. Choosing to dine out one night a week instead of three can help you save money for an emergency fund.

### ***Live Within Your Means***

Spending within your means will allow you to make the most of your money and avoid wasteful spending. This will ensure you have the money to pay for expenses that are important to you and your family. Use cash or a debit card for daily purchases and avoid impulse spending. This will encourage you to make better spending decisions.

### ***Eliminate Credit Card Debt***

Credit cards can be helpful tools but buying now and paying later adds up. Studies show that on average, military families have higher amounts of debt and fewer assets than civilians. Paying your credit card bills off monthly will help you avoid interest charges and also help build a strong credit history. It is important to develop a plan to begin paying off credit card debt. You can start by paying off the credit card with the highest interest rate or the lowest balance, whichever method works best for you. Stay current with other debts by making at least the minimum payments but try to pay more. When the first debt is repaid, use the same method on the next debt until all debt is gone. Living as debt free as possible can increase your sense of financial well-being.

As a military servicemember you have protections against high credit card interest rates.

The Servicemembers Civil Relief Act (SCRA) states that lenders must cap interest rates at six percent on most loans servicemembers incurred prior to becoming active. The reduced interest rate applies to credit card debts, car loans, business obligations, some student loans and other debts as well as fees. To request an interest rate reduction, send a written request letter to your credit card company and include a copy of your military orders. You can request this rate reduction at any time during service, but no more than 180 days after release from active duty.

Read this tip sheet to learn more about the [SCRA](#).



# BUDGET SHEET



MONTH: \_\_\_\_\_

TYPE OF INCOME

JOB

GOVERNMENT PROGRAM

DISABILITY BENEFITS

FINANCIAL SUPPORT

OTHER INCOME

TOTAL INCOME

TYPE OF SPENDING

HOUSING  
(rent or mortgage)

UTILITIES

GROCERIES

HEALTH EXPENSES

TRANSPORTATION

EDUCATION

CHILDCARE

CELL PHONE

INTERNET & CABLE

SERVICE ANIMALS/PETS

DEBT PAYMENTS

OTHER EXPENSE

OTHER EXPENSE

OTHER EXPENSE

TOTAL SPENDING

NOTES:

-

=

TOTAL INCOME

TOTAL SPENDING

MONEY to SAVE/SPEND  
or  
NEED to CUT EXPENSES

Remember to Pay Yourself First!

Download this fillable [Budget Sheet](#) and begin to build your budget. List your income and expenses then subtract your total spending from your total income. If your income is more than your expenses, you can save some or spend some. (Save first!) If your expenses are more than your income, see where you can make some cuts.

## SAVING

Saving money is the key to responsible money management and realizing your dreams. Making it a habit will net results.

### ***Pay Yourself First***

This simple concept is the powerhouse behind building your savings. You may be inclined to pay your bills first, your groceries second and put whatever is leftover in savings. A better way is to prioritize your financial well-being by having an amount automatically transferred into a savings account (or 401k) every time you get paid. You won't miss money you don't see.

### ***Create an Emergency Saving Account***

Start saving, no matter how small the amount. Less than half of active duty servicemembers report saving regularly each month. Emergency savings can be used for unplanned bills that aren't a part of your routine monthly expenses. The minimum recommended amount for an emergency savings is \$1000, but that might not be enough. Some financial experts suggest saving as much as six months of income to cover living expenses in case an emergency prevents you or your spouse from working. That may seem like a daunting goal but establishing positive financial behaviors gets easier with repetition. You can increase your savings as you decrease your debt. You should begin saving for an emergency fund as you pay down your debt. Deposit your re-enlistment bonuses or deployment pay into a saving or money market account to increase your emergency fund.



### ***Other Savings Options***

Military servicemembers have savings and investment options available to them that civilians do not.

The [Department of Defense Savings Deposit Program \(SDP\)](#) is designed to help servicemembers improve their financial situation while serving in designated combat zones. Military servicemembers who are serving in a designated combat zone, receiving Hostile Fire Pay and who are deployed for at least 30 consecutive days or one day in three consecutive months may participate in the program. Amounts up to \$10,000 may be deposited, earning 10% interest annually.

The [Thrift Savings Plan \(TSP\)](#) is a retirement and investment plan for Federal employees and members of the uniformed services, including the Ready Reserve. It offers the same types of savings and tax benefits that many private corporations offer their employees under 401(k) plans. The TSP is a defined contribution plan, meaning that the retirement income you receive from your TSP account will depend on how much you (and your agency or service, if you're eligible to receive agency or service contributions) put into your account during your working years and the earnings accumulated over that time. The TSP is administered by the [Federal Retirement Thrift Investment Board \(FRTIB\)](#).

Visit the Thrift Savings Plan at [TSP.gov](https://www.tsp.gov) for frequently asked questions, tip sheets, resources and more.

# Credit Report

December 12 09:20 a.m.

## Credit Customer (Individual)

1234 Any Blvd. Place  
Anytown, State, 12345  
USA  
TAX ID: 1234567  
Established: 1990  
Telephone: 123-456-7890

Credit Score  
**720**

Inquiry Information: Credit Customer, 1234 Any Blvd. Place, Anytown, State, 12345  
Alerts: None to Report

Credit Score:  
Suggested Credit Limit:

720  
\$70,000

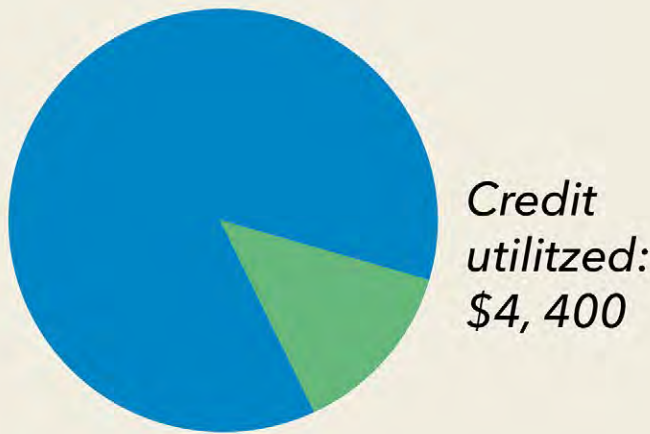
### PUBLIC RECORDS

|              |     |      |
|--------------|-----|------|
| Bankruptcies | \$0 | None |
| Judgements   | 0   | \$0  |
| Liens        | 0   | \$0  |

### Credit Report Summary

|                         | Financial | Non-financial |
|-------------------------|-----------|---------------|
| Number of Accounts      | 4         | 12            |
| Credit Active Since     | 12/2/22   |               |
| Total Past Due          | \$0       | \$500         |
| Most severe status      | Current   | Current       |
| Current Credit Exposure | 34,000    | 4,000         |

### CREDIT USAGE



Total Credit Limit: \$99,000

Available Credit: \$70,000



# CREDIT SCORE

Your credit score is a range of numbers from 300 to 850. It is a snapshot of your credit history and is used by potential lenders to help determine their level of risk in providing you with a loan or line of credit. You will often see a credit score referred to as FICO which stands for Fair Isaac Corporation. FICO uses your credit history and a mathematical formula to create scores that help lenders predict spending and bill paying behavior. Before loaning you money, lenders may also take into consideration your salary and employment history. The following factors influence your credit score:



- Do you pay loans and debts on time?
- Have you filed for bankruptcy in the past?
- Do you have credit cards that are maxed out?
- What is your total debt in comparison to available credit?

Your credit history lists the details of your past and current credit accounts. It documents each time you or a lender requests your credit report, as well as times when your accounts were passed on to a collection agency. Financial issues that are part of the public record such as judgments, liens, bankruptcies and foreclosures are also included.

Additionally, insurance companies may use your credit score information along with other factors to predict your risk and the probability of you filing an insurance claim. Being responsible with credit can help keep your insurance payments down.

Your daily financial decisions have a huge impact on your credit score and paint a picture as to how you manage your finances. A few poor choices can dramatically lower your credit score whereas increasing or fixing your score takes much longer. A consumer with a credit score of 530 will pay a much higher interest rate than a consumer with a 750 score. A low credit score may also significantly lower your chance of receiving a home loan. Even home loans designed specifically for servicemembers, veterans and eligible surviving spouses that offer less stringent requirements rely on the applicant having good credit. Having a good credit score can open many doors of opportunity and provide you with more financial freedom.

## What Does My Credit Score Mean?

Lenders use your score to determine whether you will repay your bills. The higher your score, the easier to qualify for a loan, rent a house or receive a good rate on car insurance. Your credit score follows you for your entire financial life. You can estimate your credit score at [FICO® Score Estimator](#).



## How is My Credit Score Calculated?

The mathematical formula used to determine your credit score is divided into five sections.

### **Bill Payment = 35%**

Lenders are most concerned about whether or not you pay your bills on time. Late payment, collections and bankruptcies all affect the payment history of your credit score. More recent delinquencies hurt more than those in the past.

### **Amount Owed = 30%**

This is the amount you owe on all accounts and the percentage of available credit used. A good rule of thumb is to keep your balance at 30% of your credit limit or less.

### **Length of Credit = 15%**

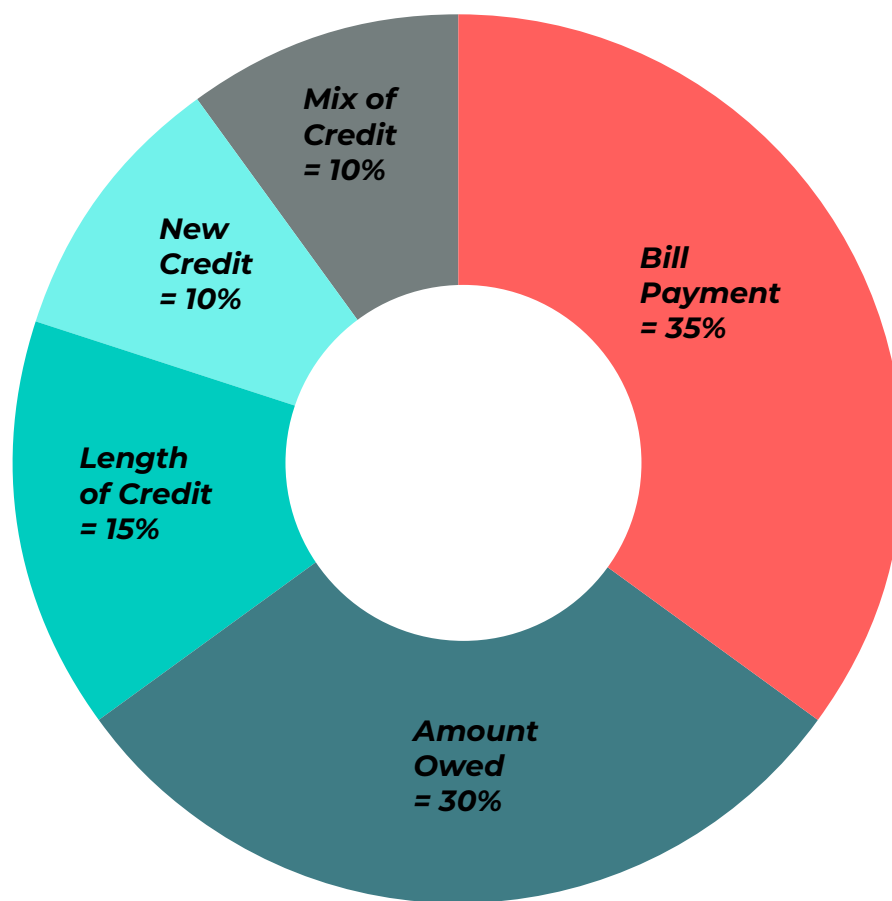
Having a longer credit history works in your favor because it has more information about your spending habits. It's good to leave accounts open you've had for a long time.

### **New Credit = 10%**

Each time you apply for new credit, an inquiry is added to your credit report. Too many applications for credit may lead lenders to believe that you are in financial trouble. While inquiries can remain on your credit report for two years, your credit score calculations only consider those made within the last year.

### **Mix of Credit = 10%**

Having various types of accounts is good because it shows you have experience managing a mix of credit. This isn't a major factor in your credit score unless there is no other information available on which to base your score.



## Managing Home and Student Loan Debt

Housing and student loans are often some of the first debt that a borrower takes on. Making on time payments each month can help your credit score. There are benefits available to help servicemembers and veterans better manage student loan debt:

### **Income-Based Repayment (IBR)**

This income-driven repayment plan sets your monthly student loan payment at an amount that is intended to be affordable based on your income and family size.

### **Public Service Loan Forgiveness (PSLF)**

Servicemembers may qualify for forgiveness of any remaining balance on federal student loans after 10 years of on-time qualified payments while working full-time in public service, including military service. However, if you leave military service after meeting the PSLF qualifying criteria but before you apply for loan forgiveness, you would not be eligible for forgiveness since you are required to work for a public service organization at the time you apply for and receive forgiveness. However, if you find employment at another public service organization, you could regain eligibility. Occasionally additional waiver opportunities are available for a limited time. Check the web page often to learn more about PSLF.

## **Military Service Deferment and Post-Active Duty Student Deferment**

You may be eligible for this deferment if you are on active duty military service in connection with a war, military operation, or national emergency; or you've completed qualifying active duty service and any applicable grace period. This deferment ends when you resume enrollment in an eligible college or career school on at least a half-time basis or 13 months following the completion date of active duty service and any applicable grace period, whichever is earlier.

## **Perkins Loan Cancellation and Discharge**

Up to 100 percent for five years of eligible service for borrowers whose active duty service includes or began on or after August 14, 2008.

Application for cancellation or discharge of a Perkins Loan must be made to the school that made the loan or to the school's Perkins Loan servicer. The school or its servicer can provide forms and instructions specific to your type of cancellation or discharge.

## **Total and Permanent Disability Discharge (TPD)**

This benefit is available to veterans who have a 100 percent service-related disability that has been verified by the U.S. Department of Veterans Affairs (VA) as being totally and permanently disabled. The TPD program releases veterans from the obligation to repay their federal student loans due to their service-related disability. The following loan programs are covered under the TPD:

- William D. Ford Federal Direct Loan Program
- Federal Family Education Loan Program
- Federal Perkins Loan Program
- Teach Education Assistance for College and Higher Education (TEACH) Grant Service Obligation

Veterans must submit an application to the [U.S. Department of Education](#) for forgiveness of their loans and provide information to support that they are totally and permanently disabled. The U.S. Department of Education will review the required documentation that was submitted by the veteran for the TPD discharge request. Veterans will be notified via U.S. mail regarding the approval or denial of their application. For additional information, please visit [DisabilityDischarge.com](#).

## **VA Home Loan Guaranty**

These loans are available to active duty servicemembers, veterans, and eligible surviving spouses when purchasing a home. Loans are provided by private lenders but are backed by the U. S. Department of Veterans Affairs (VA). Eligibility requirements include a good credit score, sufficient income, a valid Certificate of Eligibility (COE) and meeting additional service requirements. The loans may only be used to buy a home or condominium, build a home, purchase and improve a home, install energy efficient appliances or features to an existing home, or buy a manufactured home or lot. In addition, you must personally occupy the home in order to qualify. Nearly 90% of all VA-backed home loans are made without a down payment.

## **Refinancing VA Home Loans**

Veterans with a VA home loan often receive advertisements offering opportunities to refinance the loan with terms that sound too good to be true. Luckily, a federal law went into effect in May 2018 that is holding lenders to more stringent requirements in order for the loan to be guaranteed or insured by the VA. These requirements include:

**Net tangible benefit test:** In order to refinance a VA loan, a lender must be able to provide the borrower with a net tangible benefit test that shows the interest rate for a new fixed loan is at least 0.5 percent less than the previous loan or 2 percent less than an adjustable rate loan, and can demonstrate that the rate drop is not solely due to the effect of upfront discount points.

### **Minimum time between loans:**

A lender cannot offer VA loan refinancing unless at least 210 days have passed since the first payment has been made on the current loan or the date on which the sixth monthly payment has been made on the loan, whichever is later.

**Fee recoupment:** Lenders must show that the savings from the refinance will exceed all the fees and costs associated with the refinance within 36 months of getting the new loan. That means the veteran must "break even" on the transaction within 36 months, even after considering the fees and costs paid in connection with the refinance.

# Statement

|              |                 |
|--------------|-----------------|
| Date:        | 10/15/2010      |
| Account:     | STUDIOCLUBART01 |
| Amount Paid: |                 |

ANCES IMMEDIATELY

NORTH ROAD  
FTSBURY, VT 05262

## FINAL NOTICE

## INVOICE

Invoice Number: 3772  
Invoice Date: Dec 1, 2010  
Page: 1

## PAST DUE

INVOICE/STATEMENT #  
ACCOUNT #  
DATE  
AMOUNT DUE

PAID: PALMER-KANE  
VT RT 7

AT THE STUDIO CLUB  
5261

CODES  
News

## 805262 FINAL NOTICE

PAY THIS AMOUNT

476.48

☐ Check this box  
for address change.  
See reverse side.

## COUNT CLOSED

2010030200070054256600047648

AMOUNT PAID

CV578C  
REV 7/04

Hasler  
018H135035  
ZIP05701

FIRST CLA

RESORTED  
ST CLASS

US POSTAGE  
\$00.357  
JAN 26 2011

# DEBT COLLECTION

A debt collector may contact you if you are behind on bill payments or if a creditor's records mistakenly shows late or no payments. Remember that debt management for active duty servicemembers is especially important because personal financial trouble can jeopardize duty status, potential promotions and even security clearance.

It is important to know your rights if you are ever contacted by a debt collector. Under the federal [Fair Debt Collection Practices Act \(FDCPA\)](#), third-party debt collectors cannot harass, oppress or abuse you or anyone else they contact regarding your debt. They cannot use obscene or profane language, make threats or make repeated telephone calls.

As a servicemember, this also means collectors cannot report your debt to your chain of command; threaten prosecution under the Uniform Code of Military Justice; threaten to revoke security clearance; or bring about a demotion. Collection agencies do not have the authority to put you in jail for non-payment.

The FDCPA also provides protection related to means of communication. Collectors are prohibited from communicating with you before 8 a.m. or after 9 p.m. or at your place of work if you have told them you are not allowed to accept personal calls. Best practice is to mail a letter by certified mail to the collection company with specific directions for contacting or not contacting you. Please note, that stopping contact with a company does not cancel your debt; if the collector believes you are responsible they can report the debt to the credit reporting agencies – Experian, Equifax and TransUnion – or file a lawsuit. If the debt is yours, and you are represented by an attorney, the collector must communicate with your attorney.

Even if you think the debt is not yours, consider talking to the collector at least once. That way you can collect as much information about the debt to confirm if it is or isn't yours. Be sure to document the name of the person you speak with as well as the company phone number and address for your records.

A collector has to give you the following validated information (notice) either during the first phone call or in writing after first contacting you:



- Name and mailing information of the debt collector
- Name of the creditor to whom the debt is owed
- Account number (if any) associated with the debt
- An itemization of the current amount of the debt that reflects interest, fees, payments, and credits since a particular date that the debtor may be able to recognize or verify with records
- The current amount of the debt as of when the validation notice is provided
- Information about debt collection rights including how to dispute the debt

This notice is meant to help the recipient identify whether they owe the debt and whether the collector's information about the debt is accurate. The notice must include a "tear-off" form that the recipient can send back to the debt collector to dispute the debt or take other actions.

If you do not recognize the debt or plan to dispute it, respond in writing within 30 days. When the collection company receives your dispute letter, they must stop contacting you until sending you written verification of the debt, like a copy of the original bill. Certified mail and return receipts are prudent; always keeps copies for your records. The Consumer Financial Protection Bureau (CFPB) has [sample letters](#) that can help you communicate with a debt collector if you don't think the debt is yours or if you want them to stop contacting you.

If you believe a debt collector is harassing you, submit a complaint to the [Consumer Financial Protection Bureau](#). Most companies respond within 15 days.

The Federal Trade Commission (FTC) has a useful [Debt Collection FAQs](#) section to help you know your rights.

[Your name]  
[Your return address]  
[Date]

[Debt collector name]  
[Debt collector address]  
Re: [Account number for the debt, if you have it]

Dear [Debt collector name],

I am responding to your contact about collecting a debt. You contacted me by [phone/mail], on [date] and identified the debt as [any information they gave you about the debt].

I do not have any responsibility for the debt you're trying to collect.

If you have good reason to believe that I am responsible for this debt, mail me the documents that make you believe that. Stop all other communication with me and with this address, and record that I dispute having any obligation for this debt. If you stop your collection of this debt, and forward or return it to another company, please indicate to them that it is disputed. If you report it to a credit bureau (or have already done so), also report that the debt is disputed.

Thank you for your cooperation.

Sincerely,

[Your name]

This letter tells the debt collector to stop contacting you unless they can show evidence that you are responsible for this debt. Stopping contact does not cancel the debt. So, if a debt collector still believes you really are responsible for the debt, they could still take other action. For example, you still might be sued or have the status of the debt reported to a credit bureau.

### **BEWARE of DEBT COLLECTION SCAMMERS:**

Scammers will often use intimidation techniques to try and get people to share their personal information.

Do not engage with them and just hang up. Do not share your personal or financial information, especially if you are not familiar with the collector. If you think there is a chance the caller may be legitimate, gather as much information as you can and then verify it. Call them back at a confirmed and verified phone number like the one you find on the back of credit cards or on monthly statements. Let the caller know you will be calling the agency directly to confirm their identity. If they are legit but broke FDCPA rules, file a complaint with the Consumer Protection Financial Bureau.

## **Medical Debt Credit Reporting Changes for Veterans**

Effective May 24, 2019, federal law grants veterans greater credit reporting protections on medical debts owed to private medical providers when the VA has authorized payment for those services. Credit reporting agencies (CRAs) will be prohibited from reporting certain veterans' medical debts within one year of the date of care or if the CRA knows the information relates to the veterans' medical debt.

If credit reporting agencies continue to report medical debts that should be excluded, veterans can dispute the medical debts by sending the CRAs either a VA notification that the VA has assumed liability for the debt, proof of the VA's liability for payment, or documentation that the VA is in the process of paying the debt. Upon receiving this information, the CRAs must delete all information related to the debt in question from the veteran's credit report and notify the company that provided the debt information and veteran of that deletion.

The law also requires the VA to establish a database that will allow credit reporting agencies nationwide to easily verify a veteran's medical debt to determine whether it must be excluded from the veteran's credit report.





**PAYDAY LENDER**

**PAYDAY LENDER**

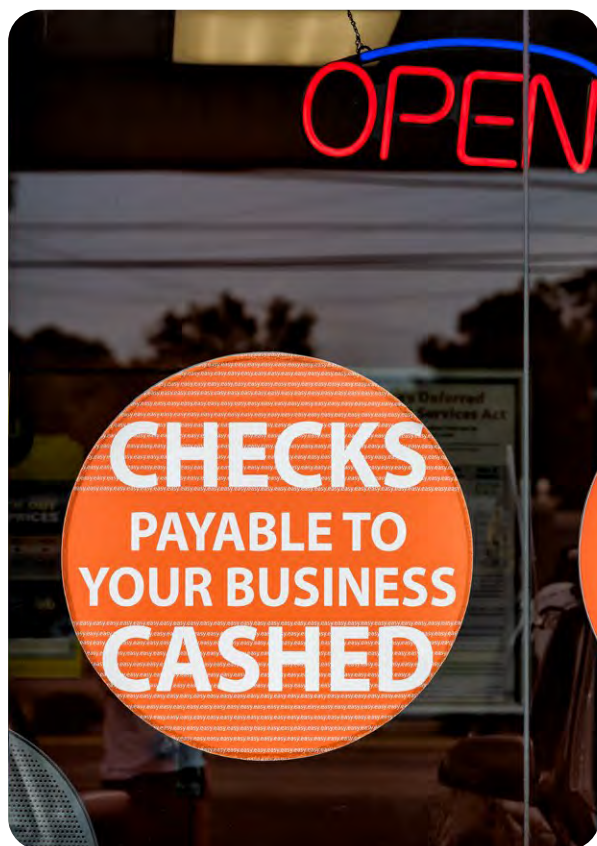
**PAYDA**

**PAYDAY LENDER**

**PAYDAY LENDER**

# PREDATORY LENDING

Predatory lending is the unethical practice of imposing unfair, deceptive or abusive loan terms on borrowers and benefits the lender while disregarding or hindering the borrower's ability to repay the debt. Failure to disclose information, disclosing false information, risk-based pricing with inflated charges and fees are just a few examples of predatory lending practices. Lending companies that make quick loans, like payday, tax-refund, and car title loans, often charge extremely high interest rates. For instance, payday loans may have triple digit interest rates as high as 400% or more. These debt traps that can cause a long-term cycle of debt and other negative economic consequences for the borrower. This unscrupulous type of business can undermine military readiness, harm troop morale and increase the risk of homelessness for retired servicemembers. Unfortunately, current and former military members and their dependents are a prime target for this type of predatory lending.



## Car Title Loans

Car title loans are marketed as emergency cash but just like payday loans they can have triple-digit interest rates and usually payment is required within one month. The loan amounts are much lower than the value of the car and if you can't pay it back, you could end up with multiple title loans stacked on top of one another. Car title loans can lead to increasing debt and vehicle repossession. They aren't worth it.

## Payday Loans

Payday loan businesses like to set up shop around military bases and set their sites on younger servicemembers who may have less experience with finances. They market their loans as an easy, quick way to access cash between paychecks. These loans are a bad deal and should be avoided. A small consumer loan with an installment payback plan may be a better alternative. Before committing to a payday loan, make sure to ask a lot of questions so you can understand the terms. Familiarize yourself with current interest rates and know exactly how much you will be paying in taxes and fees. Lenders have to comply with the Military Lending Act (MLA) and may not charge more than a 36% annual rate on consumer loans to active-duty troops and their family members.





**Get fewer spam emails** by using an email filter. Many popular email providers have strong spam filters on by default but you can help make them work better. Mark any spam that makes it through to your email inbox as Spam or Junk. Block specific unwanted email addresses or domains. Limit your exposure by using two email addresses, one for personal messages and one for shopping and newsletters. Try not to display your email in public.

## Direct Marketing

Proactive lenders don't have to have a storefront; they can bring their offers of high interest credit straight to your mailbox, your email inbox, or even to the webpage you are surfing. Unsolicited offers of credit come in the form of direct marketing like junk mail, spam email and pop-up advertising. Prescreening consumers for credit worthiness is a common practice used throughout the financial industry that violates consumer privacy and can lead to identity theft. In prescreening, financial institutions take advantage of the vast amounts of data on consumers and their habits to tailor offers of credit cards, home loans and other financing. If you are in need of a loan or credit card, seek out reliable, established companies and research what the best interest rates are for you. Be cautious of credit offers that come to you.

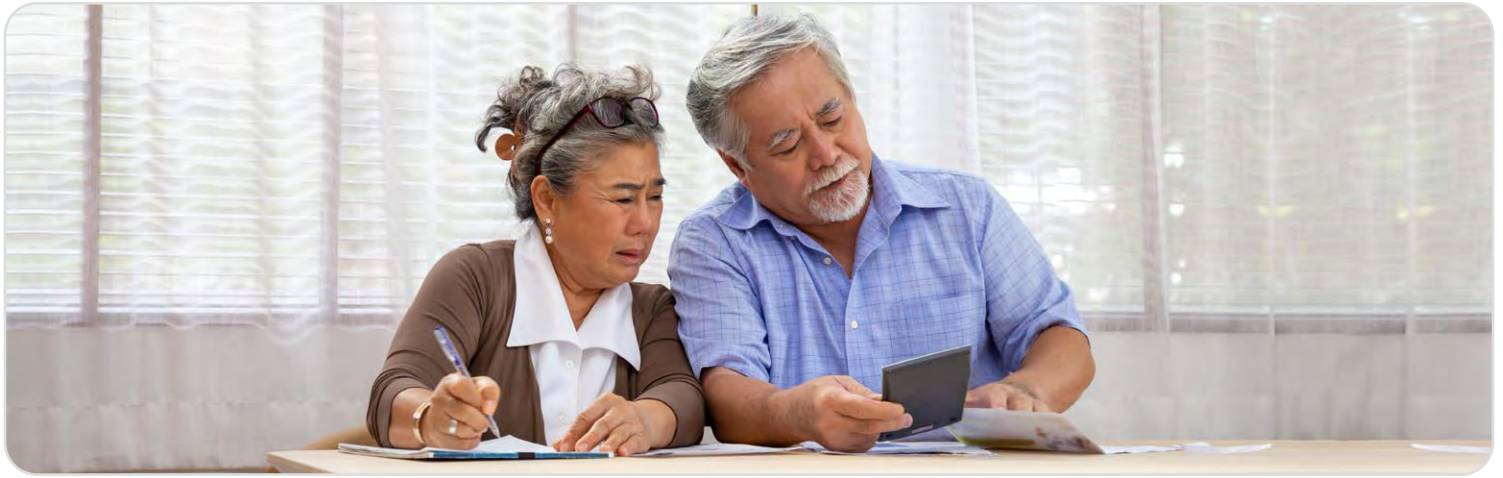
There is something you can do to stop most of these unsolicited offers from cluttering your mailbox. You can **opt out** online for five years or permanently by calling 1-888-567-8688. Opting out can prevent identity thieves from dumpster diving (or recycle can diving) to find direct mail offers of credit that they can fill out to try and open lines of credit in your name. You can use the same website or toll-free number to opt back in at any time.

Unsubscribe from unwanted emails but use caution. If you are sure it is a legitimate company, you can use the unsubscribe option. But before you do that, hover over the unsubscribe link and make sure it points to a domain associated with the purported sender. Second, examine the link closely for slight misspellings. This might be a trick to get you to push the unsubscribe button that will undoubtedly sign you up for more email. If it looks shady, it is safer to just delete it.

## Predatory Mortgage Lending

Predatory mortgage lending and refinancing can pose a problem for active and retired servicemembers. The same unfair and deceptive lending tactics can apply to this market so it is important to do research and read all of the small print when seeking a home loan. Below are a few red flags to look out for when looking for a home loan or to refinance.

- **Excessive points and fees** – Points are typically used to buy down the interest rate on a mortgage, but if a lender is asking for more points than normal, this could be a profit generating ploy. Watch out for unnecessary closing costs and extra fees.
- **Balloon payments** – A very large balloon payment is due at the end of the loan's term and is often used to make monthly payments look low. In some cases, only the interest is being paid monthly, leaving the principal of the loan due as the last payment.
- **Cash-out refinancing** – Homeowners are encouraged to cash in some equity on their homes but end up owing significantly more money under less favorable terms.
- **Loan churning** – The homeowner is urged to refinance a mortgage soon after it is issued as a way to generate repeat closing cost income for the lender.



## Veterans Benefits Buyout Offers or Pension Advance

Buyout offers and pension advances require veterans to sign over future disability or pension payments for a specific number of years to receive a lump sum of cash immediately. Companies that offer buyouts like this often only end up paying a fraction of the veteran's benefits over time. While this may be a viable financial option, you should be aware of the associated risk with this type of loan. Unlike a traditional loan, you may not be able to get out of the deal early. Review the company's cancellation policy before you sign the contract. Pension advances can be costly due to the fees and potential increase of the Annual Percentage Rate (APR). Some pension advance lenders open new bank accounts and schedule automatic monthly payment withdrawals from your account to pay back the loan along with fees and interest charges. You may also be required to purchase a life insurance policy that names the pension advance company as the beneficiary to ensure payment continues if you pass away. In addition, a pension advance may have tax consequences placing you into a higher tax bracket that requires you to pay additional taxes. Before you decide to take an advance on your pension, you may wish to consider other options such as a loan from a credit union or a bank. Some financial institutions offer short-term loans at competitive rates.

Unexpected expenses and emergencies do happen. If your emergency savings doesn't cover an expense, explore options that are specifically designed for military servicemembers at your bank or credit union, on and off base. The Veterans of Foreign Wars (VFW) has a grant program called [Unmet Needs](#), that can help with financial hardships that meet certain criteria.

INCOMING CALL



Scammer  
calling...

ACCEPT

REJECT

# FRAUDS AND SCAMS

It is an unfortunate fact that some self-serving businesses and shady scammers prey on servicemembers, veterans and their families to gain their patronage, take their money or try to con them into giving up personal information. They will even target people who just want to lend their support to our armed services in the form of donations. The best way to defend against fraud is to be informed and always on alert. Fraudsters roll with the times and their schemes are constantly evolving, combining new technology with lies to get people to send money or give up personal data.

## Scams To Be Wary Of

**Charitable Donation Scam** – There are many lawful charities soliciting donations to support our nation’s military veterans, as well as active duty personnel, but beware. Just because a charity uses words like “veterans” or “military families” in their name, doesn’t make it legitimate. Scam artists will also use a name similar to those of a well-known business, relying on its familiarity to get you to donate. Before you give money to an organization, do your homework. Visit the organization’s website and research their name on the internet for any accounting of fraud. You can find a list of registered charities in Florida by visiting the Department of Agriculture and Consumer Services [Check-a-Charity](#) website.

**Credit Repair Scam** – Active duty servicemembers are prime targets for the credit repair scam if they are carrying significant credit card debt that is difficult to manage. Scam artists claim to be able to improve your credit score, remove bankruptcies, judgments and liens, and repair your credit. Remember there is no quick fix to repair bad credit. Under federal law, credit repair companies cannot require you to pay any fees until they have completed the service they promised. Financial counselors on your military installation can help you review your credit report free of charge and dispute any errors that are found. Only time can erase negative information from your credit history. Most negative information will stay on your report for seven years, and bankruptcies will be reported for 10. Active duty military servicemembers should consider freezing their credit before deploying. Effective July 1, 2018, credit reporting agencies can no longer charge a fee to freeze your credit.

**Phony Employment Scam** – Scammers are aware that past military experience appeals to many employers and use that to their advantage. Using online platforms and job boards, phishing emails, phone calls and texts, scammers advertise bogus positions in an effort to gather personal or financial information that can be used for identity theft. Verify that the potential employer is real before filling out online job applications. Phony phone operators may ask for your bank account information to set up direct deposit, but they just want to take your money. If a company or organization is mentioned in an ad or interview, contact that company directly to find out if the company is hiring. Beware of testimonials or references you cannot independently verify. Visit the [Better Business Bureau Job Scams Study](#) to read real life scenarios of victims of employment scams.

### **G.I. Bill Education Marketing Scam**

Active duty servicemembers and veterans seeking to take advantage of the GI Bill for college courses may be targets of deceptive marketing tactics that provide false information and encourage them to attend expensive for-profit educational institutions. The marketing firms use familiar phrases such as: “GI Bill” and “Armed Forces” to recruit active duty servicemembers and veterans. Some of these for-profit educational institutions lack accreditation and their credits may not be transferrable. The U.S. Department of Veterans Affairs has a comparison guide that can assist with locating a school and determining your specific GI benefits. The guide also has a section for employers where they can search for resumes, post available jobs and learn how servicemembers and veterans will be an asset to their organizations. Thoroughly research colleges and other higher educational institutions you are interested in before applying with the [GI Bill Comparison Tool](#).



**High Interest Military Loans** – Located outside the gates of many military installations are loan companies offering loans specifically for military servicemembers, veterans and their families. Be cautious of loans that promise instant approval or no credit check. These loans typically come with extremely high interest rates and hidden fees. Remember, legitimate lenders will never guarantee a loan before you apply and are approved, and loans that require an upfront fee are likely to be a scam. Many credit unions, especially those located near or on military installations, offer short-term loans at competitive rates and have specific programs for military servicemembers. Also, as a veteran or military servicemember, you may have access to interest free loans through your service relief organization. [Military OneSource](#) has more information about military relief organizations and emergency financial help.

[Army Emergency Relief](#)

[Navy-Marine Corps](#)

[Air Force Aid Society](#)



**Imposter Scams** – Imposters pretend to be someone you trust or know, like a government official, a family member, a charity or a company you do business with. They use pressure tactics to get you to send money or give your personal information to them. They might send you an email or text, but they may also call you on the phone. Imposters may pose as someone from the IRS or from a government agency and request personal information like your Social Security number to update your military records. Or they may try to con you into paying them for something with a gift card or wire them money. Never give out personal information over the phone. A government or law enforcement agency or legitimate business will never ask you to wire money or for a gift card as payment. If you think the phone call may be legitimate, hang up and call the agency directly to verify with information you've gotten from the internet or from the back of your credit card.

**Mortgage Relief Scam** – Military homeowners looking for assistance with paying the mortgage should be cautious of this type of scam. Some mortgage relief companies will try to convince servicemembers and veterans to pay them a small fee in exchange for their ability to get a loan modification or to stop foreclosure. Oftentimes these companies claim to be associated with the government, a non-profit or housing relief organization; unfortunately they may not be. It's against the law for mortgage relief companies to charge any money until you have been given a written offer from your lender and you have accepted it. If you're struggling to make you mortgage payment, there are legitimate programs that can help. The best place to start is with your lender. They can work with you to help get you back on track or give you names of legitimate organizations that can help you. Also, the [Consumer Financial Protection Bureau](#) provides a [list of approved housing counselors](#) from the office of the U.S. Department of Housing and Urban Development.

**Pension Poaching Scam** – Veterans 65 and over are targeted by shady financial advisers persuading them to transfer their pensions into a special trust while charging excessive fees. The advisers claim to help veterans qualify for Aid and Attendance benefits, but this may cause them to lose eligibility for Medicaid or prevent access to their pension for several years. Only the U.S. Department of Veterans Affairs, Veterans Benefits Administration can award benefits. To avoid becoming a victim of the [Veteran Pension Poaching Scam](#), do not quickly approve changes to your pension. If you are interested in Aid and Attendance benefits, you can apply free of charge through the [U.S. Department of Veterans Affairs](#).

**Phishing Scam** – Scammers use email or text messages to trick you into giving them your personal information, like passwords, account numbers or Social Security numbers so they can gain access to your email, bank or other accounts. Phishing emails and text messages may appear to come from a reputable company or government agency. They will tell a story to try and trick you into clicking a link or opening an attachment. Do not click on hyperlinks in emails or texts. Only provide personal and financial information through an organization's website if you typed in the web address yourself. Ensure that the browser window displays the closed padlock symbol or starts with "https", which indicates the site is secure. Be cautious of opening attachments and downloading files from emails. These files may contain viruses that may damage your computer's security system or provide access to your personal information. Keep your computer and personal devices software up to date. Use security software and keep it updated. Use multi-factor authentication when possible. Back up your data regularly.

**Romance Scam** – This scam occurs through internet dating websites or other social media sites. A scam artist creates fake profiles with attractive photos to gain the interest of potential victims. Over time, the scam artist will begin asking for money for expensive items such as medical or education costs, or to pay internet or phone bills to continue the relationship. The scam usually ends when the victim realizes they are being scammed and/or stops sending money. You can protect yourself from this scam by being very careful and mindful about how much information you share on social network sites. Use search engines to check out your potential suitor's photos, credentials and other information shared. You may discover conflicting information or that the information was previously used to lure another victim. If you're unsure about the relationship, talk to a trusted friend or family member who may provide an unbiased perspective.

**"Special Deals"** – Beware of offers that claim to provide deals or discounts specifically for veterans and servicemembers on a variety of items. Scam artists plot to separate veterans and servicemembers from their hard-earned money by advertising a special deal, when in fact the item may not be available. For instance, a landlord offers a rental property and offers a discount for veterans or military members. In order to secure the property, the landlord requires you to wire money for a deposit. Beware. Some organizations do offer genuine discounts for veterans and servicemembers, but always check those offers out carefully and never wire payments to anyone you don't know.

**Sharing your experience and knowledge about fraud and scams empowers others to speak up. Protect yourself, family, friends and community by reporting fraud, scams and bad business practices at [ReportFraud.ftc.com](https://www.ftc.gov/identitytheft/identitytheftreport).**

# IDENTITY THEFT

The image is a dense collage of numerous white paper strips, torn and shredded, creating a chaotic and layered background. These strips contain various fragments of text from what appear to be documents, forms, or letters. Some legible fragments include "Toll", "erac", "d au", "ber", "ha this", "pho", "s and", "any", "ec", "nu", "me", "St", "Mc", "Fils", "heck", "s ide", "teler", "Zip", "e/A", "nan", "er m", "Con", "Com", "Com", "ess", "pho", "rit", "of ag", "econ", "cre", "al fc", "e an", "num", "Sale", "FILE", "ket", "one", "er lo", "d suc", "ent", "ere", "gs", "men", "ns pr", "ident", "pho", "ess", "Sale", "FILE", "ket", "one", "er lo", "d suc", "ent", "ere", "gs", "men", "ns pr", "ident". The central focus is the large, bold, black text "IDENTITY THEFT" which is superimposed over the shredded paper, clearly stating the theme of the image.

# IDENTITY THEFT

Identity theft is a serious crime that can wreck a victim's credit rating and financial well-being. It occurs in many ways, but every theft begins with the scammer gaining access to your personal financial information. Identity theft is the second most reported complaint by those in the military community. Servicemembers, their families and veterans are at an increased risk for identity theft because of frequent moves, overseas deployment and the difficulties that sometimes occur with the transition to civilian life.

There are ways to reduce your risk and help you discover if you have been the victim of identity theft. Your best defense is to employ the three D's of identity protection: **Deter, Detect, Defend**

**Deter** –You must be vigilant about protecting your personal and financial information. Identity thieves will stop at nothing to gain access to it.

- Do not carry around personal identification information unless necessary. For example, you do not need your passport unless you are traveling outside of the country.
- Avoid giving others your Social Security number and do not provide personal information to individuals over the phone unless you initiated the contact.
- Use a locked mailbox or post office box for incoming mail. Avoid placing outgoing mail in your mailbox with the flag up.
- Use PINs and passwords that are easy for you to remember but difficult for someone else to figure out. You should not use birth or anniversary dates as your PIN; typically, this is the first set of numbers the identity thief will try.
- When creating your online passwords to banking and credit card accounts, use a minimum of 8 to 12 characters with combinations of upper and lower-case letters and symbols such as an ampersand (&) or percent sign (%). Never use the same password for multiple accounts. Change your passwords often.
- Set up multi-factor authentication when possible. This offers extra security by requiring two or more credentials to log into your account, like a pass code you receive via your phone or a scan of your fingerprint or face.
- Use a cross shredder to shred your personal information. A cross shredder is better than a vertical shredder because paper is cut into small pieces instead of strips that can be pieced back together.

**Detect** – Review your credit report on a regular basis. Identity thieves may use financial information acquired about you to open new accounts, leaving you with a mountain of debt.

- Review your credit reports for errors and inaccuracies. Look for signs of identity theft such as additional addresses, accounts or lines of credit and dispute anything that you don't recognize. Each of the three credit reporting agencies Equifax, TransUnion and Experian are required to provide you with a free credit report every twelve months, at your request. Stagger your requests from each credit bureau every four months so you can see your credit report three times a year. (Due to various breaches, you may be able to access your credit report online with more frequency.)
- You can request a free credit report from [AnnualCreditReport.com](https://www.annualcreditreport.com) or by calling 1-877-322-8228 where you will go through a verification process. [AnnualCreditReport.com](https://www.annualcreditreport.com) is the only official site explicitly directed by Federal law to provide credit reports.
- Review your monthly bank accounts and credit card statements. Identity thieves may try to charge small amounts that they hope you will miss. If you notice unfamiliar charges on your accounts, contact your financial institution immediately.

**Defend** – Overseas deployment can make servicemembers easy targets for identity thieves. Take action if you see any signs of identity theft when reviewing your credit reports. Educate yourself about the different types of fraud alerts that you can place on your credit report to protect your credit rating from being damaged by fraudsters.



- A **fraud alert** can be placed on your credit report if you suspect you are or may become a victim of identity theft. This alert advises lenders to take extra precautions before extending new credit in your name. The alert will remain on your report for one year but can be removed sooner at your request. There is no fee to place a fraud alert on your credit report. Placing a fraud alert also allows you to order one free copy of your credit report from each of the three credit reporting bureaus. The credit bureau that you contact must coordinate with the other two credit bureaus to ensure they place the fraud alert on your credit report.
- An **active duty alert** can be placed on your credit report while you are deployed. This alert notifies lenders that you are on assignment away from your regular duty station. The lenders should verify your identity before approving new credit. You can designate a personal representative (a spouse or another designated person) who can act on your behalf to verify your identity. The alert remains in place for one year; you can place another alert on your credit report if needed. You or your designated representative can remove the active duty alert sooner than one year if desired. Also, placing the active duty alert on your credit report may reduce the number of pre-approved credit card offers you receive for two years. There is no fee to place an active duty alert on your credit report. When you place an active duty fraud alert with one credit bureau, the credit bureau that you contact must coordinate with the other two credit bureaus to ensure they place the active duty fraud alert on your credit report as well.
- An **extended fraud alert** placed on your credit report means that you have been a victim of identity theft and filed an Identity Theft Report with one of the three credit bureaus or filed a police report. Lenders must verify your identity prior to issuing new credit in your name. As an added precaution, after placing the extended fraud alert on your credit report, creditors must remove your name from lists of pre-approved credit offers for five years. This alert will last for seven years but can be removed sooner. By placing an extended fraud alert on your file, you are able to order two free credit reports within 12 months from each of the three credit reporting bureaus. The credit bureau that you contact must coordinate with the other two credit bureaus to ensure they place the extended fraud alert on your credit report.
- A **credit freeze** (also known as a security freeze) restricts access to your credit report, thus preventing new lines of credit from being opened in your name. There is no charge to place a credit freeze. You will need to request the credit freeze with each of the three credit bureaus online, by phone or by mail. You can temporarily lift the credit freeze if you need to apply for new credit. If the request is made online or by phone, the credit bureau must lift the freeze within one hour of your request; by mail, the freeze must be lifted no later than three business days after receiving your request. When the freeze is in place, you will still be able to do things like apply for a job, rent an apartment, or buy insurance without lifting or removing it. This is the most secure way to protect your credit.  
**NOTE:** After receiving your freeze request, each bureau will provide a unique personal identification number (PIN) or password that you will need to lift the freeze by phone or mail. Keep this in a safe place.

## **FIGHT BACK**

Report any problem as soon as possible at [IdentityTheft.gov](https://www.identitytheft.gov), and follow the steps, including filing a fraud alert and obtaining a copy of your credit report to review.

## **CREDIT BUREAUS**

Below is the contact information for each of the three credit bureaus:

### **Equifax**

P.O. Box 105069  
Atlanta, GA 30348-5069  
1-800-685-1111  
[Equifax.com](https://www.equifax.com)

### **Experian**

P.O. Box 4500  
Allen, TX 75013  
1-888-397-3742  
[Experian.com](https://www.experian.com)

### **TransUnion**

P.O. Box 2000  
Chester, PA 19016  
1-800-916-8800  
[TransUnion.com](https://www.transunion.com)

## **Safety Measures and Good Practices**

- Keep your computer's operating systems, software and web browsers up to date. Hackers will take advantage of vulnerabilities in your software using viruses to attack your computer.
- Install antivirus software to protect your computer by detecting and removing viruses. Make sure your antivirus software is up to date, because new viruses appear daily. Contact the software vendor directly to access available updates.
- Be cautious of emails that originate from a source you do not recognize. If you do not recognize the sender of an email, do not reply or click links contained within the email. These files may contain viruses that may damage your computer's security system or provide access to your personal information.
- Be cautious of any email or popup messages indicating your accounts are in jeopardy or asking for personal information. Scammers typically use scare tactics to get people to react immediately.
- Never submit your credit card details or other personal information on non-secure websites. Before submitting your username and password to log on, make sure your browser window displays the closed padlock symbol and the URL that begins with https://, which represents a secure website.

## **IRS Identity Protection Personal Identification Number (IP PIN)**

Consider this option to help protect yourself from tax-related identity theft:

Get an [IRS Identity Protection Personal Identification Number \(IP PIN\)](https://www.irs.gov/identity-protection) to help protect yourself from tax-related identity theft. The IRS IP PIN is a 6-digit number that is assigned annually and helps prevent your Social Security number or Individual Tax Identification Number from being used to file fraudulent federal income tax returns. If you choose to receive an IP PIN, you must use it for all future filings.

## **Identity Theft Prevention for Veterans**

The Federal Trade Commission (FTC) reports that veterans are especially vulnerable to fraud and identity theft. As a veteran, you have more to protect than the average citizen. You need to protect your personally identifiable information (PII) and personal health information (PHI). The US Department of Veterans Affairs has a website dedicated to [Identity Theft Prevention](https://www.va.gov/identity-theft-prevention) for veterans. The website provides information on how to spot identity theft, ways to prevent it and what to do if you suspect you're a victim. Veterans and their family members can call the Identity Theft Resource Line toll-free at 855-578-5492 for additional information or if they suspect that their identities may have been compromised.





# MILITARY FINANCIAL PROTECTIONS

There are two major laws – the **Military Lending Act (MLA)** and the **Servicemembers Civil Relief Act (SCRA)** – that help protect the finances and ease the financial stress of active-duty servicemembers and their families. The differences between the MLA and the SCRA are: The MLA only covers loans taken out while on active duty, while the SCRA provides a different set of protections for obligations entered into prior to when a servicemember joins active duty.

## Military Lending Act

The [Military Lending Act \(MLA\)](#) is a Federal law enacted in 2006 to protect servicemembers, spouses and dependents from financial hardship posed by predatory lenders.

### ***Who is covered under the MLA?***

- Active-duty servicemembers
- National Guard and reserves on active duty for 30 days or longer
- Spouses and some covered dependents

### ***MLA rights include:***

- A 36% interest cap, or Military Annual Percentage Rate (MAPR)
- Prohibits mandatory arbitration
- No mandatory pay-by-allotment
- No mandatory bank account access
- No waiver of federal/state legal rights under other laws (e.g., SCRA)
- No unreasonable notice as a condition for legal action
- No prohibiting prepayment and no prepayment penalties
- No rolling over or refinancing of many loans

### ***Loans covered by the MLA***

- Payday loans
- Tax refund anticipation loans
- Vehicle title loans
- Credit cards
- Unsecured loans
- Some installment loans
- Student loans

### ***Loans not covered by the MLA***

- Loans expressly intended to finance a vehicle that are secured by the vehicle
- Loans expressly intended to finance the purchase of personal property that are secured by the property
- Home mortgages, home equity loans or lines of credit, reverse mortgages

Download the [MLA Applicability Flow Chart](#) to learn more about what types of consumer credit may or may not be covered by the Military Lending Act.

Effective October 3, 2016, [Senate Bill 626](#) authorized the [Florida Office of Financial Regulation \(OFR\)](#) to enforce the provisions of the Military Lending Act (MLA) on a statewide level. The OFR has the authority to deny a license or take disciplinary actions against state-licensed financial institutions, consumer finance lenders, payday lenders and vehicle title lenders that violate any provisions of the MLA. If the OFR investigates and determines that a lender has violated the terms or regulations of the MLA, it may take legal actions to seek remedies for the violation.

## Servicemembers Civil Relief Act

The [Servicemembers Civil Relief Act \(SCRA\)](#) is a law that was created to provide extra protections for servicemembers, so they won't have to experience financial difficulties as a result of their service. The law allows servicemembers to suspend or postpone certain civil obligations, so that military servicemembers can devote all of their attention to their military duties. However, assistance is not automatic and the servicemember must consult with their military legal assistance office to request relief. Military servicemembers are protected upon entering active duty and terminated within 30 to 90 days after date of discharge from active duty or death while in military service.

### *Who is covered under the SCRA?*

- Active duty members of the Army, Marine Corps, Navy, Air Force, and Coast Guard
- Members of the Reserve component when serving on active duty
- Members of the National Guard component mobilized under federal orders for more than 30 consecutive days
- Active duty commissioned officers of the Public Health Service or the National Oceanic and Atmospheric Administration
- A servicemember's dependents (including spouse, children, and anyone the servicemember has been providing at least one-half of the support for during the 180 days before applying for SCRA protections)



## **What Provisions Does the SCRA Protect?**

**Six Percent Rule** – The interest rate on a debt that was incurred by a servicemember, or jointly with the servicemember's spouse, can be reduced to 6% during the period of active duty if:

- The loan was taken out prior to active duty status
- The interest rate is currently above 6% per year
- Your military service affects your ability to pay the loan at the regular interest rate

This rate reduction does not apply to new loans or new credit charges that were established or opened while on active duty.

**Credit Rating Protection** – Lenders cannot deny or cancel credit, change the terms of an existing loan, or refuse to grant a servicemember credit because they sought protection under SCRA.

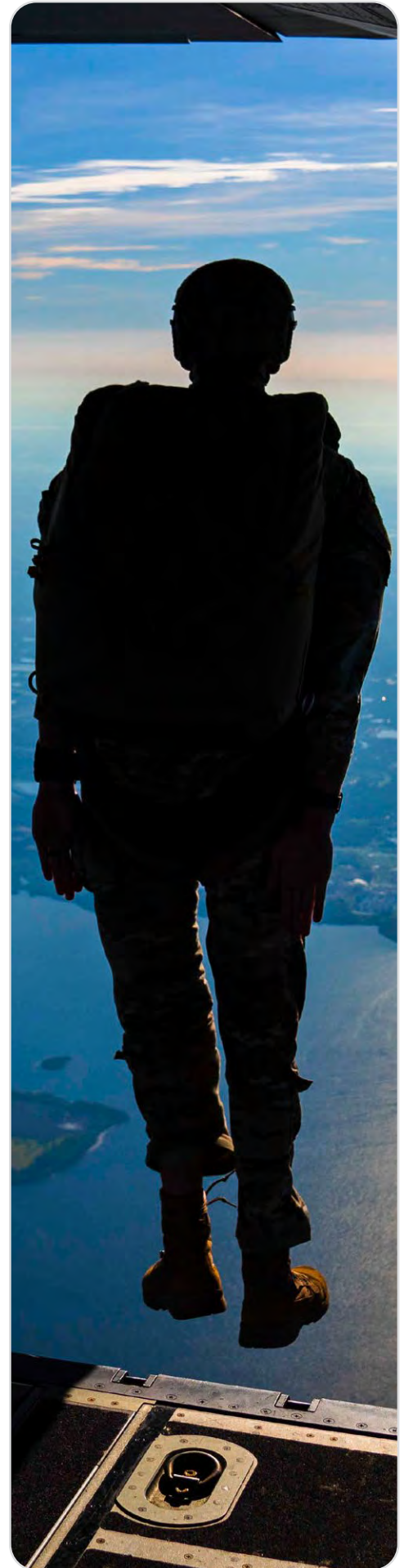
**Relief from Foreclosure and Forced Sales** – Servicemembers who are unable to pay their mortgage or meet the terms of a purchase or installment contract due to active duty. The SCRA provides servicemembers with relief such as:

- A postponement of the proceeding, or an extension of the maturity date along with lower monthly payments
- Where foreclosure judgment has already been ordered, a reopening or setting aside of the judgment in order to establish a defense

A court order is required before real estate can be foreclosed upon or vehicles repossessed if you breach the terms of the contract due to active duty.

**Insurance Protection** – If a servicemembers' health insurance is canceled while on active duty it can be reinstated without loss of benefits, a waiting period or penalties. Also, while on active duty and two years after, servicemembers' life insurance coverage is protected from lapse, termination and forfeiture for non-payment or indebtedness.

The SCRA provides provisions for servicemembers currently serving on active duty to lower the interest rate to 6% on ALL student loans taken out PRIOR to their active duty military enlistment and it applies to both federal and private loans. The rate reduction does not apply to new loans or new charges that were established or opened while on active duty. To receive the 6% rate reduction, servicemembers must send a written request to their loan provider along with a copy of their active duty orders. The request can be submitted any time during active duty service or up to 180 days after leaving active duty, and the interest rate MUST be applied retroactively for the whole period of active duty service.





# EDUCATION

As an active duty servicemember or a retired veteran, you have demonstrated the ability to persevere, meeting the challenges of military service while continuing to focus on your personal objectives, including your educational goals.

## ACCREDITATION

Before selecting a higher learning institution, be sure to consider the school's accreditation. The type of accreditation an institution holds is very important for a servicemember and veteran to consider when choosing a school. There are two types of accreditation - regional and national. Regional accreditation holds the highest recognition and may not accept the transfer of credits from an institution with national accreditation. Servicemembers and veterans should verify the school's credit transfer policy and choose a school that offers the most flexibility for their situation.

### *The Principals of Excellence*

Executive Order 13607 created the [Principals of Excellence](#) to ensure veterans, servicemembers and family have information, support and protections while using Federal education benefits. The Principles of Excellence program requires schools that get federal funding through programs, such as the GI Bill, to follow these guidelines:

- Provide the total cost of an education program
- Provide educational plans for all military and veteran education beneficiaries
- Ensure all new programs are accredited before enrolling students
- End fraudulent and aggressive recruiting practices and misrepresentations
- Accommodate servicemembers' and reservists' absences due to service requirements
- Designate a point of contact to provide academic and financial advice
- Align institutional refund policies with those under Title IV, which governs the administration of federal student financial aid programs



The following institutions/programs are not required to comply with the Principles of Excellence:

- Foreign and high schools
- On-the-job training and apprenticeship programs
- Residency and internship programs
- Institutions that do not charge tuition and fees

If an educational institution that is required to comply, but fails to follow the Principles of Excellence, servicemembers, veterans and their family members may file a complaint by contacting the appropriate agency listed below:

- Montgomery or Post 9/11 GI Bill  
[U.S. Department of Veterans Affairs](#)
- Federal financial aid such as the Pell Grant and federal loans  
[U.S. Department of Education](#)
- Private student loans  
[Consumer Financial Protection Bureau](#)

## Loan Types

Federal student loans are administered by the government. Interest rates are usually fixed and do not change while students are attending school or repaying the loan. Borrowers may be able to reduce payments if the loan becomes more than they can afford. Also, servicemembers may qualify for forgiveness of any remaining balance on federal student loans after 10 years of on-time qualified payments while working full-time in public service, including military service.

Federal student loans may provide an option for deferment or forbearance of payment for active duty servicemembers serving during wartime or national emergency. Student loans may be discharged upon death of the borrower after the required proof of death is submitted. Acceptable documentation includes the original or a certified copy of the borrower's death certificate.

Borrowers who experience a total and permanent disability (TPD) may have their student loan dismissed. An approved [TPD application](#) and documentation certifying the disability will release you from repayment of federal student loans.

Private student loans are usually provided by financial institutions. Borrowers may not receive the same flexible payment terms and protection offered by federal student loans. The lenders set the terms and approval is based on factors that include: credit scores; a co-signer and their credit history; an educational institution and the program selected. With private student loans:

- Interest rates may vary during the duration of the loan
- Interest starts to accrue the first day of the loan
- Fewer options to reduce or delay payments
- Generally more expensive than federal student loans

**The [Student Loan Repayment Program](#) is offered by each branch of the Armed Forces to repay all or a portion of a servicemember's student debt. The criteria for repayments of loans vary based on the branch of military service, Military Occupation Specialty (MOS), length of a servicemember's contract and loan status. Some branches offer the program as an enlistment incentive. A servicemember's loan must be current to receive assistance.**

## Florida Education Benefits

The following financial aid benefits are available to current and former servicemembers and their families who reside in Florida.

- The [Congressman C.W. Bill Young Tuition Waiver Program](#) waives out-of-state tuition fees for all honorable discharged veterans who reside in Florida, including the Reserve and National Guard.
- The [Purple Heart Waiver](#) applies towards the tuition and fees for military veterans who have received the Purple Heart or other combat-related honors that are superior in precedence. Recipients must provide proof of Florida residency to receive the waiver.
- [Scholarships for Children and Spouses of Deceased or Disabled Veterans \(CSDDV\)](#) provides assistance to dependent children or unremarried spouses of qualified Florida Veterans. Dependent children of servicemembers classified as Prisoners of War or Missing in Action may also be eligible for tuition benefits.
- Priority course registration is provided to all veterans who are receiving GI Bill education benefits at all Florida colleges and universities. Also, benefits will be given to the spouse or dependent children of the veteran receiving GI Bill benefits. For education updates, view the [Florida Veterans' Benefits Guide](#).
- Honorable discharged veterans who joined the U.S. Armed Forces prior to completing their high school education may be awarded a [State of Florida High School Diploma](#).

## Federal Education Benefits

[Military Tuition Assistance](#) is a benefit paid to eligible members of the Army, Air Force, Navy, Marines and Coast Guard. Each branch has the authority to pay up to 100% of tuition disbursements for their servicemembers. Each branch has established criteria for eligibility.

The [GI Bill Comparison Tool](#) provides an estimate of [eligible benefits](#) and the cost for active duty servicemembers and veterans to attend a specific institution.

## Scholarships

### [American Legion Legacy Scholarship](#)

**Sponsor:** The American Legion

**Amount:** Variable

The American Legion Legacy Scholarship provides financial assistance to dependent children of active duty servicemembers who died on or after September 11, 2001. Children of post 9/11 veterans with a combined disability rating of 50% or greater also qualify. Recipients of the award may reapply for additional annual awards up to six times.

### [Army Scholarship Foundation](#)

**Sponsor:** Army Scholarship Foundation

**Amount:** \$500 - \$2,000

Annually, the Army Scholarship Foundation presents a one-year financial aid scholarship focusing on academic, school and community service activities. Recipients may reapply each year for up to four years.

### [Enlisted Association of the National Guard of the United States \(EANGUS\) Scholarships](#)

**Sponsor:** EANGUS

**Amounts:** Variable

EANGUS offers up to nine scholarships for EANGUS members and family members. Amounts vary and are offered to qualifying applicants.

### [Gemological Institute of America Scholarship Fund for U.S. Veterans](#)

**Sponsor:** Gemological Institute of America (GIA)

**Amount:** Variable

This scholarship is awarded to veterans, including reservists and National Guard personnel who are pursuing a career in gemology. Applicants must present proof of military service to apply for this scholarship. (Carlsbad campus only)

The [Montgomery GI Bill Active Duty \(MGIB-AD\)](#) can help pay for education and training programs if you've served at least 2 years active duty.

The [Post-9/11 GI Bill](#) is available to active duty servicemembers and veterans if one of several qualifications is met. Qualified servicemembers may receive up to 36 months of educational benefits.

The [Yellow Ribbon Program](#) can help pay for higher out-of-state, private school, foreign school or graduate school tuition and fees that the Post-9/11 GI Bill doesn't cover.

### [George and Vicki Muellner Foundation Scholarship](#)

**Sponsor:** The George and Vicki Muellner Foundation

**Amount:** \$5,000

The George and Vicki Mueller Foundation awards two \$5,000 scholarships to members of the Arnold Air Society and Silver Wing for undergraduate studies.

### [Military Award Program](#)

**Sponsor:** Imagine America Foundation

**Amount:** Variable

The Imagine America Foundation provides funding to support active duty servicemembers, reservists, honorable discharged and retired veterans who are enrolling into a participating college.

### [National Military Family Association](#)

**Sponsor:** Various Educational Institutions

**Amount:** Variable

The National Military Family Association partners with various educational institutions to provide scholarship opportunities for military spouses. Registration is required for access to scholarship information.

## Other Scholarship Resources

[Federal Student Aid](#)

[For Members of the U.S. Armed Forces](#)

[Florida Department of Education](#)

[Military OneSource](#)



# RETIREMENT PLANNING

Saving in spite of every day challenges can be difficult without a plan. A good retirement plan includes these elements: an estimate of your desired retirement age, an idea of how much money you will need for essentials and non-essentials, the required annual contributions you will need to reach your goal and the types of investments that will help you meet your desired retirement age. These tips can help.

Don't plan to rely solely on the pension you qualify for after 20 years of military service. Things happen and you may end up deciding not to serve the required amount of time to receive full retirement benefits. Also, your monthly pension amount may not fund the lifestyle you'd like in retirement. A buffer savings of 10% is suggested, and if you over-save on retirement, you can use this for college costs, charity, etc.

Remember the basics of budgeting and pay yourself first. Learn to live below your income and don't borrow against your retirement savings. Take full advantage of the benefits afforded to servicemembers. Work up to maxing out the amount you can contribute to your investment and savings accounts. Do your online research to learn about different investment funds and how and when you will pay taxes on your contributions or withdrawals.

Take a retirement job. Working part-time can make your retirement nest egg last longer and provide you with the emotional benefits of being around people.

Think about what you want to do when you retire and focus on activities that challenge and excite you. When you do retire, pay attention to your finances but try not to worry about them.

## ***Blended Retirement System***

One of the key benefits of serving in the Uniformed Services is the retirement plan. The National Defense Authorization Act for Fiscal Year 2016 created a new retirement system for members called the [Blended Retirement System \(BRS\)](#). The BRS blends the traditional legacy retirement pension (known as a defined benefit) with a defined contribution benefit into a Thrift Savings Plan (see [page 3](#)). This significant change allows servicemembers to receive some retirement benefits even with less than 20 years of service.

Servicemembers who joined the service before January 1, 2006 will remain in the legacy retirement system. If you joined the service on or after January 1, 2018, you were automatically enrolled in the BRS. If you joined between January 1, 2006 and December 31, 2017, you had a choice to stay in the legacy system or enroll in the BRS. The last day to enroll in the BRS plan was December 31, 2018.

The BRS has three parts: a [Thrift Savings Plan \(TSP\)](#), which is like a civilian 401(k) retirement savings plan; a "continuation pay" bonus after 12 years of service if you choose to reenlist and an annuity payment for life after 20 years of service.

[Calculate your pension under the BRS](#)

## ***Legacy High-3 (High-36) System***

Servicemembers in the legacy High-3 system must have begun their service by December 31, 2017. Also called High-36 or "military retired pay," this is a defined benefit plan. You need to serve 20 years or more to qualify for the lifetime monthly annuity. Your retirement benefit is determined by your years of service. It's calculated at 2.5% times your highest 36 months of basic pay. TSP contributions are not matched by the government.

[Calculate your pension under the legacy High-3 System](#)

### ***More Retirement Information***

[A Guide to the Uniformed Services Blended Retirement System \(BRS\)](#)

[Military Separation and Retirement – The Essentials](#)

[Military Compensation – Retired Pay](#)



# RESOURCES

## **Consumer Financial Protection Bureau**

The Consumer Financial Protection Bureau (CFPB) is a government agency that makes sure banks, lenders and other financial companies treat consumers fairly. Their consumer education resources help consumers understand and plan for big monetary goals like buying a house or car, paying for college, retirement planning and also how to navigate the military financial lifestyle. The **Office of Servicemember Affairs (OSA)** at the CFPB provides assistance for servicemembers, their families and veterans through **every step of a military career**.

## **Federal Trade Commission**

The Federal Trade Commission (FTC) works to prevent fraudulent, deceptive and unfair business practices. The FTC offers the latest in **Consumer Advice** to help consumers recognize, prevent, avoid and **report scams and fraud**. They also have a one-stop resource for victims of identity theft. **IdentityTheft.gov** provides checklists and sample letters to guide you throughout the identity theft recovery process.

## **Florida Department of Financial Services**

The Department of Financial Services, **Division of Consumer Services**, offers guidance and resources that educate consumers about insurance and financial topics. **Financial Frontlines** is a financial literacy initiative geared towards the military community to help with money management through every phase of military life.

## **Florida Department of Veterans' Affairs**

The Florida Department of Veterans' Affairs seeks to ensure veterans, their families and survivors are provided with earned benefits, quality long-term health care, education and support.

## **Military Consumer**

Military Consumer is a joint initiative to empower active duty and retired servicemembers, military families, veterans and civilians in the military community. They offer free resources help consumers make better-informed decisions when managing money.

## **Save and Invest**

Whether on base or deployed overseas, it is crucial that military servicemembers have access to financial education information that enables them to make prudent saving and investing decisions for themselves and their families.

## **U.S. Department of Veterans Affairs Education and Training Guide**

The Education and Training Guide assists servicemembers and veterans with choosing the correct institution to ensure it meets their educational needs.

## **U.S. Department of Veterans Affairs Identity Theft Prevention**

In today's digital world, you are more likely to have your identity stolen than your car. As a veteran, you have more to protect than the average citizen. In addition to your personal accounts, you also need to protect your personally identifiable information (PII) and personal health information (PHI).



[MyFloridaCFO.com/FinancialFrontlines](https://MyFloridaCFO.com/FinancialFrontlines)  
October 2025