THE GEORGIA MILITARY CONSUMER PROTECTION GUIDE

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FOREWORD
FROM ATTORNEY GENERAL SAM OLENS

Dear Servicemembers, Veterans and Military Families,

Georgia is honored that you have chosen to live in the Peach State. Our office wants to make sure we are doing everything we can to safeguard those who are currently serving in the Armed Forces or have done so in the past.

Unfortunately, we know that unscrupulous individuals often devise schemes to defraud our military population. There is also a critical need for general consumer education to help people successfully navigate everyday transactions. This guide was designed with the hope of helping military consumers become better educated about their rights and responsibilities in the marketplace, and giving them the tools to detect and avoid scams.

I want to thank Georgia Watch for developing this guide. A number of the laws contained in it are enforced by the Attorney General's Office. I encourage you to use this resource and hope you will find it helpful.

Sincerely,

Sam Olens
Attorney General

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INTRODUCTION

The purpose of the Georgia Military Consumer Protection Guide (which we'll call "the Guide") is to make you more knowledgeable about the marketplace: its dangers, its benefits, and the places in between. While much of it will be relevant to civilians, it mainly focuses on active duty Servicemembers, veterans, and their families. Military families are at a shockingly high risk for scams and deceptive business practices. The Guide will teach you how to protect yourself from common scams and inform you about your rights as a consumer.

This Guide will also teach you about some of the consumer benefits of being a Servicemember, such as the Basic Allowance for Housing and Tricare health insurance. It also explains special laws that protect Servicemembers, such as the Military Lending Act and certain sections of the Servicemembers Civil Relief Act. Finally, it covers challenges that every consumer faces, such as buying a car and creating a household budget.

Each chapter begins with a short introduction about its subject. The chapters are written in an outline form to make them easier to read. They are broken up by topic, which usually have subsections that address specific issues. Most sections have links that show where they got their information or point to a helpful resource.

Keep in mind that relevant topics about a single subject may be spread across different chapters. For example, most of the information on car insurance can be found in the Insurance chapter rather than the Buying a Car chapter. When this happens, the Guide will reference where you can find more information.

Accompanying each chapter is at least one infographic. These infographics give a visual presentation of a law or topic related to the chapter. They try to familiarize you with the subject matter and give you some key information. However, an infographic's explanation usually won't tell you everything you need to know about that subject; you will have to read the chapter to better understand the material.

That being said, even the chapters cannot always give you a full explanation of a subject. Some topics such as the GI Bill are very complex and detailed. Moreover, your unique situation may change how the law applies to you or what course of action you should take. Since this Guide is not giving legal advice and is not a substitute for a lawyer, it usually gives you a resource that can help you at low or no cost.

BUYING A CAR

OVERVIEW & PURPOSE

In our survey of Georgia military bases, Servicemembers and their families consistently ranked buying a used car as one of their highest priorities. This chapter will give you a step-by-step overview of the used-car buying process. That process includes figuring out your budget, researching cars and sellers, inspecting the vehicle, and negotiating the final sale price.

This chapter will also tell you about some common car buying pitfalls. They include legitimate practices like spot delivery and outright scams like odometer fraud. All of the information in this chapter is designed to make sure that you buy a functioning car that fits your needs and your budget.

HOW MUCH CAN YOU AFFORD TO SPEND?

- Although most of this chapter focuses on buying a used car, the first two sections will be relevant whether you are buying new or used.

- Most people have to take out a loan to buy a car. This means they will have to make payments every month until the loan has been paid off.
  - This can sometimes take several years.

- Before you get started, you need to figure out how much you can afford to spend on monthly payments. Therefore, you need to know your monthly budget (how much money you are making vs. how much you are spending).
  - The amount left over will be your surplus income that you can devote to monthly car payments.
  - Your monthly car payments shouldn't be more than roughly 20% of your total take-home pay (e.g., if you make $1,000 a month after taxes, your monthly car payments should be $200 at the most).
  - See the Personal Finance chapter for more information on creating a budget.

- Getting a car loan is often referred to as "vehicle financing." Financing is like a loan; it will help you pay for something you couldn't otherwise afford. You can get financing from a bank/credit union or a dealership. It is important to talk to a bank or credit union before going to a dealership.
  - This will allow you to compare any loan offers that a dealership might make, so you can finance your vehicle through the entity that is offering the most favorable loan terms.

QUICK TIPS
ON BUYING A USED CAR

RESEARCH 01

Compare how much money you make versus how much you spend to see what your budget is.

Get a vehicle history report for each specific car you are interested in buying.

QUESTIONS 02

Ask the seller about the car's mileage, features, and overall condition.

Ask about the car's warranty (for a dealership) or its service history (for a private seller).

INSPECTIONS 03

Do a personal inspection of the car and take it for a test drive.

Have a mechanic do a diagnostic test and inspection of the undercarraige.

NEGOTIATION 04

Always take your time and don't let the seller pressure you into making a decision.

Get all agreements in writing, read everything carefully, and understand what it means before signing it.

FINALIZING 05

Make sure you sign and receive all documents you need, including the Bill of Sale and the Certificate of Title.

Remember that most used cars are sold without a warranty and there is no "cooling off" period for you to back out of the sale.

TIPS FOR BUYING A USED CAR[1]

Introduction

- There are several goals to keep in mind when buying a used car. You want to make sure that:
  - The car works
  - The car is safe to use
  - You don't get stuck with any unexpected and expensive repairs
  - You pay a fair price based on the condition of the car
- Keep in mind that only new cars are covered by the Georgia Lemon Law.[2]

[1] https://www.consumer.ftc.gov/articles/0055-buying-used-car.

[2] http://consumer.georgia.gov/consumer-topics/buying-a-new-or-used-vehicle;

THE GEORGIA LEMON LAW

A BASIC OVERVIEW

NEW

Only covers NEW vehicles bought, leased, or registered in Georgia

Only covers warranty issues, defects, or conditions that lower the value, safety or use of your vehicle

Coverage Period: defect or condition must occur within 24 months or 24,000 miles from delivery, whichever comes first

With most defects, you must give the manufacturer 3 attempts to fix the problem plus 1 "final attempt"

A different process applies for cars with life-threatening defects or cars out of service for 30+ days

If the manufacturer can't fix the problem you can ask it to buy back or replace your vehicle

You may be required to file an informal claim with the manufacturer

If the manufacturer won't buy back or replace your vehicle, you can apply for free State Operated Arbitration

You must apply to the AG's office within one year of the end of your coverage period

Eligible disputes will be heard by an experienced arbitrator

If you win, the manufacturer must replace or buy back your vehicle, whichever you choose

If you have questions, call the Georgia AG's office at: (404) 656-3569

ADMINISTERED BY THE GEORGIA ATTORNEY GENERAL (AG)

For more specific information visit www.law.ga.gov/lemonlaw

TIPS FOR BUYING A USED CAR[1] (continued)

What kind of research do I need to do? [2]

- The first thing you need to do is determine your budget for buying a car.
  - See the section titled ***"How Much Can You Afford to Spend?"*** at the beginning of this chapter.

- The next step is figuring out what type of car you want to buy. It is extremely important that you **do your research before you talk to a seller.**

- There are many factors that you will need to consider, including [3]

  - **The number of passengers you need to carry**
    - For example, sedans tend to carry four to five people. SUVs and minivans can carry seven to eight people. Trucks usually carry three to five people.
  - **The amount of cargo you need to carry**
    - Beyond the actual cargo space, you need to consider engine power. Large engines like a V8 do a better job hauling heavy loads.
  - Fuel economy
    - You can visit www.fueleconomy.gov for helpful tools, such as a side-by-side comparison of gas mileage across different vehicles.
  - **Comfort**
    - This will depend upon a number of factors, such as the quality of the interior and the smoothness of the car's ride.
  - **The kinds of conditions you will likely be driving in**
    - Most cars have front-wheel drive (FWD), which is good for paved roads and city traffic. Some vehicles have rear-wheel drive (RWD), which helps them perform heavy towing.
    - All-wheel drive (AWD) is good for driving in bad weather and off-road. Four wheel drive (4WD) gives you the best traction for driving through water, on rocks, or up steep, off-road inclines.
  - **Safety rating**
    - The federal government requires that all vehicles be crash tested and given a safety rating. It keeps records of safety testing as well as recall and defect information.
    - You can search safety ratings by model at www.safercar.gov.
  - **Style**
    - The way a car looks is not something you have to think about, but most buyers do. Avoid the pitfalls of overpaying for a cool looking car. See "Are Cool Cars Worth the Cost?" [2]

[1] https://www.consumer.ftc.gov/articles/0055-buying-used-car.

[2] http://consumer.georgia.gov/consumer-topics/buying-a-new-or-used-vehicle;

TIPS FOR BUYING A USED CAR[1] (continued)

- To get the best of some of these factors, you will likely have to give up something in another area. For example, if you need a pickup truck to haul heavy loads on a daily basis, you will lose savings in fuel economy.
  - Ultimately, you will need to balance these factors against each other and decide which ones are most important to you.
- Remember to look for certain information when doing your research on specific makes and models.
  - This information includes safety rating, most common repairs and maintenance, and recall information.
  - You can find this type of information at www.autosafety.org or www.nhtsa.gov.
  - NADA Guides, Edmunds, and Kelley Blue Book also have useful tools, such as car comparisons and car reviews.[2]
- When you feel confident about the type(s) of car you are looking for, you will need to decide where you are going to buy it.

Where should I buy a used car?

- There are many different kinds of used-car sellers, from large dealerships to private individuals to online websites.
  - **REMEMBER:** It is very important that you do your research before you visit a seller or dealership. You don't want to make an impulsive and uninformed decision. You want to make sure that the car you buy fits your needs, is within your price range, and is in good condition.

- Consumer Reports' Used-Car Buying Guide has a section on **where to shop for a used car.**[2] This source will tell you about some of the benefits and drawbacks of each type of seller.

- Pick two or three different sellers to compare prices. This will make it easier to walk away from a seller that seems dishonest or is just asking too much.
  - Check out the reputation of dealerships by using the **Better Business Bureau** (www.bbb.org). Look for repeated complaints of certain behavior, such as odometer fraud.

- Read any advertisement carefully and take anything it says with a grain of salt. Some ads offer special deals, but may have certain conditions or restrictions hidden in the fine print. Read carefully and look for these hidden details. Be sure to ask the seller about any special offers you are interested in or any fine print you see.

- Regardless of where you buy your car, remember to trust your instincts and your judgment of other people's character. If a deal sounds too good to be true or if a seller strikes you as untrustworthy, it's better to just walk away.

- Important things to do before visiting any seller
  - Make sure you know your credit score. Some credit card companies include your credit score on your monthly statement. Otherwise, you can purchase your credit score from one of the credit reporting agencies.
    - See the chapter on **Loans and Credit** for more information.
  - If you haven't already done it, get prequalified for financing from your bank or credit union. This is especially important if you might use dealership financing. You'll want to know whether the terms that the dealership offers are better than what you can get elsewhere.

[1] https://www.consumer.ftc.gov/articles/0055-buying-used-car.

[2] http://consumer.georgia.gov/consumer-topics/buying-a-new-or-used-vehicle;

What do I do after I've narrowed my search down to a few sellers?

- There's still some more research you need to do before you contact the seller.
- You need to determine **the car's true value** regardless of what the seller is asking.
  - Edmunds, Kelley Blue Book, NADA Guides, and TrueCar can help you figure out the worth of the car based on its age and condition.[2]
  - You will also need to consider the cost of the car's upkeep if you haven't already. As previously mentioned, Edmunds and Kelley Blue Book have tools for these calculations.[3]
  - Your ability to figure out the car's true value may be limited by how much information is given in the listing. If you need more information, make sure you get it when you contact the seller. You can hold off discussing the price until you've had a chance to assess the car's real value.

- Besides the fair-market values of the cars, you will need to determine the actual cost to own those particular vehicles.
  - The total cost of the car will depend on several things including:
    - The car price you negotiate for;
    - The Annual Percentage Rate (APR);
      - This number combines the loan's interest rate and finance charges; it represents the total cost of a loan and lets you compare different loans from different lenders.
    - The length of the loan; and
    - Any state and federal sales tax.
  - When you know what type of car you are looking to buy, **you will need to factor in other costs,** such as routine maintenance and fuel expenses.
    - Edmunds and Kelley Blue Book have tools that will help you with these calculations.[2] However, you should know that these tools sometimes only work for cars made in certain years.
    - The **cost of your car's insurance** will be another important expense to consider.
      - The cost of your insurance will depend on the car's age, mileage, and resale value. It can change throughout the life of the vehicle.
      - See the section ***Car Insurance*** in the Insurance chapter for more details.
  - Kelley Blue Book, Edmunds, and NADA Guides all have calculators that can help you determine what you can afford to pay and estimate your monthly loan payments.[3]
  - Georgia residents, regardless of where they buy their cars, have to pay Georgia's title ad valorem tax (TAVT) when they register them in this state. [4]
    - You can calculate your TAVT using the Department of Revenue's Title Ad Valorem Tax Calculator. [5]
    - The dealer has 30 days (with one extension) to send the TAVT to the Tax Commission.
  - When you've taken all of these factors into consideration, you can compare the cost of the car to your monthly budget to see if you can afford it.

- You should also get a vehicle history report for each car. This will give you information about the car such as its accident history and recent mileage. It can tell you whether the odometer's mileage has been tampered with and whether the car has been salvaged or flooded. You can purchase a report from AutoCheck (www.autocheck.com) or Carfax (www.carfax.com).
  - The seller may have a vehicle history report from AutoCheck or Carfax on hand. Even after you look at this report, you should still purchase your own copy. The seller's copy may be out of date and dishonest sellers can change or forge its information.
  - Keep in mind that even a recent report's information can sometimes be incomplete as it is not always automatically updated. You will still need to have the car **inspected by a mechanic.**

[1] https://www.consumer.ftc.gov/articles/0055-buying-used-car.
[2] http://www.edmunds.com/appraisal/; http://www.kbb.com/used-cars/; http://www.nadaguides.com/Cars; www.truecar.com.
[3] http://www.edmunds.com/tco.html; http://www.kbb.com/new-cars/total-cost-of-ownership/.
[4] http://www.edmunds.com/tco.html; http://www.kbb.com/new-cars/total-cost-of-ownership/.

What questions should I ask the seller?

When you've found a car you're interested in and have done the necessary research, call the seller or set up a phone call so that you can ask a few questions..

! You may already know the answer to some of these questions based on the information given in the listing. You should still consider asking them, especially more general questions, because the seller may bring up something you wouldn't have thought to ask about.

1 **Regardless of the type of seller, you will want to ask about the car's mileage, features, and overall conditions.**

2 **If you're buying from a dealership, ask if the car has a warranty and, if so, what its terms are.**

3 **For a private seller, you'll want to ask about the car's maintenance and why he or she is selling it.**

4 **You should also ask if the car has any liens or security interests against it.**

- Car buyers often use the dealership or a bank to finance the purchase of the car. Until the loan is paid, the car has a lien or security interest against it. This means that the lender can legally come and take the car if the borrower doesn't make the necessary payments. It also means that the lender holds the title to the car.
- The car's certificate of title and vehicle history report should say whether it has any liens, but you should ask the seller anyway. If he or she lies to you, walk away.
- If the car has a lien on it, you should not buy it until the owner has paid off the underlying loan. This might delay your purchase of the vehicle, but you can't get the car's title until the lien is taken care of.

These are just a few of the questions you should ask. A more detailed list of questions can be found at:

- Carbuyingtips.com's Questions to ask a seller when buying a used car, and
- Consumer Reports' How to Avoid a Lemon Car, Ask the Right Questions.

What should I look for during my personal inspection?

- Before you get your first physical look at the car, make sure you bring along a notepad and pen. You'll want to write down anything of interest that you see and that you will want to mention to your mechanic.

- You should also bring someone with you like a friend, a relative, or a spouse. He or she will be able to help you with your inspection (for example, checking to see if the headlights work).

- If you find any problems, such as the ones listed below, ask the seller about them. You will have to decide for yourself whether the seller's answer is reasonable or believable.

- Make sure to print out the advertisement or listing and bring it with you when you meet the seller. You'll want to ensure that the description of the car in the listing matches reality.

- Lastly, make sure you inspect the car in the daylight. You will have a hard time getting a genuine picture of the car's condition if you inspect it at night even if the car is under bright lights.

- Start with the exterior of the car, including the body condition and tires
  - Look out for panels that are misaligned or have a different paint color or finish than the rest of the car. These are signs of an accident.
  - Make sure the treads on the tires are in good condition and evenly worn.

- Next, check out the car's interior, including the fabric and dashboard controls.
  - If the fabric has a musty or moldy smell, the car may have flood or other water damage. Wet spots or mildew on the fabric or under the floor mats are also signs of water damage.
  - Test every button, switch, and lever and look out for any broken pieces.
  - Make a note of the odometer reading.

- After that, you'll want to take a look under the hood. Even if you're not an expert on cars, there will be certain indicators of trouble.
  - Look for signs of corrosion on the engine and battery or signs that these parts have been repainted (which may be hiding damage).
  - Check the engine's oil. Signs of possible engine troubles include gray, foamy or milky oil, water droplets on the dipstick, or metallic particles in the oil.

- Finally, take the car for a test drive. Drive for at least 15 minutes.
  - Listen to the engine for any unusual noises like pings or knocks.
  - Try to drive it across a variety of conditions, including bumpy roads, up and downhill, and on the highway.

- These are just a few examples of the many things you will need to inspect. A more detailed list of what to look for can be found at:
  - Consumer Reports' How to Avoid a Lemon Car, Inspect It Carefully, and
  - Military.com's Lemon Cars: How to Spot Them.

- Not every problem you see is necessarily a dealbreaker. Even if the car you are interested in only has minor problems, you will want to know about them ahead of time. You will want to have the seller fix them or lower the asking price if you are going to fix them yourself.

- However, some of these details may indicate bigger and more expensive problems. The most important thing is to know what you are getting into before you hand over your money.

What's the next step after my personal inspection?

- If you think the car is worth buying after your personal inspection, you need to **take it to a mechanic** who does diagnostic work. Check with the shop beforehand for the exact price of a diagnostic test. Remember that the money you spend now could save you thousands of dollars later.

- If possible, **choose a mechanic you know and trust.** You don't want to take it to a mechanic selected by the seller.

- Tell the shop your situation and ask that they give you a **detailed, written report of any problems they find** and the cost to repair them. If you found anything troubling during your own inspection, make sure you mention it to the shop.

- In addition to the diagnostic test, ask the shop to put the car on a lift and **inspect the undercarriage.** Ask them to look for any dents, welds, or a fresh undercoating. These may be signs that the car was in an accident.

- If the seller is a private individual and is reluctant to let you take the car to a shop, offer to follow him or her while you both drive there.

- A dealership will usually let you take the car to a shop if you leave some identification with them. If the dealership tells you that an independent inspection is unnecessary or has already been done, you should insist that you be allowed to take it to a mechanic of your choice. **Be wary of these dealers.**

What should I do when I'm ready to buy a car?

- If neither inspection reveals a major problem, you can begin negotiating the actual purchase price.

- When you're ready to start negotiating, the most important thing to do is to **take your time.**
  - You may feel that you need to get a car as quickly as possible. But you must remember that you don't want just any car, you want a car that actually works and is safe to drive. Finding such a car takes time and effort, but it's well worth the investment.
  - Rushing into a purchase may actually set you further back. If you buy a car that turns out to be a lemon, you will end up wasting the money you spent and will spend even more money trying to fix the problem.

- Remember to take the results of your inspections into consideration.
  - If something in the car needs to be fixed, use the mechanic's estimate on the repair cost to lower the car's purchase price. For example, if the car needs $500 in repairs, you should get $500 off the asking price.

- If you are buying from a dealership, they are legally required to have a **Buyer's Guide** with every car they sell. The Buyer's Guide will tell you:
  - Whether the car is being sold as-is (meaning you will be responsible for any repairs) or with a warranty;
  - If there's a warranty, what parts of the car and the cost for labor and parts that it will cover; and
  - The major mechanical and electrical systems in the car and the major problems to look out for.

If you have to sign something, read it carefully.

- If you have trouble understanding something, ask the seller about it.
- If you're still unsure about the meaning or seller's explanation, ask for a copy of the document to take with you. You can research the term or have someone else look at it.
- Many people may feel it is normal to sign a contract without reading it. Normal or not, you will have to follow the terms of anything you sign and a court will not care whether or not you read them.

How do I negotiate the best price?

For most people, especially first-time buyers, negotiating the price is probably the most intimidating part of buying a car. However, if you've followed the advice given in this guide, you'll have enough information to walk away with a fair deal.

Before looking at the differences in negotiating with a dealership versus a private seller, let's look at some advice that is helpful in both cases:

Know your numbers. Dealerships always try to sell a car for more than it's worth and a private seller may have no idea what its true value is.

- Knowing a car's fair-market value will protect you from overpaying. Having printed copies of the car's fair-market value will help strengthen your bargaining position.

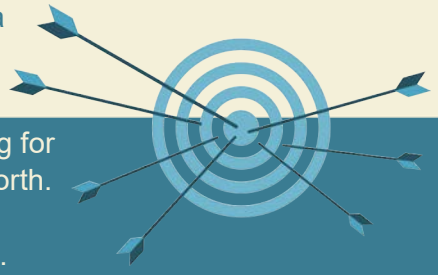
Bring someone with you. This is especially important when you negotiate the price. Depending on what you're comfortable with, this other person can help you lower the price by pointing out every single flaw in the car. At the very least, they can provide moral support and make sure that you aren't being taken advantage of.

Take your time. You should never negotiate under pressure or let someone force you into signing something or buying a car if you're not ready. Even after you've agreed upon a price, take a day or two to think things over. Just make sure you get the unsigned agreement in writing.

Always be prepared to walk away. If you've done your research then you know that there are other cars out there that meet your needs and your budget. Don't get attached to a specific car before you buy it and don't let a seller pressure you by saying that someone else is interested in it. You can let them know that you have other options too.

Stand up for yourself. In a negotiation, no one is going to look out for your interests except you. You don't have to be aggressive or hostile. In fact, a calm and polite attitude is usually more effective. Just remember that seller is trying to get the best deal for him- or herself, and you should be doing the same for yourself.

- It's also important to remember that even a personable and completely honest seller is not your friend. Dealerships in particular often use subtle, even friendly tactics to make a sale. You shouldn't feel any attachment or obligation to them.



Offer less than you're willing to pay. Since the seller is likely asking for more than the car is worth, it's only fair that you offer less than it's worth. This will make it more likely that you both can meet in the middle. If you need to raise your offer, do so in small increments ($100 or so).

- You shouldn't feel dishonest if the seller accepts an offer for less than the car's fair market value. There's a difference between what the car is worth and what you are willing to pay for it. Getting a bargain just means you negotiated effectively.

Know what your final offer will be and stick to it. You know how much you can afford to spend and you shouldn't go over that amount. If you stay firm on your final offer, there's a good chance that the seller will accept it. If they don't, then you can try one of the other sellers you picked out.

- Here is a list of resources that may offer more advice on negotiations:
  - Carbuyingtips.com, Used Car Negotiating Tips
  - Edmunds, How to Get a Used Car Bargain, Part Three
  - Consumer Reports, Negotiate a car effectively.

How do I negotiate with a dealer?

Negotiating with a dealership is almost always more complicated than a private seller, especially if you use dealer financing. This advice will make things simpler.

- Negotiate one thing at a time, starting with the price. Then you can move onto other parts of the deal, such as the value of your trade-in vehicle and the terms of your financing.
  - To value your trade-in you can use the same tools that you used to determine the value of the car you're buying.
  - Remember to focus on the monthly payments and not just the overall cost of the car.
- Know that verbal agreements are only as good as the paper they're written on. You must **get all agreements in writing** before you close the deal or the seller won't have to honor them.
- As always, make sure you **read everything carefully before you sign it** to ensure that nothing has been changed.

How do I negotiate with a private seller?

1. Bring copies of the car's true value that you gathered. These are even more important to show to private sellers because they will likely have less idea about the car's fair-market value. You'll need to be able to prove what it really is.
2. Most private sellers don't keep track of their service records. In these cases, you can use this to lower the price of the car because you can't make sure that the seller really took care of the car they way they claim to.
3. Use the other sellers you have identified to show this particular seller that you are willing and able to walk away from the deal. This will likely make the seller more willing to accept a fair bargain.

What documents are required to be part of a used-car sale?[1]

- When you're ready to buy the car, you need to make sure you get the right documents so that the purchase follows all the legal requirements. The exact documents will depend on whether you are buying the car from a dealership or a private seller.

- The following documents must be a part of any used-car sale, regardless of who the seller is:

  - **Bill of Sale:** The seller should have this document signed and ready when you pay for the vehicle. This document is important because you will need it to register the vehicle and get a license plate.
    - It will contain the price of the vehicle and any other terms you agreed to. Make sure that any verbal agreements are put in writing or the seller won't have to honor them.

  - **Certificate of Title:** This document establishes which person has legal ownership of the car.

    - If you are buying from a private individual, the seller must fill out the transfer information on the back of the title before you buy the car. When applying for a title in your name, make sure you take the title with you. You must promptly apply for a new title in your name at a tag office in the county where you plan to register the car.

    - If you buy the car from a dealership, you should also have the title transfer filled out before you get the car. If you are financing the purchase of the car, the dealership or bank or whoever is providing the financing will hold on to the title until you pay off the loan. Unlike a private seller, a dealership is required to apply for your new title.

  - **Odometer Disclosure Form:** This states the car's current mileage.
    - Certain vehicles do not require this document. Those vehicles are listed here.[2]

In addition, a dealership must give you:

- Buyer's Guide: This will have information about the car's warranty (if any) and the major problems that may occur, among other things.
  - The Federal Trade Commission requires dealerships to have a Buyer's Guide for each used car they sell. You are entitled to the original Guide or a copy at the time of sale.

- Finance Agreement (if you financed the car through the dealership):
  - Any financing agreement must be in writing (usually referred to as a Retail Installment Contract). You are entitled to a completed copy after you sign it. Of course, you should not sign the agreement until you have carefully read and understood its terms.

[1] http://www.consumered.com/answers/post/Make-sure-you-receive-these-documents-when-you-buy-a-car.aspx
[2] https://dor.georgia.gov/odometer-disclosure-information#field_related_links-486-3

What do I do if my used car is a lemon?

- As mentioned at the beginning of this section, **used cars are not covered by the Georgia Lemon Law.**
- In addition, there is no "cooling off period" that lets you back out of a deal within a certain number of days. Once you've bought a used car, you're stuck with it.
- The best way to protect yourself from buying a used lemon is to follow the advice given in *Tips for Buying a Used Car,* especially getting a vehicle history report and an inspection by an independent mechanic.
- If, despite your best efforts, your used car turns out to be a lemon, you may still have some options.
- If you bought the car "as is" from a dealership, you only have a case if the dealer said something about the condition of the car that he or she knew to be false.
- If you need to contact a lawyer, the American Bar Association or the State Bar of Georgia have a list of programs in Georgia that help Service members, veterans, and civilians.[1]
- If you bought the car from a dealership, you can also report it to the Better Business Bureau (BBB). The BBB Military Line deals specifically with Servicemembers and veterans. You can reach the BBB Military Line by contacting your local BBB, which you can find at www.bbb.org.
- The BBB also has a list of Military and Veteran Consumer Resources.[2]

Common Car Buying Pitfalls

SPOT DELIVERIES[3]

- In a spot delivery, the dealer allows the buyer to take the car home after they agree to financing terms, but before those terms have been approved by the bank.
- This is legal, but can lead to trouble if the financing falls through. To protect yourself, don't take the car off the lot and don't give away your trade-in vehicle until the financing has been approved.

BUY HERE, PAY HERE DEALERSHIPS

- "Buy here, pay here" dealerships will loan you money to buy a car, but usually charge high interest rates. This means that you will pay more in the long run. If you miss a payment, the dealership will often repossess the car and refuse to return your down payment or any other payments you have made. These dealerships usually rely on high-pressure tactics, so make sure you read everything in the contract before you sign it.

LOAN PACKING

- Some dealers will sneak add-ons into the sales contract; this practice is called loan packing. These add-ons can include extended and limited warranties, GAP insurance, and protection for fabric, paint, and tires. You do not have to agree to these added costs. If a dealer or advertisement offers a vehicle at a particular price, you should not be asked to pay any more for the car other than tax, tag, title, and registration fees.

[1] americanbar.org/portals/public_resources/aba_home_front/directory_programs/georgia.html
[2] http://www.bbb.org/globalassets/local-bbbs/council-113/media/bbb-military-line/mil-vet-consumer-resources.pdf
[3] http://consumer.georgia.gov/consumer-topics/spot-delivery-pitfalls

Common Car Buying Pitfalls (CONT.)

ODOMETER FRAUD [1]

● Dishonest sellers can change the odometer to make it look like the car has been driven fewer miles than it really has. Some will also put false information on their odometer mileage disclosure statements. Both of these are crimes in Georgia.

● If you are defrauded by one of these actions, or any other that is prohibited, you can sue the seller for three times the amount of money you lost or the minimum amount allowed by law ($1,500 under state law and $10,000 under federal). You should have an attorney look at your case before you file anything in court.

● The best ways to protect yourself from odometer fraud is to follow the advice in ***Tips on Buying a Used Car.***

○ Compare the wear of the car observed during your personal and mechanic's inspections of the odometer mileage

○ Compare the mileage on the odometer to the mileage on various documents such as the vehicle history report and service records

WRECKED AND SALVAGED VEHICLES [2]

● Both dealers and private sellers may try to trick you into thinking that a damaged vehicle is perfectly fine. This can include a number of things from flood damaged vehicles to cars that have been in serious accidents. Even a car that has been repaired is worth less than one that has never been in an accident. Moreover, the damage could have caused any number of additional problems, including electrical malfunctions, missing airbags, and faulty parts.

● The best way to protect yourself from unknowingly buying a damaged car is to follow the advice given in ***Tips for Buying a Used Car.*** Do a personal inspection, looking at the condition of the car's interior and exterior, and have a mechanic look at the engine and undercarriage. You should also check the car's vehicle history report.

Filing a complaint about a dealership

● You can contact the Georgia Department of Law's Consumer Protection Unit at 404-651-8600 or 1-800-869-1123 (toll-free in Georgia, outside of the metro Atlanta calling area). They answer calls Monday through Thursday (8:30 am to 5:00 pm) and Friday (8:30 am to 4:30 pm).

● You can submit a complaint form by mail (address: 2 Martin Luther King Jr. Drive, Suite 356, Atlanta, Georgia 30334-9077), fax (404-651-9018), or online (http://consumer.georgia.gov/form/consumer-complaint/step1).

● Go to http://consumer.georgia.gov/consumer-services/filing-a-complaint for more information.

● File a complaint with the Better Business Bureau (www.bbb.org) and the Georgia Board of Used Motor Vehicle Dealers (sos.ga.gov/plb/submitcomplaint.php).

[1] http://consumer.georgia.gov/consumer-topics/odometer-fraud; O.C.G.A. § 40-8-5.
[2] http://consumer.georgia.gov/consumer-topics/flood-damaged-vehicles; http://www.consumerreports.org/cro/news/2015/03/used-car-disasters/index.htm

Housing and Renters' Rights

OVERVIEW & PURPOSE

Finding the right housing is never easy, but it can be especially difficult for active duty Servicemembers and their families. Unlike Buying a Car, this chapter's main focus is not on the actual steps it takes to rent or buy housing. It mainly gives you an overview of the benefits and protections available under the law. Most of the chapter centers on military specific topics, such the Basic Allowance for Housing and VA-guaranteed home loans. However, other items like Renter's Rights apply equally to civilians and Servicemembers.

Nevertheless, this chapter will give you some basic information on the different benefits of buying and renting, as well as what you should think about when considering the purchase of a home.

RENTERS' RIGHTS AND DUTIES

Your Other Rights as a Tenant*:

1. Landlord cannot enter the property without permission unless there's an emergency
2. Freedom from unreasonable, disruptive conduct like excessively loud music
3. Can't be charged a fee for ordinary wear and tear on the property
4. Don't have to pay rent if property has become truly uninhabitable (e.g., flooded) and you move out
5. Can have visitors as long as they are not disruptive*

Your Landlord's Duties to You:

1. Giving truthful answers to direct questions about the property
2. Keeping the property safe
3. Making reparis
4. Keeping the property up to code
5. Keeping your utilities on even if you are late with the rent.

Your Duties as a Tenant:

1. Paying for any damage caused to the property by your guests
2. Telling the landlord (preferably in writing) about any necessary repairs

You DO NOT have these rights unless the lease clearly says otherwise:

1. A "cooling off" period that gives you a few days to back out of a signed lease
2. A grace period that lets you pay the rent late without consequence
3. Partial rent payment without consequence
4. Subtantially changing the property without permission
5. Access to a parking lot

** UNLESS LEASE STATES OTHERWISE*

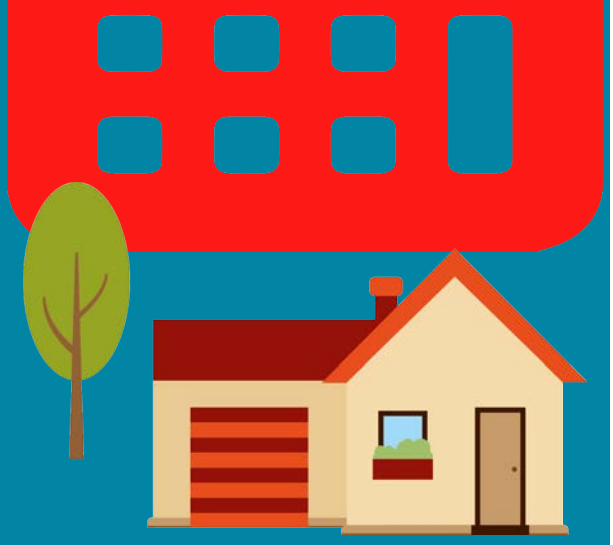
BASIC ALLOWANCE FOR HOUSING (BAH)

BAH compensates Service members who do not live in government housing. The amount you get depends on several things, including:

○ Where you're stationed; ○ Your pay grade; AND ○ Your dependency status.

You can use the BAH Calculator to determine how much your allowance will be.[1]

For example, an E-1 with no dependents stationed at Ft. Benning (zip code: 31905) would have a BAH of $999 in 2016.



- You can get BAH if you are stationed in any of the 50 U.S. states.
- BAH does NOT cover your actual housing costs. It gives you an allowance based on the average rental prices in your area.
  - ○ If you spend more than your BAH on housing, you must pay for those costs yourself. If you spend less, you can keep the remaining amount to spend on other things.
- Since BAH is tied to local rental prices, the amount that a Service member receives can change from year to year.
  - ○ For example, an E-1 with no dependents at Ft. Benning might receive $999 in 2016, but could receive more the next year if rental prices increased in that area.
  - ○ HOWEVER, BAH is rate protected, which means that you won't receive a smaller amount even if rental prices drop. For example, our E-1 receiving $999 in 2016 would receive the same amount in 2017 even if rental prices went down.
    - ■ You can lose your rate protection if your duty location, pay grade, or dependency status changes.
  - ○ On the other hand, if you become eligible for BAH right after rental prices have fallen in your area, you could get the new, lower amount because you are not rate protected.

RENTERS' RIGHTS

Much of this information comes from the Georgia Landlord Tenant Handbook, which you can read for more details. [2]

Your landlord has certain legal responsibilities, including:

- ○ Keeping the property in a safe and habitable condition;
- ○ Making repairs;
- ○ Making sure the property follows building codes;
- ○ Giving truthful answers to direct questions asked about the property;
- ○ Getting a court order before evicting you;
  - ■ This includes changing the locks and taking your possessions out of the apartment or house.
- ○ Keeping your utilities on even if you are late with your rent;
- ○ Installing smoke detectors; and
- ○ Notifying prospective tenants if the property is likely to flood.

[1] http://www.defensetravel.dod.mil/site/bahCalc.cfm
[2] https://www.dca.ga.gov/housing/housingdevelopment/programs/downloads/Georgia_Landlord_Tenant_Handbook.pdf

Renters' Rights (continued)

Renter's have other rights as well, although they can vary depending on the terms of your lease. Unless your lease says otherwise, you typically have the right to:

- Exclusive use of the property (meaning that, unless there is an emergency, the landlord cannot enter the property without telling you);
- Be free from conduct that is disruptive to an ordinary, reasonable person (e.g., excessively and continuously loud music);
- Not be charged for ordinary wear and tear to the property;
- Not have to pay rent if the property becomes uninhabitable (e.g., because of flooding); and
- Have visitors as long as they are not disruptive.

However, there are certain rights you do NOT have unless they are clearly stated in the lease. These include:

- A "cooling off" period that gives you a few days to back out of a lease after signing it;
- A grace period that lets you pay the rent late without incurring any fees;
- Partial payment of rent without consequence;
- Substantially altering the property (e.g., painting the walls a new color) without permission; and
- Access to a parking spot.

As a renter, you also have certain responsibilities towards the property and landlord. These include:

- Paying for any damage caused to the property by you or your guests; and
- Notifying your landlord (preferably in writing) about any repairs that need to be made

Most of your rights and responsibilities will be spelled out in a written lease, so it is extremely important that you read the lease carefully before signing it. If there is something in there that you don't understand, be sure to get an explanation

LEASES

DISCLOSURES

The Consumer Leasing Act requires landlords to give renters certain information about the lease and the property. This information includes:

- The number, amount, and due dates of payments;
- The conditions under which the renter can end the lease; AND
- Certain fees or charges that the renter must pay or may have to pay

ENDING A LEASE

Georgia law (O.C.G.A. 44-7-22) allows Servicemembers to end their residential leases under certain conditions.

- These conditions include receiving orders to move 35 miles or more from their residence OR into government housing.
  - Service members must give at least 30 days written notice to their landlord.
- If you meet one of these conditions, you only have to pay for the rent that is due under the agreement. This amount is prorated to the day you actually end your lease.
  - For example, if your monthly rent is $500 and you move out on June 15th, you will have to pay about $250.05 (or $16.67 for each of the 15 days).

Georgia law (O.C.G.A. 44-7-37) also limits how much rent you have to pay if you sign a residential lease for yourself or an immediate family member and later receive a change-of-station order lasting more than three months.

- If this happens to you, you only have to pay up to 30 days rent and the cost to repair any damage caused by something you did (or did not do, but should have).

LEASES (CONTINUED)

The Servicemembers' Civil Relief Act (SCRA) (50 U.S.C. 535) allows active duty Service members to end a residential or business lease if they receive PCS or deployment orders after signing it. [1]

- Anyone can do the same if they enter military service after signing the lease.
- You must give the landlord a copy of your orders and written notice that you are ending the lease.
- If you paid rent in advance for a period of time after the day you effectively end your lease, the landlord must refund it to you within 30 days.
- Just like Georgia law, the SCRA requires that you pay any rent you owe on a prorated basis.
  - Unlike Georgia law, the SCRA also requires that you pay taxes and any other obligations under the terms of the lease (such as a fee for excess wear of the property).

EVICTION

Without orders from a court, a landlord cannot evict Service members or their dependents during their military service if the monthly rent is below a certain amount.

- This amount changes every year according to a calculation given in the SCRA (50 U.S.C. 531(a)(2)). The amount for 2015 was $3,329.84.
- Landlords are not allowed to take Service members' property in order to get them to pay their rent. The legal term for this practice is distress.

BUYING VS. RENTING[2]

If you don't live in government housing, you will have to make a choice about using your BAH to rent or to buy. Each option has its own benefits.

RENTING

- Gives you more flexibility in case you have to move.
- Your landlord is supposed to take care of any maintenance.
- Renting is cheaper in the short term.
- Your monthly housing costs are also likely to be lower.
- Some leases may have military clauses that give you additional protection beyond what the SCRA offers.

BUYING

- If your home's value increases, you can sell it for more than you bought it.
- You can deduct certain expenses, like mortgage interest payments and real estate taxes, to lower what you pay in income tax.
- You can make changes to your home that wouldn't be allowed for a rental.
- You won't run the risk of having a bad landlord.
- Unlike rent, mortgage payments generally don't increase.

Whichever option you go with, keep in mind that the most you should spend per month on housing is 28% of your monthly income.

[1] https://www.justice.gov/sites/default/files/crt/legacy/2011/03/23/scratext.pdf
[2] http://www.militaryonesource.mil/on-and-off-base-living/moving?content_id=281428

BUYING A HOME[1]

- Before you buy a home, make sure you've followed the budgeting advice given in the chapter on Personal Finance.
  - Beyond the actual purchase price, you'll have to consider the mortgage payments, the interest, the taxes, the upkeep, and the other expenses you will have to pay while you own the home.

- In addition to your regular emergency fund, you will likely need to save up enough money to make your down payment on the house.
  - In fact, you will probably need to build up a bigger emergency fund because you will be at risk for more unexpected expenses.

- Buying a home is a major investment and it is something you should expect to keep for several years at least. If your military duties make it likely that you will be restationed or deployed in less time than that, it may be wiser to rent.

- If you decide you want to buy a home, you can see if your base has a Personal Financial Management Program to help you through the process. Otherwise, you can contact a financial counselor at Military OneSource by calling 1-800-342-9647.

VA-GUARANTEED HOME LOANS[2]

If you decide to buy a home at any point, you will need a loan to cover the costs. The VA offers home loans to qualifying Service members, veterans, and spouses.

- Eligibility
  - Veterans must have been discharged under conditions that were not dishonorable.
  - If you are currently on active duty, you must have served for at least 90 continuous days.
  - If you are a veteran and you left the military any time after August 2, 1990, you must have served for either 24 continuous months or the full period for which you were called to active duty service as long as it was at least 90 days.
  - For all others, see the VA's website for eligibility requirements **(http://www.benefits.va.gov/HOMELOANS/purchaseco_eligibility.asp).**
- Benefits
  - If you qualify, you will actually get your loan from a private lender. However, the VA will guarantee part of it. This means that the VA will pay for part of your loan if you are unable to pay on time (known as **defaulting** on the loan).
  - Having this guarantee can get you better loan terms, including:
    - No down payment (unless required by lender or if the purchase price is more than the reasonable value of the property);
    - No private mortgage insurance premiums;
    - Limits on the amount of closing costs;
    - Seller might pay for closing costs; AND
    - No penalty fee for paying off the loan early.
  - These are some of the possible benefits you could get from a VA-backed loan. You will have to discuss the specific benefits of your loan with the lender.
- Applying
  - To get these benefits, you must give the lender a Certificate of Eligibility (COE), which you can get through **the eBenefits website.** [3]
  - Make sure to look at several different lenders before making a decision. Take notes about the terms that each one is willing to offer, so you can compare them and get the best deal for yourself.
  - You can compare mortgage companies at Consumer Affairs' website: **https://www.consumeraffairs.com/finance/finance__companies.htm.**

[1] https://usaaef.org/financial-education/major-purchases/u145/five-rules-for-buying-a-house
[2] http://www.benefits.va.gov/homeloans/resources_veteran.asp
[3] https://www.ebenefits.va.gov/ebenefits/about/feature?feature=cert-of-eligibility-home-loan

TAX EXEMPTION FOR CERTAIN DISABLED VETERANS[1] (O.C.G.A. 48-5-48)

If you own your home, you can get a break on the state ad valorem tax if you are:

An honorably discharged veteran who is either:

- VA-rated 100% disabled;
- Being paid at 100% rate because of un-employability; OR
- Entitled to an award from the VA because of:
  - Loss of use of one or both hands or feet;
  - Loss of sight in one or both eyes; OR
  - Permanent impairment of both eyes.

Or a surviving (1) un-remarried spouse or (2) minor child of a qualified deceased veteran.

The amount of your tax break is either (1) $32,500 or (2) the maximum amount allowed by federal law (38 U.S.C. 2102), whichever is more.

The amount under federal law changes every year on October 1. Most recently, it was $63,780. If you need assistance, **Military OneSource**[2] offers free tax preparation help.

Just call **800-342-9647** to speak with a consultant.

- To take advantage of this benefit, send proof of (1) qualifying military service, (2) residency, and (3) VA disability rating to a field office of the Georgia Department of Veterans Services (GDVS) **(http://veterans.georgia.gov/field-offices).**

GDVS will confirm your information and send you a letter to take to your county's tax commissioner.

MORTGAGES

- The SCRA (50 U.S.C. 533) can also help Servicemembers if they are being sued for past-due mortgage payments.
  - The court may stop the case from going any further for as long as it thinks is necessary. It may also change the amount of payments that have to be made.
  - HOWEVER, the court can only do this if the Servicemember took out the mortgage before he or she joined the military AND can show that military service had a real effect on his or her ability to pay.
    - For the second requirement, you can show that you are making less money as a Servicemember than you did as a civilian.
  - The court can undo a foreclosure sale if the sale occurred during your military service or within nine months of its completion UNLESS a court approved the foreclosure before the sale.
- The SCRA (50 U.S.C. 527) also limits interest rates, including those for monthly mortgage payments, to 6% if the Servicemember took out the loan before joining the military.
- The **Homeowners Protection Act** says that anyone, Servicemember or civilian, can end their private mortgage insurance if certain conditions are met. [3]
  - These conditions include a good payment history and being current on mortgage payments.
- If you're having trouble with your mortgage payments, you can use the Making Home Affordable program (https://www.makinghomeaffordable.gov/pages/default.aspx) for advice, resources, and information.

[1] http://veterans.georgia.gov/book-page/disabled-veteran-homestead-tax-exemption
[2] http://www.militaryonesource.mil/financial-and-legal/personal-financial-management-and-taxes?content_id=281461
[3] https://www.federalreserve.gov/boarddocs/supmanual/cch/hpa.pdf

INSURANCE

OVERVIEW & PURPOSE

This Guide is all about protection: both the laws protecting consumers and the practical steps they can take to protect themselves. Insurance is a common form of protection that helps shield you from disastrous financial harm.

This chapter will teach you about the many types of insurance that are offered. Insurance laws and policies are often complicated, so this chapter has tried to explain them as simply as possible. When looking for coverage, you should ask the insurance provider for more details about both the law and your policy to make sure you have the most accurate information. You should also compare policies from different insurers before buying.

TYPES OF INSURANCE

LIFE

Servicemembers Group Life Insurance:

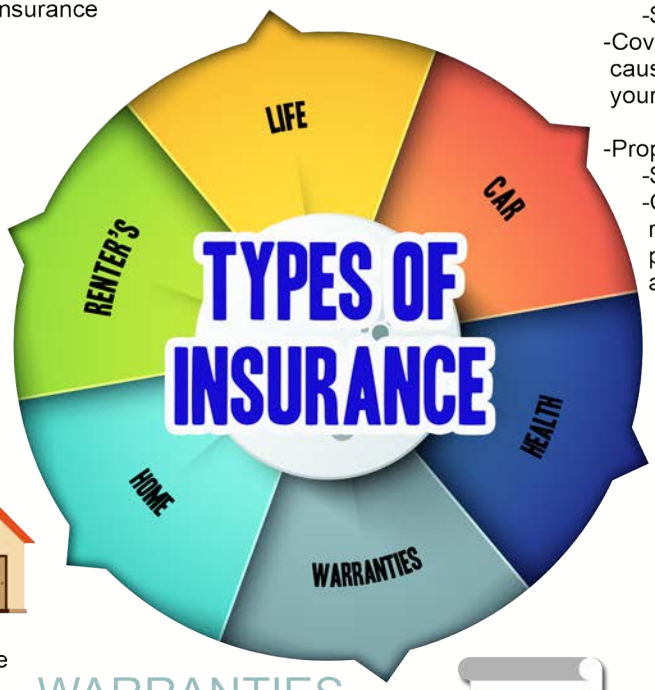
-Maximum coverage of $400,000
-Must pay monthly premium depending on amount of coverage
-Must convert into Veterans' Group Life Insurance within one year and 120 days of leaving service
-Family members can be covered by Family Servicemembers' Group Life Insurance

CAR

Georgia's minimum requirements:

-Bodily injury liability
  -$25,000 per person
  -$50,000 for group
-Covers physical damage you've caused in an accident that was your fault

-Property damage liability
  -$25,000
  -Covers the repair or replacement of other cars or property damaged in an accident you caused



RENTER'S

Personal Property Coverage:

-Protects items like furniture, clothes, & electronics that are damaged or stolen

Liability Coverage

-Covers medical bills and legal damages caused by injury on your property

HEALTH

Tricare Prime:

-Active duty servicemembers pay no out-of-pocket costs

-Same for their family members if they use point-of-service option

-All others pay annual fee and copayments

Other Tricare types:

1) Prime Remote
2) Prime Overseas
3) Prime Remote Overseas
4)Standard and Extra
5) for life

HOME

Can get personal property and liability coverage just like renter's insurance

Can also get protection for house's structure and free standing structures like fences

Normally does not protect against floods and other natural disasters

WARRANTIES

Implied Warranty:

-Default guarantee that product will be good to use for its normal purpose
-Seller can get out of this if it clearly says that product is sold "as-is"

Express Warranty:

-Written guarantee from seller about specific quality of product
-May include specific remedy if product doesn't live up to quality

LIFE INSURANCE

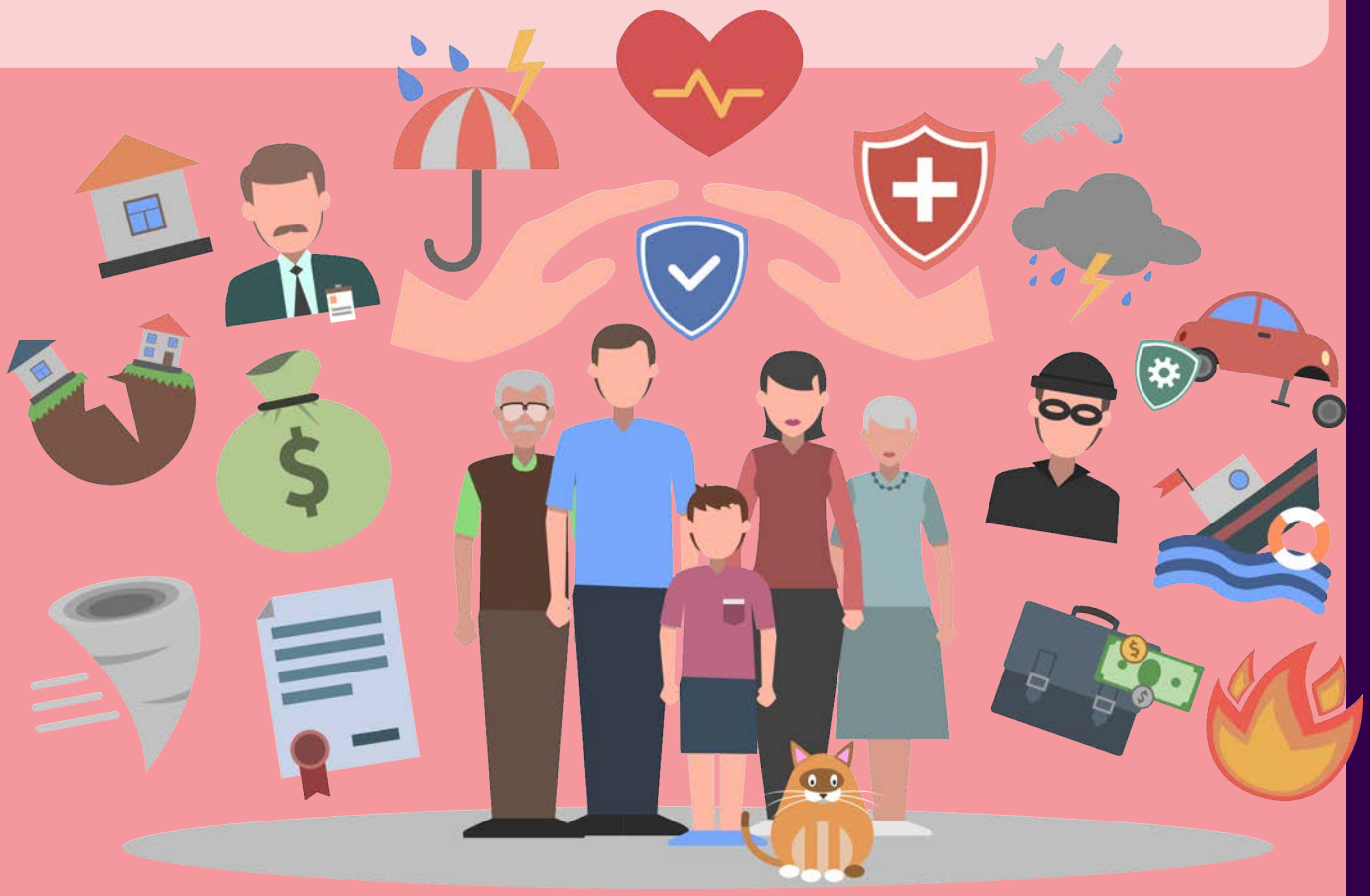
- **Servicemembers Group Life Insurance (SGLI)** [1]
  - Eligibility: you are automatically covered by SGLI if you are:
    - An active duty member of the Uniformed Services;
    - A commissioned member of NOAA or USPHS;
    - A cadet or midshipman in a U.S. military academy;
    - A member of ROTC engaged in authorized training;
    - A member of the Ready Reserve or National Guard scheduled to perform at least 12 periods of inactive training per year; OR
    - A Servicemember who volunteers for a mobilization category in IRR.
  - Coverage
    - The maximum coverage is $400,000 available in $50,000 increments.
    - When you leave military service, your coverage only lasts for 120 days after your date of separation.
  - Cost
    - You must pay a certain amount every month (called a premium) to maintain your insurance coverage.
    - You can find a table of SGLI premiums here.[2]
  - Traumatic Injury Protection Program
    - If you are covered by SGLI, you are automatically enrolled in this program.
    - It will pay you for a limited time if you are severely injured while you are covered. It doesn't matter whether you were injured on or off duty.
    - You must meet certain other requirements which can be found on the VA's website: http://www.benefits.va.gov/INSURANCE/tsgli.asp.
    - The current premium is $1.
    - You can file a claim by filling out SGLV 8600.[3]

- **Veterans' Group Life Insurance (VGLI)** [4]
  - After you leave the military, you must convert your SGLI into a VGLI if you want to keep your coverage.
  - Enrollment
    - You have one year and 120 days from the date of your discharge to convert your plan.
      - If you apply within the first 240 days, you do not need to prove that you are in good health.
      - If you wait, then there will be more questions about your health.
  - Coverage
    - Generally, your coverage will be equal to what it was under SGLI although you can increase it as time goes on.
  - Cost
    - Your premiums depend upon your age and the amount of coverage you have. You can find a table of rates here: http://www.benefits.va.gov/INSURANCE/vgli_rates_new.asp
  - How to Apply
    - You can use eBenefits[5] or fill out SGLV 8714[6] and mail it to the Office of Servicemembers' Group Life Insurance.

[1] http://www.benefits.va.gov/insurance/sgli.asp
[2] http://www.benefits.va.gov/insurance/sgli.asp#rate
[3] http://www.benefits.va.gov/INSURANCE/forms/SGLV_8600_ed2015-12.pdf
[4] http://www.benefits.va.gov/insurance/vgli.asp
[5] https://www.ebenefits.va.gov/ebenefits/homepage
[6] http://www.benefits.va.gov/INSURANCE/forms/SGLV_8714_ed2014-07.pdf

- **Family Servicemembers' Group Life Insurance (FSGLI)**
  - FSGLI provides life insurance for spouses and children of Servicemembers covered by SGLI.
    - It is NOT available if the Servicemember is covered by VGLI.
  - Coverage
    - A spouse's maximum coverage is either $100,000 OR the coverage that the Servicemember has under SGLI, whichever is less.
      - Coverage is available in $10,000 increments.
    - Dependent children receive $10,000 each.
  - Enrollment
    - If your spouse is NOT a member of the Uniformed Services, he or she is automatically covered by FSGLI.
    - If your spouse is a member of the Uniformed Services and you married on or after January 2, 2013, your spouse must apply for coverage.
      - He or she must complete SGLV Form 8286A and send it to your service.[1] You can use the same form to reduce, decline, or cancel FSGLI coverage.
  - Cost
    - Your spouse's premium depends on his or her age and the amount of coverage received. You can find a table of Spousal Monthly Premiums here: http://www.benefits.va.gov/insurance/fsgli.asp
    - There are no premiums for a child's coverage.

- **How Much Life Insurance Do I Need?**
  - The VA's Life Insurance Needs Calculator can help you figure out how much money you should leave to your family.[2]



[1] http://www.benefits.va.gov/INSURANCE/forms/SGLV_8286A_ed2014-06.PDF
[2] http://www.benefits.va.gov/INSURANCE/introCalc.asp

Bodily injury liability

- Covers physical damage that you've caused to another person in an accident where you were at fault.
  - **Fault:** responsibility for an accident. If you are at fault, it means that you caused the accident to happen.
- Can include damages such as medical bills, lost wages, pain and suffering, rehabilitation, treatment, or funerals. When choosing between policies, see what kinds of damages are covered in comparison to the cost of the coverage.

Property damage liability

- Covers the repair or replacement of other vehicles or property damaged in an accident you have caused.

Personal injury protection

- Pays medical expenses if you or your f family are injured in an accident regardless of fault.
- Your health insurance may cover the same injuries, so this protection may not be necessary. Ask your car insurance provider if personal injury protection will cover the deductibles or copayments of your health insurance.

Medical payments coverage

- This coverage is only advisable if you have personal injury protection that covers less than 100% of your injuries. Otherwise, the coverage is the same.

Comprehensive and Collision coverage

- Vehicles that are leased or have a lien against them because of a loan are usually required to carry these types of coverages.
- **Comprehensive coverage** pays for damage resulting from fire, theft, vandalism, and other non-accident related causes.
- **Collision coverage** pays for damage to your vehicle caused by any other vehicles or objects regardless of who is at fault.

Towing and Labor

- Will pay a certain amount to cover the cost of towing your vehicle even if there's no accident.
- There are alternatives to this type of coverage. Some vehicle makers include this service in the warranties for new cars, so it may already be available to you. Motor groups like AAA also offer roadside assistance in addition to other services.

Protection from uninsured drivers

- Protects you in case of bodily injury caused by uninsured, underinsured, or hit-and-run drivers.
- This coverage is optional, but usually a good idea if you can afford it because of the number of uninsured drivers on the road.

Auto replacement

- Pays for the full replacement value of the vehicle

Rental reimbursement

- If you're hit by someone else with good insurance and your vehicle needs to be repaired, their insurance may help pay for the cost of a rental car.
- If you caused the accident and your vehicle needs to be repaired, this type of coverage will be useful.
- More of a convenience than a necessity, so you might not want to get this coverage if money is tight.

Umbrella policy

- Pays for losses above those covered by auto or home insurance.

[1] http://www.edmunds.com/auto-insurance/how-much-car-insurance-do-you-need.html; http://www.kbb.com/car-advice/articles/how-much-and-what-kind-of-car-insurance-you-need/; http://www.military.com/money/insurance/auto-insurance/buying-auto-insurance.html

VEHICLE INSURANCE (continued)

- **Requirements**
  - If you own a vehicle, the state of Georgia requires you to carry a minimum amount of coverage. You need proof of this insurance before you can register your vehicle.
  - You must carry bodily injury liability of at least $25,000 per person and $50,000 for multiple people and property damage liability of at least $25,000.
    - In industry terms, this would be called a 25/50/25 policy.

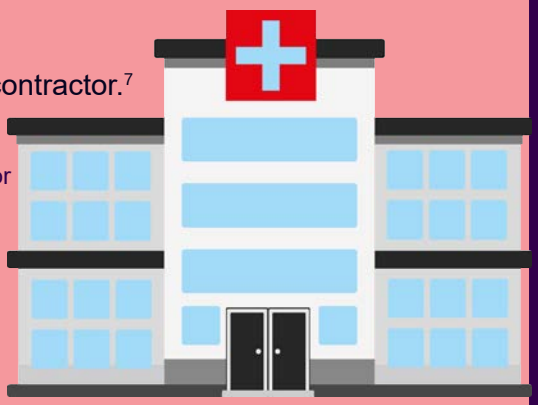
- **Amount of Coverage**
  - Depending on your situation, it may be a good idea for you to get more than the minimum amount of coverage.
  - A major consideration is the money and valuable assets (like a home) that you need to protect. If you are successfully sued by a driver that you injured, you could stand to lose a lot of your personal assets if you are not adequately protected by insurance, which would otherwise cover the damages.
  - If you own your home and have a significant salary, you may want to obtain better coverage. If not, you can probably get by with the minimum requirements.

- **For more information, visit the website of the Office of the Insurance Commissioner:** https://www.oci.ga.gov/ConsumerService/AutoInsurance.aspx.

HEALTH INSURANCE

All of the following Tricare plans meet or exceed the minimum coverage requirements of the Affordable Care Act.

- Tricare Prime [1]
  - **Eligibility**
    - Tricare Prime is open to:
      - Active duty and retired Servicemembers and their families;
      - Certain National Guard and Reserve members and their families;[2]
      - Survivors and qualified former spouses.
    - You must live in a Primary Service Area (PSA).
      - You can check here to see if your zip code is in a PSA.[3]
  - **Cost**
    - Active duty Servicemembers have no out-of-pocket costs.
      - Same for their families unless they are using the point-of service-option.[4]
      - The point-of-service option allows the family of active duty Servicemembers to get non-emergency care from any authorized provider without requesting a referral from a primary care manager.
    - All others pay an annual fee and copayments.[5]
  - **Benefits**
    - Your assigned primary care manager (PCM) provides most of your care.
      - PCMs will refer you to specialists when needed.
      - They work with regional contractors for referrals and authorization.
      - They accept your copayment (if necessary) and file claims for you.
  - **Enrollment: Three options**
    - Enroll online at the Beneficiary Web Enrollment site.[6]
    - Call your regional contractor.
      - Georgia is in the South Region: 1-800-444-5445
    - Fill out and mail an enrollment form to your regional contractor.[7]



[1] http://www.tricare.mil/Plans/HealthPlans/Prime
[2] Includes: (1) activated members, (2) non-activated members who qualify for care under TAMP, and (3) retired members at age 60 and above.
[3] http://tricare.mil/Plans/HealthPlans/Prime/PSALookup2
[4] http://tricare.mil/Costs/HealthPlanCosts/PrimeOptions/POS
[5] http://tricare.mil/Costs/HealthPlanCosts/PrimeOptions/EnrollmentFees; http://tricare.mil/Costs/HealthPlanCosts/PrimeOptions/Copayments
[6] https://dmdc.osd.mil/appj/bwe/indexAction.do
[7] http://apps.humana.com/marketing/documents.asp?file=2642159

HEALTH INSURANCE

• Tricare Prime Remote (TPR) [1]

- **Eligibility**
  - Only available if your home and work address is more than 50 miles from a military hospital or clinic.
  - Open to
    - Active duty Servicemembers;

• Tricare Prime Overseas (TPO) [2]

- **Eligibility**
  - Active duty Servicemembers[3] stationed overseas where TPO is available; and
  - Command sponsored family members.
- **Cost**
  - Same as Tricare Prime Remote.
- **Benefits**
  - Most of your care comes from a PCM at a military hospital or clinic.
  - Your PCM works with International SOS for authorization.
- **Enrollment**
  - Call your regional center
    - Eurasia-Africa: +44-20-8762-8384
    - Latin America and Canada: 1-215-942-8393
    - Pacific: +65-6339-2676 (Singapore)/ +61-2-9273-2710 (Sydney)
  - Mail the enrollment form and a copy of your orders to your regional center. [4]
- **Otherwise, TPO works the same as Tricare Prime.**

• Tricare Prime Remote Overseas [5]

- **Eligibility, benefits, and enrollment work the same as they do for Tricare Prime Overseas.**
- **Cost works the same as it does for Tricare Prime Remote.**

• Tricare Standard and Extra (TSE) [6]

- **Eligibility**
  - Open to everyone who is eligible for Tricare Prime EXCEPT:
    - Active duty Servicemembers; and
    - Activated Guard and Reserve members.
- **Cost**
  - You must pay an annual fee and a percentage of covered services (called cost shares). The amount you pay depends on your status. You can find a table of rates here. [7]
- **Benefits**
  - You can schedule an appointment for your healthcare needs with any Tricare authorized provider:
    - If the provider is in network, you are using the Standard option.
    - If the provider is out of network, you are using the Extra option.
  - You can find a Tricare authorized provider in any of the three Tricare regions here. [8] Georgia is in the South Region.
  - Referrals aren't required, but you may need prior authorization before getting certain services.
- **Enrollment**
  - You are automatically enrolled in TSE if you are registered in the Defense Enrollment Eligibility Reporting System (DEERS).
  - You may want to keep TSE if you live in an area where you cannot get Tricare Prime or are partially covered by other insurance (e.g., from a civilian employer).

• Tricare for Life [9]

- **Eligibility**
  - You must have Medicare Parts A and B.
  - You must also be a Servicemember or family member eligible for Tricare.
- **Cost**
  - You must pay your Medicare Part B premiums. [10]
- **Benefits**
  - You can visit any authorized provider who will file your claims for you. You can find a list of authorized providers here. [11]
  - Medicare will pay for a portion of your services.
  - You can visit a military hospital or clinic if there is space available.
- **Enrollment**
  - If you have Medicare Parts A and B, you are automatically enrolled.

[1] http://www.tricare.mil/Plans/HealthPlans/TPR
[2] http://www.tricare.mil/Plans/HealthPlans/TPO
[3] This includes activated Reserve and National Guard members.
[4] http://apps.humana.com/marketing/documents.asp?file=2642159
[5] http://www.tricare.mil/Plans/HealthPlans/TPRO
[6] http://www.tricare.mil/Plans/HealthPlans/TSE.aspx
[7] http://www.tricare.mil/Costs/HealthPlanCosts/TSE
[8] http://www.tricare.mil/FindDoctor/AllProviderDirectories/Network
[9] http://www.tricare.mil/Plans/HealthPlans/TFL
[10] http://www.tricare.mil/Costs/PayFees/MedPartBFees
[11] http://www.tricare.mil/FindDoctor/AllProviderDirectories/Medicare

RENTERS INSURANCE[1]

If you rent an apartment or house from someone, it is very important to get renter's insurance because your landlord is NOT responsible for your personal belongings if they are damaged or stolen.

- **Different types of coverage will pay for different types of losses:**

-Personal Property Coverage

- This coverage protects the personal property, such as furniture, clothes, and electronics, that you keep in your apartment.
  - If any of these items are damaged or stolen, you will have to pay the cost to replace them yourself unless you have insurance.
- Your insurance will either protect your property from (1) all risks or (2) only certain kinds of risks that are specified in the policy.
- The amount of money you get from any loss depends on whether you choose (1) an actual cash or (2) a replacement value policy.
  - An **actual cash policy** will pay you the actual value of your property, taking into consideration how long you've had it and how much wear and tear it has.
  - A r**eplacement value policy** will pay you the amount that it would cost to purchase a similar item at the time of loss, regardless of what you paid for it originally.
  - Replacement value policies tend to be more expensive.

-Liability Coverage

- If you are found to be legally responsible for an injury that occurred in your apartment, this coverage will pay for any resulting medical bills or money damages awarded by a court against you.
- You should check the specific policy to see how much it covers.

HOMEOWNERS INSURANCE [2]

If you own your home, you will need to get homeowner's insurance to cover your personal property as well as liability for physical injuries that occur on your property.

- Most home insurance policies don't cover natural disasters like earthquakes or floods. However, you can buy separate insurance for that if you live in an area where these events are likely to occur.

- For more information, visit the website of the Office of the Insurance Commissioner: https://www.oci.ga.gov/ConsumerService/HomeInsurance.aspx.

Specifically, it will usually cover:

- The structure of the home, including walls, foundation, plumbing, and electrical systems.
- Other structures on the property, such as fences and tool sheds.
- Damage related to:
  - Weather (fallen trees, storm damage, etc.);
  - Fire and smoke; AND
  - Water (leaking pipes, hot water heaters, etc.).
- Some policies pay for part of your living expenses if you have to move out of your home because of a covered incident.

[1] http://www.military.com/money/insurance/property-insurance/advantages-of-renters-insurance.html
[2] http://www.naic.org/documents/consumer_guide_home.pdf

PRODUCT WARRANTIES[1]

A **warranty** is a legal guarantee about the quality or some other trait of a product. There are two types of warranties:

- **Implied or Statutory Warranties**
  - In Georgia, the standard rule is that most products are sold with an implied warranty that they are good to use for their intended purposes.
    - For example, if you buy a lawnmower, there is an implied warranty that it will be able to mow the lawn.
  - HOWEVER, a seller can get out of the warranty if they tell you that the product is being sold "as-is" before you buy it.
    - For example, used cars in Georgia are nearly always sold as-is.

- **Express or Contractual Warranties**
  - Sellers may also offer written warranties about the quality of a product or some service that they will provide.
    - For example, a store may make a written promise to make any ordinary repairs on a product without charge for a year.

- **If a product doesn't live up to the guarantee in a warranty:**
  - Contact the seller. An express warranty may guarantee certain action if the product doesn't meet the warranty. Otherwise, see what the seller is willing to do to fix the problem.
    - Before making contact, you should think about what you want, such as a repair, replacement, or refund.
    - You can use this sample complaint letter from the Georgia Department of Law's Consumer Protection Unit (CPU). [2]
  - If that doesn't resolve things, report your problem to a government agency such as the CPU. Follow this link to see how to file a complaint.[3]

You may also want to consult a lawyer if a significant amount of money is at stake. The American Bar Association has a directory of military and civilian assistance programs in Georgia.[4]

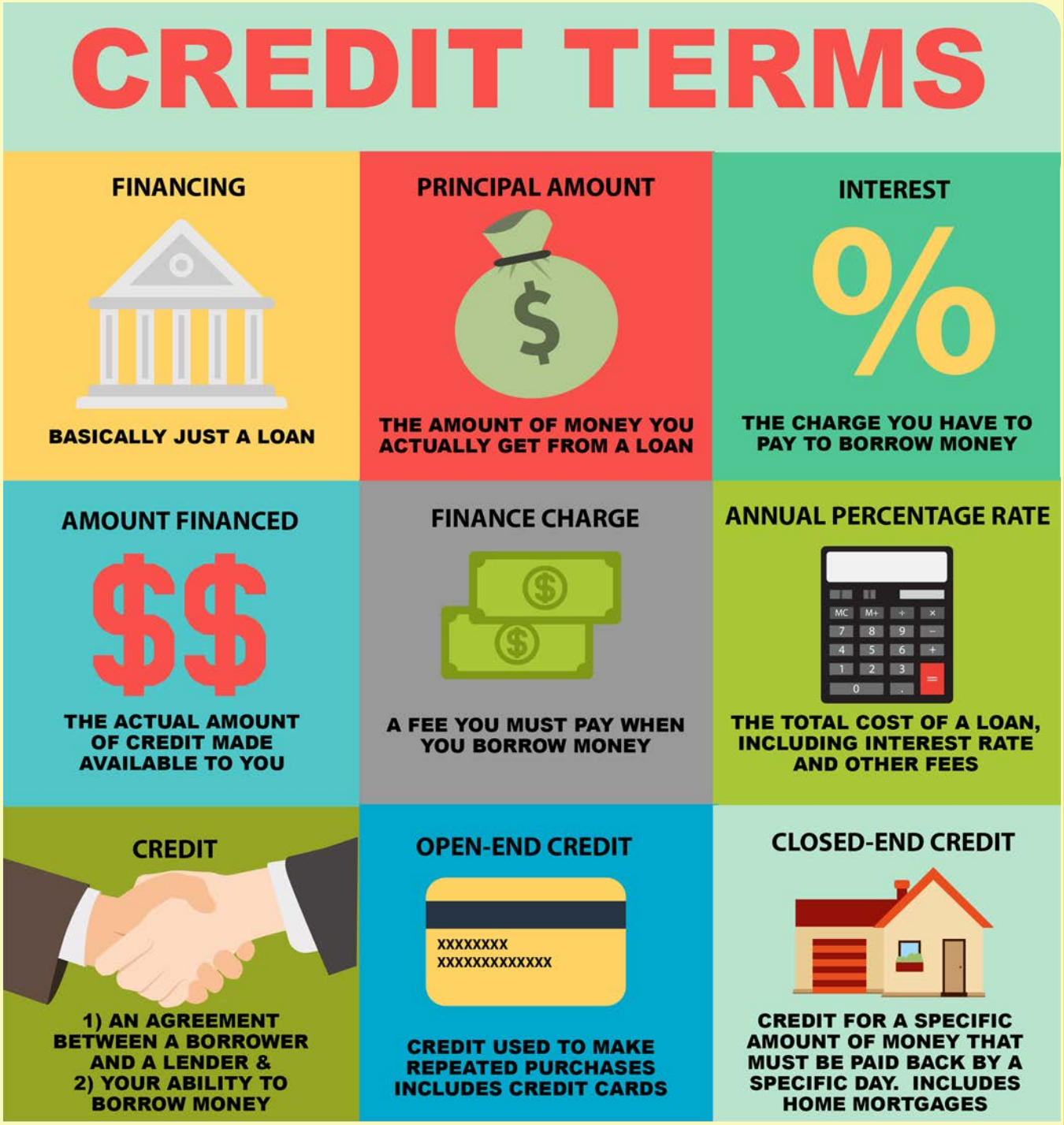
[1] http://www.georgialegalaid.org/resource/basic-consumer-law-in-georgia-warranties?ref=zMBRI
[2] http://consumer.georgia.gov/consumer-services/sample-complaint-letter-to-send-to-a-business
[3] http://consumer.georgia.gov/consumer-services/filing-a-complaint
[4] http://www.americanbar.org/portals/public_resources/aba_home_front/directory_programs/georgia.html

LOANS & CREDIT

OVERVIEW & PURPOSE

Sooner or later, everyone has to borrow money even if only for a short period of time. This chapter will teach you some of the dangers to watch out for and some of the ways that the law protects you. This includes everything from basic terminology to predatory lending practices to credit reporting.

Other chapters may have discussed lending in relation to their topics (such as auto finance loans in the Buying a Car chapter) or may have discussed other laws that are relevant to the topic of loans and credit (such as the chapter on The Military Lending Act). If you cannot find the information you are looking for in this chapter, you should see if it is covered in another area of the Guide.



CREDIT REPORTING

CREDIT HISTORY

A RECORD OF WHETHER AND HOW RESPONSIBLY YOU HAVE REPAID YOUR LOANS AND OTHER DEBTS.

CREDIT REPORT

A COLLECTION OF INFORMATION ABOUT YOUR CREDIT HISTORY.

CREDIT SCORE

A NUMBER GRADE SHOWING HOW GOOD YOUR CREDIT REPORT IS.

WHY IS HAVING A GOOD CREDIT HISTORY SO IMPORTANT?

MAKES ACCESS TO CREDIT EASIER AND CHEAPER

NECESSARY FOR SECURITY CLEARANCE AND MILITARY PROMOTION

CREDIT REPORTING BY THE NUMBERS

3 THERE ARE THREE MAJOR CREDIT REPORTING AGENCIES: EXPERIAN, EQUIFAX, AND TRANSUNION

3 YOU CAN GET THREE FREE CREDIT REPORTS FROM EACH AGENCY EVERY YEAR (ONE UNDER FDERAL LAW AND TWO UNDER GEORGIA LAW)

THE FAIR CREDIT REPORTING ACT

GIVES YOU THE RIGHT TO:

KNOW WHAT INFORMATION IS IN YOUR FILE

DISPUTE INCOMPLETE OR INACCURATE INFORMATION

MAKE CREDIT REPORTING AGENCIES CORRECT OR REMOVE WRONG INFORMATION

CREDIT REPAIR ORGANIZATIONS:

THESE COMPANIES OFFER TO FIX PEOPLE'S CREDIT, BUT...

APART FROM A FEW EXCEPTIONS, LIKE NON-PROFITS, CREDIT REPAIR IS ILLEGAL IN GEORGIA.

COMPANIES CANNOT ERASE NEGATIVE INFORMATION IF IT IS ACCURATE.

FOR A REPUTABLE PLACE TO GET DEBT MANAGEMENT OR COUNSELING HELP, CONTACT THE NATIONAL FOUNDATION FOR CREDIT COUNSELING AT WWW.NFCC.ORG

YOU CAN GET YOUR FREE CREDIT REPORT AT WWW.ANNUALCREDITREPORT.COM

BASIC LENDING AND CREDIT TERMS

Introduction

Whether you are applying for a loan or reading your credit card statement, you will probably come across some unfamiliar terms. This section will give you brief definitions for some basic words and phrases you are likely to see.

Financing

- Financing means borrowing money to help you pay for something that you couldn't otherwise afford. In other words, it's basically a loan.

Principal Amount

- The principal amount (also known as principal) is the amount of money you actually borrow. For example, if you take out a loan for $10,000, your principal is $10,000.
- Principal is separate from interest. Normally, your monthly payments go towards the interest first, then the principal. You must pay back all of the principal, plus any interest, in order for your loan to be fully repaid.

Interest

- Interest is a general term for the charge you have to pay to borrow money. It's one of the ways the lender makes money on the loan.
- Interest is a percentage of the principal that "accrues" every month. To say that the interest "accrues" means that the time has come for the interest to be paid.
- There are two kinds of interest: simple interest and compound interest.
  - Simple interest is only based on the principal amount.
  - Compound interest is based on both the principal amount and any interest that accrued up to the current date.
  - Compound interest is more common and more expensive.

Amount Financed

- The amount financed is the actual amount of credit made available to you. It is the principal amount minus all lender fees, including prepaid finance charges and deposit balance. It is used to calculate the loan's annual percentage rate.

Finance Charge

- A finance charge is a fee that you have to pay when a lender makes a loan or otherwise extends credit to you. It may be in the form of a flat fee or monthly interest on the loan.

Credit

- In relation to loans, credit is an agreement between a borrower (who receives money now) and a lender (who loans the borrower money with the understanding he or she will pay it back later with interest).
- Credit can also refer to your ability to borrow money. For example, your credit rating tells lenders how likely you are to repay the loan and how much you can afford to borrow.
- Generally speaking, there are two types of consumer credit: open-end and closed-end.

Annual Percentage Rate

- Annual Percentage Rate (APR) is a combination of the loan's interest rate and any other fees or charges that come with it.
- The APR will generally allow you to calculate the total cost of the loan. You can use the APR to compare different loans from different lenders.
- The Military Lending Act (MLA) prohibits lenders from charging active duty Servicemembers an APR of more than 36% for many types of loans.
  - For more information, and to learn about the other protections provided by the MLA, see the chapter on The Military Lending Act.

Open-End Credit

- Open-end credit usually has three key expectations:
  - You will make repeated purchases;
  - The creditor may bill you a finance charge on any unpaid balance; AND
  - The amount of credit you receive is generally tied to your outstanding balance.
- Credit cards are the most common form of open-end credit.

Closed-End Credit

- Closed-end credit gives you a specific amount of money (usually for a specific purchase) that has to be paid back (with interest and any other charges) by a specific date. Closed-end credit includes most home and car loans.

Credit Report

- Your credit report is a collection of different pieces of information about your credit and how you have used it (your credit history), including who your creditors are, how much credit you are using, how much credit you have available, and whether you make payments on time. It also shows collection items, such as unpaid debt that has been sold to a collector, as well as any garnishments, bankruptcies and foreclosures.

Credit Score

- Your credit score is a number grade (usually between 300 and 850) that shows how good your credit history is.

GENERAL CONSUMER PROTECTIONS

● Active duty Servicemembers and their dependents are specially protected by the Military Lending Act (see that chapter for more details). However, you should know about other laws that protect all consumers, including Servicemembers.

● The Truth in Lending Act (TILA) requires lenders to disclose certain information so that borrowers can have an accurate picture of a loan's cost and can compare loans between different lenders.[1] These disclosures include:

- ○ What the credit will cost;
- ○ When fees will be charged; AND
- ○ What rights the borrower has.

● This information will be given to you on a TILA Disclosure Form. You can find an example of that form at http://www.in.gov/dfi/2583.htm.

● The Equal Credit Opportunity Act prohibits lenders from discriminating against you on the basis of race, religion, sex, age, marital status, or whether you get public assistance. [2]

- ○ This law also requires creditors to tell you why you were denied credit or why they gave you credit on terms that were different than the ones you asked for. These disclosures aren't automatic. Creditors only have to make them if you ask.

● The Fair Credit Billing Act allows you to dispute certain billing errors on your open-end credit (such as a credit card). These errors include unauthorized and incorrect charges. [3]

- ○ To dispute these errors, write to the "billing inquiries" department of your credit card company. Here is a sample dispute letter. [4]
- ○ If the company won't fix the error, contact a lawyer and file a complaint with the FTC at https://www.ftccomplaintassistant.gov.

PAYDAY LOANS[5]

● Payday loans are made by businesses that are not banks and come with large fees and high interest rates. These loans get their name because the borrower usually only gets enough money to last until their next payday at which time they have to repay the loan. Payday lenders are found around military bases and **prey on Servicemembers** because they get regular monthly checks and are often in need of extra cash.

● The fees and interest rates of payday loans are usually **very high**. A borrower who takes out a two-week loan for $350 will usually pay $458 in fees. A payday loan's APR is usually at least 300%.[6] According to a recent study, in some states, the interest rate on a typical payday loan is more than 600%.[7]

● Although payday lending is generally illegal in Georgia (O.C.G.A. § 16-17-1 et. seq.), these lenders still have ways to **target you and your family**. Servicemembers can get payday loans from other states (like Alabama and Florida).

- ○ However, it is **illegal** for out-of-state lenders to give payday loans to Georgia residents online.

[1] https://dbf.georgia.gov/truth-lending
[2] https://www.consumer.ftc.gov/articles/0347-your-equal-credit-opportunity-rights
[3] https://www.consumer.ftc.gov/articles/0219-disputing-credit-card-charges
[4] https://www.consumer.ftc.gov/articles/0296-sample-consumer-complaint-letter
[5] http://www.consumerfinance.gov/askcfpb/1567/what-payday-loan.html
[6] http://responsiblelending.org/sites/default/files/nodes/files/research-publication/crl_statebystate_fee_drain_may2016_0.pdf
[7] http://responsiblelending.org/sites/default/files/nodes/files/research-publication/crl_payday_rate_cap_map_2016.pdf

PAYDAY LOANS (CONTINUED)

- Georgia law (O.C.G.A. § 16-17-9) provides several protections specifically for Servicemembers and their spouses who take out payday loans.
  - In these cases, payday lenders are forbidden from:
    - Garnishing military wages (i.e., forcibly taking money from your paycheck when you fall behind on your payments);
    - Engaging in any collection activity while the Servicemember is deployed in combat or combat support; AND
    - Contacting the Servicemember's commanding officer during their collection activities.
  - Also, payday lenders must:
    - Follow any terms of repayment negotiated through military or other counselors; AND
    - Honor any statement by a base commander that a specific payday lending location is off-limits to Servicemembers and their spouses.
  - Finally, payday lenders must disclose all of these requirements and restrictions in writing to the Servicemember.

- There are a few **government agencies** you can contact about payday loans.[1]
  - The Consumer Financial Protection Bureau handles violations of the MLA.[2]
  - The Federal Trade Commission handles violations of TILA.[3]
  - To submit a complaint about a payday lender, you should contact the Industrial Loan Division of the Office of the Commissioner of Insurance (phone: 404-656-2078).[4]
  - If you have been the victim of payday lenders, you can report them to your local district attorney's office and the Consumer Interest Section of the Office of the Attorney General. The Consumer Interest Section only takes complaints by mail at Regulated Public Interests, Office of the Attorney General, 40 Capitol Square SW, Atlanta, Georgia 30334.

- **Military travel lenders** are another type of creditor you should watch out for. These lenders offer to finance a Servicemember's travel expenses, but their services may have hidden costs. For example, one airman wound up paying over $1,400 for an airline ticket that he could have gotten for $800 elsewhere.[5]

TITLE PAWN LOANS[6]

- This is typically a short-term, high-interest loan that uses the title of your vehicle as collateral. This means that the lender can take your vehicle if you don't make your payments on time. The Consumer Financial Protection Bureau (CFPB) says that one in five people who take out a title pawn have their cars repossessed.[7]

- The CFPB also warns that title loans can become debt traps.
  - **Four out of five** title loans are renewed, usually on the day that repayment is due. This means that borrowers normally have trouble paying off the first loan. They need to take out more loans to cover their original obligation.
  - **More than half** of title pawn borrowers take out at least four consecutive loans. These additional loans pile on more fees and interest.
  - **Two-thirds** of all title loan business comes from people who are in debt for seven or more months. These borrowers also take out six or more loans.

- Georgia law limits the amount of interest that title lenders can charge:
  - 25% per month for the first three months; and
  - 12.5% per month after that.
  - The total combined interest rate is capped at 187.5% per year.

- Georgia law also requires title lenders to make the following disclosure:
  - "Failure to make your payment as described in this document can result in the loss of your motor vehicle. The pawnbroker can also charge you certain fees if he or she actually repossesses the vehicle."

- Before taking out a title loan, consider an alternative. Discuss other options with your bank, credit union, or a credit counselor.
  - You can get free financial counseling from Military OneSource by calling 800-342-9647.

- If a title lender has violated the law, you should report it to the criminal authorities in the city or county where the lender is located.

[1] http://www.consumer.ga.gov/consumer-topics/payday-loans
[2] http://www.consumerfinance.gov/complaint/
[3] https://www.ftccomplaintassistant.gov/#&panel1-1
[4] https://www.oci.ga.gov/IndustrialLoan/Home.aspx
[5] http://www.freep.com/story/travel/michigan/2015/05/11/travel-now-pay-later-loan-ensnares-airman/26992877/
[6] http://consumer.georgia.gov/consumer-topics/title-pawns-and-cash-advances
[7] http://consumer.georgia.gov/news/articles/view/cfpb-finds-one-in-five-auto-title-loan-borrowers-have-vehicle-seized-for-failing-to-repay-debt

REDUCING YOUR INTEREST[1]

- If you took on a debt before you entered military service, section 527 of the Servicemembers Civil Relief Act (SCRA) can limit its interest rate to 6%.[2]
  - To get this protection, you must give written notice to the creditor along with a copy of your military orders.
  - However, the creditor can challenge that limit if it can prove that your ability to pay an interest rate higher than 6% is not "materially affected" by your military service.
    - "Materially affected" usually means that you are making less money as a Servicemember than you did as a civilian. [3]
    - This law applies to mortgages, credit cards, car loans, and others, as well.

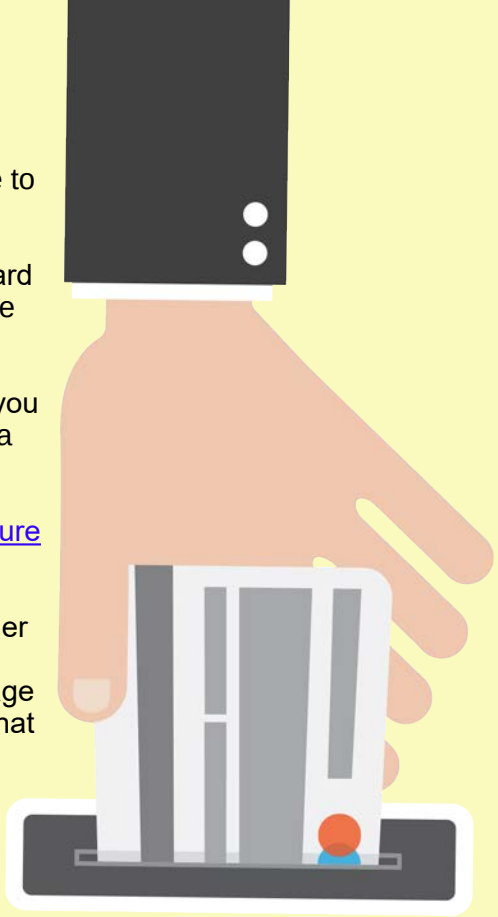
CREDIT CARDS

When used responsibly, credit cards are a good way to build your credit history, especially if you're just starting out. However, when used recklessly, credit cards can lead to unmanageable debt and major financial problems.[4]

- **If you can, pay off your balance each month. If you leave part of it unpaid (and carry it over to the next month), you must pay interest on that amount, as well as any new charges you might add.**
- **If you can't afford to pay the balance in full, try to pay at least more than the minimum so you can repay the balance faster and incur less interest.**
- **Before signing up for a credit card, make sure you understand all the costs you can be charged and all the terms and conditions of the card.**

[1] https://www.justice.gov/crt-military/file/797396/download
[2] https://www.justice.gov/sites/default/files/crt/legacy/2011/03/23/scratext.pdf
[3] http://www.americanbar.org/portals/public_resources/aba_home_front/information_center/Servicemembers_civil_relief_act/overview.html#q2
[4] https://usaaef.org/publications-media/articles/u85/are-credit-cards-bad

CREDIT CARDS (CONTINUED)



- Many credit card companies **will not charge** active duty Servicemembers some of the fees they would normally have to pay. They may also provide other benefits. Ask about these benefits when comparing credit cards.
  - If you already have a credit card, contact the credit card company and ask if they provide any benefits to active duty Servicemembers.

- Making a purchase using a credit card generally provides you with **greater protections against fraud** compared to using a debit card.

- The Credit Card Accountability, Responsibility, and Disclosure (CARD) Act: [1]
  - Bans unfair increases to your interest rate;
  - Prevents unfair traps that make you pay more or higher fees; **AND**
  - Requires that credit card companies use plain language to explain any terms or conditions, such as the fees that you can be charged.

- The Restore Online Shoppers' Confidence Act protects you from certain unfair practices when you buy something online.[2] For these purchases, third party sellers (that is, someone who is not the seller you are buying from) cannot charge your credit/debit card or bank account unless they clearly tell you about the terms of their sale **AND** get your express consent.
  - This law is meant to stop a practice used by online sellers where they let third parties include separate, unrelated memberships in the final sale of their products. Customers were confused about what they were buying and would end up paying for something they never wanted in the first place.

- If you can't get approved for a credit card you may want to ask your bank or credit union if they offer **secured credit cards.**
  - These cards require a security deposit, (usually at least $200-$300), which establishes your credit limit. If you don't make a payment, the amount owed is taken from your deposit **AND** you will be charged a penalty fee.
  - Your card usage and payment history will be **reported to the credit bureaus.** So, if you use the card responsibly and make your payments on time, this is a great way to establish or rebuild your credit.
  - Over time you may be able to increase your credit limit and convert this into a regular (unsecured) credit card.

- Most banks and financial institutions offer **prepaid cards** that look like credit cards, but have some important differences. [3]
  - When using a credit card, you are borrowing money that you have to pay back. On the other hand, prepaid cards use money that you have deposited into a specific account.
    - You can put more money into the account to "reload" a prepaid card.
  - Some prepaid cards will let you spend more money than you have in your account ("overdraft"). However, doing this often comes with extra fees and you will have to pay back the overdrafted amount.
  - Using a prepaid card does NOT affect your credit score.

[1] https://www.whitehouse.gov/the-press-office/fact-sheet-reforms-protect-american-credit-card-holders
[2] https://www.ftc.gov/enforcement/statutes/restore-online-shoppers-confidence-act
[3] http://www.consumerfinance.gov/askcfpb/433/what-difference-between-prepaid-debit-card-and-credit-card.html
[4] http://www.consumerfinance.gov/askcfpb/525/can-i-overdraft-my-prepaid-debit-card.html

CREDIT REPORTING

- **Credit history**
  - Credit history is important for every adult in today's world. Banks, insurance companies, landlords, employers, and more are all likely to check your credit history. Having a good credit history shows that you are a **reliable borrower,** which will give you better opportunities and better deals when you are taking out a loan or opening a line of credit.
    - For example, the better your credit history, the more likely you are to be approved for a loan and the more likely you are to get lower interest rates.
  - Just like civilian employment, credit history is also **important in the military.** Your credit history will affect your chances of promotion and your ability to get security clearances. If you are deep in debt or if you don't pay back your loans on time, the military will likely view this as a sign that you aren't trustworthy.

- There are **three** major credit reporting agencies: Equifax, Experian, and TransUnion. These businesses keep track of your credit history and each will have its own copy of your credit report and score.
  - Your credit score may be different at the three companies because their reports do not always use the same information.

- Under federal law, once every 12 months you may get a **free copy** of your credit report from all three agencies by going to https://www.annualcreditreport.com.
- Georgia law entitles you to an additional two free credit reports from each agency every year.
- Your monthly credit card statement may also have your credit score on it.
- You may also try a "free credit score service," but be warned that some of these companies will offer a free trial period and then charge your credit card if you do not cancel your subscription before the period ends.

- The Fair Credit Reporting Act (FCRA) gives you the right to: [1]
  - Know if information in your file has been used against you;
  - Know what is in your file;
  - Ask for a credit score;
  - Dispute incomplete or inaccurate information;
  - Insist credit reporting agencies fix or remove incorrect information;
  - Give your consent before your report is shared with employers;
  - Limit prescreened offers of credit and insurance that are based on information in your report; **AND**
  - Get money damages from those who violate the FCRA.

- In addition, credit reporting agencies may **NOT** report outdated information.
  - If you want to **dispute** something on your credit report, write to the credit reporting agency explaining the error and provide proof of your claim.[2]

[1] https://www.consumer.ftc.gov/articles/pdf-0096-fair-credit-reporting-act.pdf
[2] http://www.consumerfinance.gov/askcfpb/314/how-do-i-dispute-an-error-on-my-credit-report.html

CREDIT REPAIR ORGANIZATIONS[1]

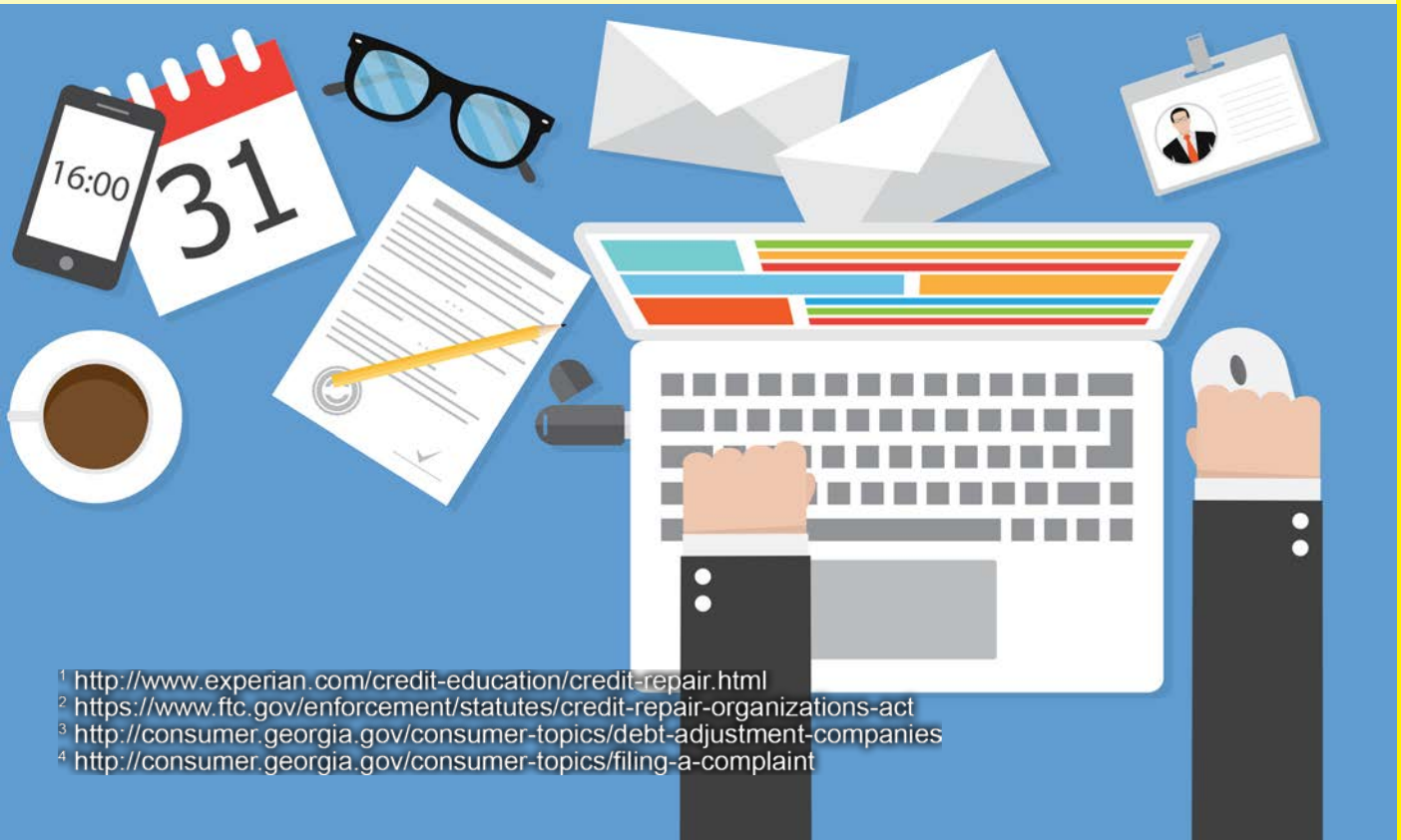
- Credit repair organizations are companies that offer to fix your credit. However, apart from a few exceptions like certain non-profit organizations, credit repair is illegal in Georgia.
  - You should know that no one can remove negative information from your credit report if it is truthful and accurate.

- However, if there is an error on your credit report you have the right to work directly with credit reporting agencies to resolve the issue.
  - You shouldn't have to pay someone for something you can do just as well on your own.

- Know your rights under the Credit Repair Organizations Act.[2]
  - No upfront payment can be required and you have certain rights to cancel a contract within three days of signing it.
  - You have the right to a written contract that states everything the organization will do and all the conditions of payment. You should read this agreement carefully before signing it.

- Debt Adjustment [3]
  - Similarly, some companies will offer to take care of your debt directly.
  - Here's how debt management companies work:
    - You give the company a single sum of money each month, which they use to pay your creditors.
    - In addition to simplifying the process, a debt management company may be able to negotiate with your creditors to reduce or get rid of some fees or interest.
  - These companies have to follow Georgia law, which requires that:
    - Debt adjusters charge no more than 7.5% of your monthly payments to creditors;
    - All funds given by you (except for fees) have to be turned over to your creditors within 30 days;
    - A separate trust fund must be created for your funds plus insurance coverage and yearly audits;
    - Copies of the coverage and audits must be filed with the Georgia Department of Law's Consumer Protection Unit (CPU) every year.
  - If a debt adjuster violates any of these laws, report it to the CPU.[4]

The debt adjustment model described above is the only one that is allowed in Georgia. So, beware of companies offering to settle your debt for pennies on the dollar after instructing you to stop paying your creditors. This practice, known as debt settlement, is illegal in Georgia.



[1] http://www.experian.com/credit-education/credit-repair.html
[2] https://www.ftc.gov/enforcement/statutes/credit-repair-organizations-act
[3] http://consumer.georgia.gov/consumer-topics/debt-adjustment-companies
[4] http://consumer.georgia.gov/consumer-topics/filing-a-complaint

The Military Lending Act (MLA)

OVERVIEW & PURPOSE

The Military Lending Act (MLA) protects active duty Servicemembers and their dependents when they take out certain types of loans. This chapter will tell you what those protections are and when they are applicable. The Department of Defense recently made some important changes to the MLA.[1] These changes are reflected in this chapter, so it may differ from some of the things you have heard about this law.

The Military Lending Act (MLA)

WHO DOES THE MLA PROTECT?

"Covered Members," meaning:

Active Duty Members of the Armed Forces

Dependents of Covered Members, Including:

SPOUSES,

CHILDREN UNDER 21, AND

PARENTS OR IN-LAWS (UNDER CERTAIN CONDITIONS)

WHAT DOES THE MLA COVER?

Only loans for "consumer credit" which is:

Credit given for primarily personal, family, or household uses, and is:

- Subject to a finance charge, OR
- Payable under a written agreement in more than four installments

The MLA does NOT cover home mortgage loans or auto finance loans that are secured by the car

WHAT DOES THE MLA DO?

Prevents lenders from charging a military annual percentage rate (MAPR) of more than: **36%**

MAPR is a combination of a loan's interest rate and other fees. It generally tells you the total cost of a loan.

Forbids the lender from:

forcing covered members into arbitration,

making covered members waive their rights under the SCRA, and

penalizing covered members for prepaying

Requires the lender to tell the borrower:

the loan's MAPR,

clearly the payments that the borrower must make, and

anything else that has to be disclosed under the Truth in Lending Act

[1] https://www.gpo.gov/fdsys/pkg/FR-2015-07-22/pdf/2015-17480.pdf

WHAT DOES THE MLA DO?

WHAT DOES THE MLA DO?

- The MLA sets the maximum Military Annual Percentage Rate (MAPR) at 36% for covered borrowers.
  - MAPR is a calculation of the loan's interest rate and most of its fees, including insurance premiums and finance charges.
    - The MAPR will generally enable you to calculate the total cost of the loan.
  - Certain "bona-fide fees" for credit cards do not have to be included in the MAPR.
    - Bona-fide fees include fees for cash advances, foreign transactions, and other services that credit card companies usually charge for.
    - The amount of the fee must be reasonable.
      - It is reasonable if it is similar to the amount that other credit card companies charge for a similar service
      - It can also be considered reasonable if the company provides a range or level of services that justify the fee amount.
    - If a creditor charges an unreasonable bona-fide fee, ALL of the bona-fide fees (even ones that would otherwise be excluded), must be included in the MAPR.
      - For example, if a credit card company charges (1) a reasonable cash advance fee and (2) an unreasonable foreign transaction fee, BOTH must be included in the MAPR.
      - On the other hand, if the company only charged a reasonable cash advance fee, then it would be excluded from the MAPR.

- Under the MLA, lenders and creditors are:
  - Forbidden from using the proceeds of a loan taken out by the borrower to renew or refinance another loan with that same lender;
    - For example, if you have two different loans (Loan A and Loan B) with the same lender (Lender X), Lender X can't use the proceeds of Loan A to refinance or renew Loan B.
  - Forbidden from requiring covered borrowers to waive their rights under any relevant law, including the Servicemembers Civil Relief Act;
  - Forbidden from forcing covered borrowers to submit to arbitration or follow unusually difficult legal notice procedures;
    - Arbitration means that any dispute between you and the creditor will be decided out of court. Normally, you don't have the same protections in arbitration that you would get in court and the lender gets to choose the arbitrator.
  - Forbidden from requiring covered borrowers to use unreasonable notice procedures before taking legal action;
    - Notice informs someone that they are being sued.
  - Forbidden from accessing a financial account (deposit, savings, or otherwise) of a covered borrower;
    - Except, a lender can (1) require repayment through electronic fund transfer, (2) require a direct deposit, or (3) take a security interest in funds deposited after the extension of credit.
  - Forbidden from using the title of a vehicle as security;
    - Except if they are a licensed bank, savings association, or credit union.
  - Forbidden from requiring a covered borrower to use automatic payments to repay the loan;
    - Except for a military welfare or service relief society.
  - Forbidden from prohibiting prepayment by covered borrowers or penalizing them for prepaying.

- The MLA requires the lender to tell you the following things:
  - Any disclosure required by the Truth in Lending Act (TILA);
    - These disclosures include the amount financed, any finance charges, and penalties for late payments.
  - The loan's MAPR; AND
  - A clear description of how much the borrower has to pay.
    - The last two disclosures must be made both orally AND in writing.

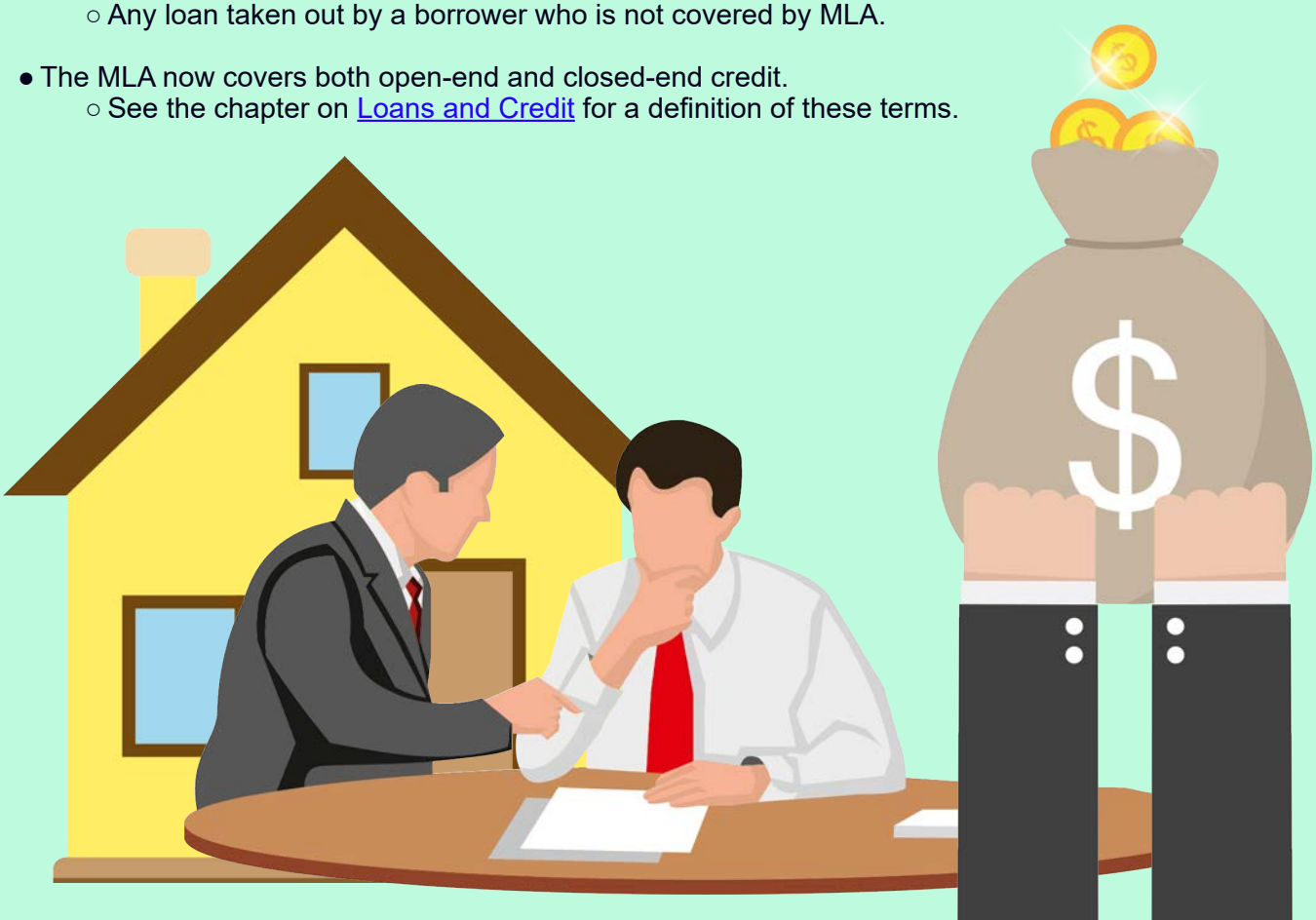
WHAT DOES THE MLA COVER?

- The MLA only covers loans for consumer credit.
  - The MLA's definition of consumer credit was formerly limited to closed-end credit for payday loans, auto title loans, and tax refund anticipation loans.
  - However, the recent changes to the MLA added many more types of loans to the definition of consumer credit. Don't let any lenders fool you into thinking that only the earlier three loans are covered.
  - Credit cards do NOT have to follow the requirements of the MLA until October 3, 2017. That date could be extended for another year.

- Consumer credit is credit used primarily for personal, family, or household purposes AND is either:
  - Subject to a finance charge; OR
    - A finance charge is just a fee that you have to pay when someone gives you a loan or otherwise extends credit to you.
  - Described in a written agreement that it is to be paid in more than four installments.
    - This means that your agreement can't be verbal and you are required to make more than four installments (which may be made weekly, monthly, etc.).

- Keep in mind that the MLA doesn't cover all types of credit. There are five types of loans that are NOT covered by the MLA:
  - Home mortgage loans;
  - Auto finance loans that are secured by the vehicle;
    - A loan is "secured" by the vehicle if the lender has a legal right to repossess the car if the borrower does not make the agreed-upon payments.
    - This does NOT include title pawns because they are not used to finance a vehicle's purchase. Title pawns are still covered by the MLA.
  - Loans for the purchase of personal property that are secured by that property;
  - Any loan that is not covered by the Truth in Lending Act (TILA) (also known as "Regulation Z," 32 C.F.R. 226.3, etc.); AND
    - There are seven types of loans that are not covered by TILA, including business loans and student loans.
    - Just to be clear, if a loan is not covered by TILA, it is also not covered by the MLA.
  - Any loan taken out by a borrower who is not covered by MLA.

- The MLA now covers both open-end and closed-end credit.
  - See the chapter on Loans and Credit for a definition of these terms.



WHO DOES THE MLA COVER?

- Covered members are members of the armed forces who are
  - On active duty for more than 30 days, OR
  - On active National Guard and active Reserve Duty.

- The MLA protects covered borrowers, meaning both covered members and their dependents.

- Dependents of covered members are
  - Spouses;
  - Children under 21; AND
  - Parents or in-laws if they live with the covered member and rely on him or her for half of their support.

- If you take out a loan while you are NOT on active duty, that loan is NOT covered by the MLA even if you are a member of the Armed Forces.

WHAT OTHER PARTS OF THE MLA DO I NEED TO KNOW ABOUT?

- A creditor who knowingly violates the MLA is guilty of a misdemeanor, punishable by a fine and up to one year in prison.

- Any contract that violates the MLA is void and unenforceable in court.

- If a creditor violates the MLA, you can sue for money and to stop any enforcement action that has been taken against you.

- The creditor has to follow certain procedures to identify whether the borrower is covered by the MLA.
  - Previously, creditors only had to ask borrowers if they were covered.

SOURCES

- FICO, Military Lending Act Compliance: Are You Ready?
- Department of Defense, News Release on Final Military Lending Act Rule
- Experian, Must Know Details About the Military Lending Act in 2016.
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- http://www.fico.com/en/blogs/risk-compliance/military-lending-act-compliance-are-you-ready/
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- http://www.experian.com/blogs/insights/2016/02/military-lending-act/
- https://cftnow.org/wp-content/uploads/ABAMilitaryLendingActSummary.pdf

PERSONAL FINANCE

OVERVIEW & PURPOSE

A 2016 study said that Georgians tend to have more financial know-how than the average American.[1] However, that same study also reported that Georgians (like most Americans) do not often put that knowledge into practice.

This chapter is designed to remedy that problem. It will give you a basic overview of several financial issues, including building a budget, investing for the future, and planning your retirement. It will also show you several useful resources where you can get more help with these complicated problems. Whether you're tired of living paycheck to paycheck or just want a little more stability, the information here will get you started towards personal financial security.

[1] http://www.bizjournals.com/atlanta/news/2016/04/06/georgians-carry-more-debt-than-most-americans-but.html

Getting Help With Your Finances

You probably already know that managing your finances can be complicated. You will almost certainly need help with each step of this process. Luckily, active duty, Reserve, and National Guard members can get **free financial counseling** from **Military OneSource** by calling 1-800-342-9647.[1]

Bank Accounts[2]

There are different types of bank accounts, each with its own benefits and drawbacks. You may need more than one bank account, using different ones for different purposes.

Checking Account

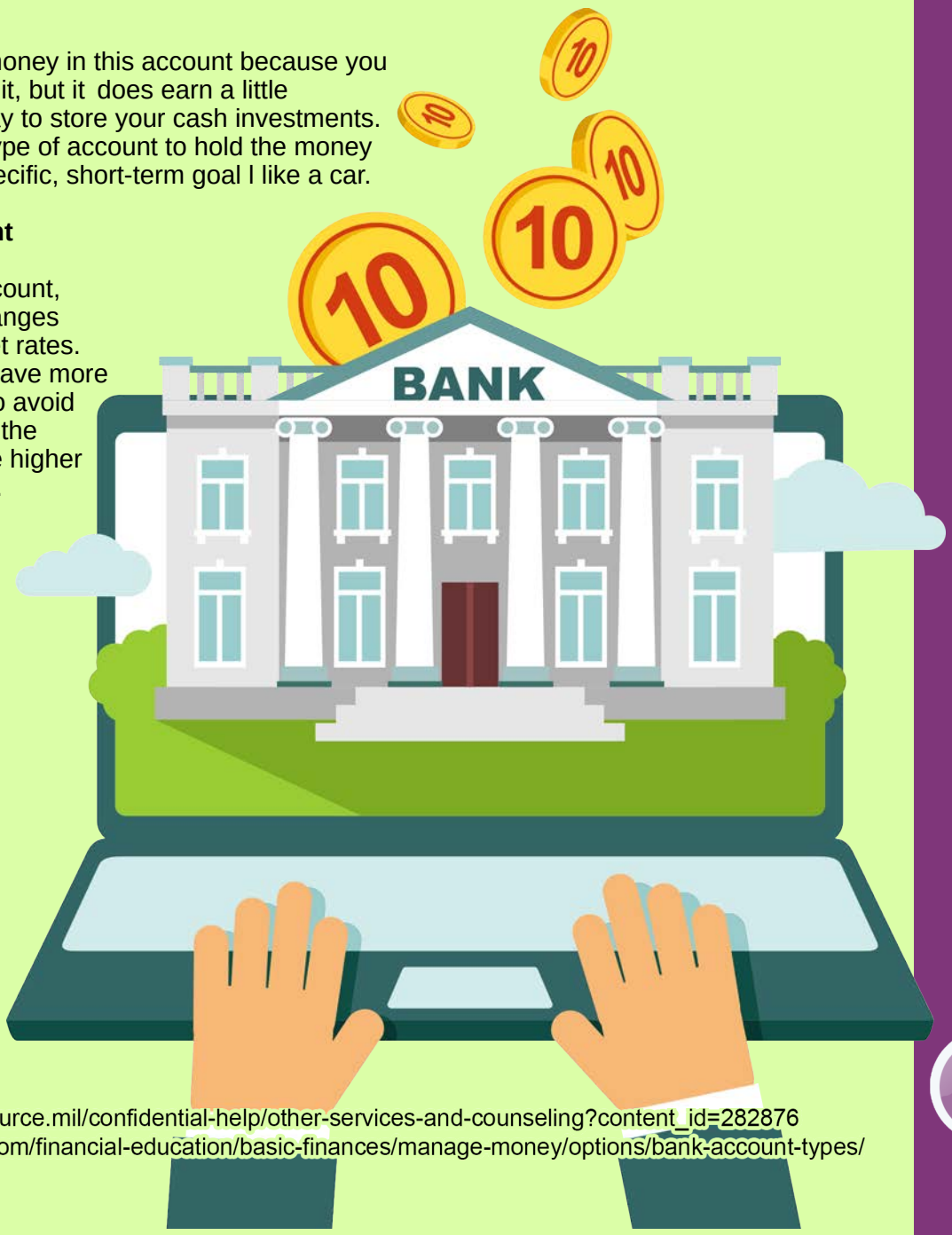
This account keeps your money secure and accessible. You can access the money in it by using a check or debit card. However, it usually does not earn interest like other types of bank accounts. This type of account is good for keeping the money you plan to use on a daily basis.

Savings Account

It is harder to use the money in this account because you must withdraw it to use it, but it does earn a little interest. It's an easy way to store your cash investments. You can also use this type of account to hold the money you are saving for a specific, short-term goal l like a car.

Money Market Account

Similar to a savings account, but the interest rate changes based on money market rates. It also requires you to have more money in the account to avoid paying a fee. However, the interest rates tend to be higher than a savings account.



[1] http://www.militaryonesource.mil/confidential-help/other-services-and-counseling?content_id=282876
[2] https://www.wellsfargo.com/financial-education/basic-finances/manage-money/options/bank-account-types/

Budgeting[1]

Creating and maintaining a budget is one of the most important things you can do for your finances. Just know that **it will take time** to make an accurate budget and that your budget can change as your income and expenses do.

- **First,** if you aren't already, start keeping track of how much money you are making and spending each month.
  - To make this a little easier, you can save all of your receipts for one month and look at your bank account and credit card statements.
  - You can easily do this on paper or an Excel spreadsheet. There are also budgeting worksheets (example[2]) and a wide variety of apps that can help you with this.[3]
  - Keep in mind that there are **different types** of expenses.
    - **Fixed:** Expenses, such as rent, that do not change frequently.
    - **Variable:** Expenses, such as food, that change from month to month.
    - **Periodic:** Expenses, such as repairs, that may or may not have to be paid in any given month.

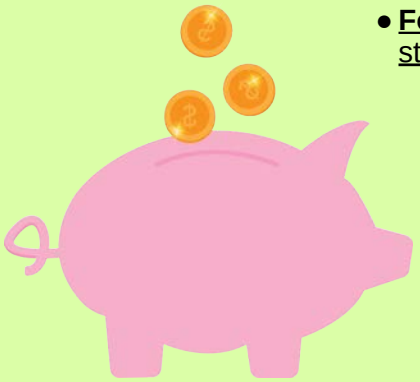
  - Most people don't include savings in their expenses, but you should. In fact, you should **pay yourself** before you pay your other expenses.
    - If you're not sure how much to save, a good rule is 10-15% of your income before taxes ("**gross income**"). If you really can't afford to save that much, get as close to it as you can.
    - You can set up an auto-draft through your bank, where a fixed amount of money automatically transfers from your checking to your savings account on the same day each month.
  - Your debts are also part of your expenses.
    - Look at how much debt you owe and what your minimum payments are. You should try to **pay more than the minimum** because it will get you out of debt faster and significantly reduce the amount of interest you have to pay.
    - Pay off debts with the highest interest rates first.

- **Second**, see how much money you have left **after your expenses**.
  - If you don't have much or anything left over, see if there are any expenses you could lower or live without.
    - This step is especially important if you are saving towards a goal like buying a car or putting aside money for college.
    - If you find yourself struggling with this step, contact a financial counselor at Military OneSource or elsewhere.

[1] https://usaaef.org/financial-education/spending_plan; http://www.military.com/money/personal-finance/8-budgeting-tips-for-military-families.html
[2] http://www.moneymanagement.org/~/media/Files/MMI/Journey%20Worksheets/11_1057_11%20Worksheet%20-%2012-Month%20Budget%2005-16.pdf
[3] https://www.dailyworth.com/posts/2815-7-of-the-best-money-management-apps

Budgeting (continued)

- **Third**, start building an **emergency fund**.
  - Your goal should be to save about 3 to 6 months' worth of your net income after taxes (known as net income). It will take some time to build up this fund, but it will give you a financial buffer if you have a major, unexpected expense like a car repair.
  - Put this money in a separate savings or money market account.



- **Fourth**, once you've built your emergency fund, start preparing to **live on last month's paycheck.** [4]
  - If you're like most people, you get paid on a regular basis and every time you get paid, you watch that money get swallowed up by your expenses. Wouldn't it be better if you could save your entire paycheck? If you follow this system, you will be able to do just that.
  - When you're ready to start working toward this goal, begin saving a little bit every month until you have an amount equal to **one month's salary**. Once you do, you can live off that money and save last month's paycheck for the next.
  - Let's look at a simplified example of how this process works. Say you make $3,000 each month after taxes, spend $2,500 each month, and get paid once on the first of the month. Within 6 to 12 months, you have built up your emergency fund and are ready to start this process.
    - For example, you could take the $500 you have leftover every month and save it for **six months.** After 6 months, you finally will have saved an amount equal to one month's paycheck: $3,000.
    - Then when you receive your next paycheck of $3,000, instead of spending that money, use the $3,000 that you have saved up. Then the $3,000 that you made in the current month will be saved for the following month. You will keep doing this indefinitely.
  - You can see how this system will make your finances more secure. Being able to save your entire paycheck means that you have **$3,500 leftover** each month **instead of just $500**. This gives you an extra buffer, so if you run into trouble, you may not even have to dip into your emergency fund. If you are living from paycheck to paycheck, this will help you get out of that cycle and move towards financial security.

[4] http://www.nodebtplan.net/2008/03/11/the-concept-that-changed-our-financial-life/

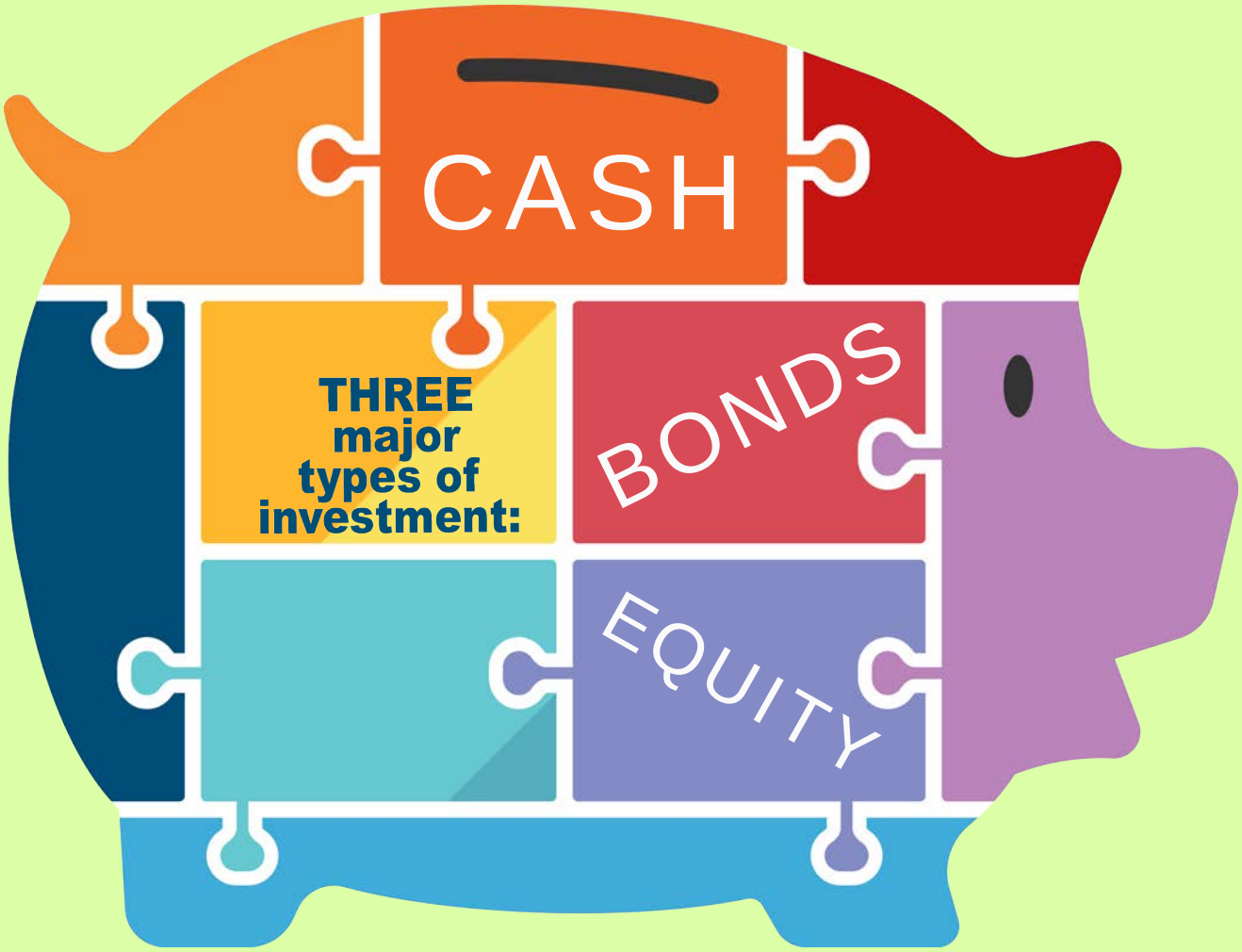
INVESTMENT[1]

- Investing your money is a good way to add to your retirement and give you a better financial safety net. However, you shouldn't invest heavily until you've gotten your budget and emergency fund in order. You should also have car, home, health, and life insurance.

- Even before you have all of this in place, you can start investing small amounts. It's a good idea to start investing early because you will end up making more money in the long run.
  - Consider this example:[2] If you invest $200 each month starting at age 20 and your friend does the same thing starting at age 25, by age 60 you will have made over $306,000 while your friend has made around $228,000. By starting five years earlier, you've made yourself **an extra $78,000.**
  - This is possible because of compound interest. At first your investment just makes money. However, because of compound interest, the money you make from your investments begins making money. That's why it's important to invest early even if you're only saving a little money at first.

- Remember: you're investing for the **long-run**. It's not a way to get rich quick. However, investing money early and letting that add to your retirement frees up the money in your paycheck for more immediate expenses.

- The best collection of investments (called an **investment portfolio)** is **diversified,** meaning that it has its money in different kinds of investments. Having a diversified investment portfolio lets you balance out the risks you take with the rewards you get.



[1] https://usaaef.org/financial-education/investing
[2] https://usaaef.org/publications-media/articles/u116/what-s-the-rush

INVESTMENT (continued)

Here are three major types of investment:

CASH

- Cash investments include the savings and money market accounts mentioned previously.
- They also include **Certificates of Deposit (CDs)**
  - With CDs, you invest your money for a set period of time at a stable interest rate. The interest rates for CDs are usually better than savings accounts, but you cannot withdraw the money from them before the end of the period without paying a penalty.
- Cash investments are **low risk and low reward**. They are good for saving for short term goals and a good place to keep your emergency fund.

BONDS

- Bonds are sort of like loans that companies and governments issue to get money. You buy a bond and the issuer pays you interest over a period of time until it repays the full amount.
- The bonds themselves have value, so they can be bought and sold before they have to be repaid. Their price is based on their current worth. You can sell a bond you bought for more than the purchase price and make money that way.
- Bonds are seen as **more stable** than stocks, but **riskier** than cash.

EQUITY

- Equity investments give you ownership over something. The classic example is stocks, which give you part ownership in a company. Equity investments also include assets like real estate or commodities (such as grain or gold).
- Equity investments, particularly stocks, are **high risk** because their price can change quickly and the amount of money you make depends on when you sell. However, if you continue to **invest wisely** over the long term you will most likely make **more money** than you would with other investments alone.

- Now that you know the why and what of investing, you need to **think about the how.** Investing on your own means you don't have to pay a professional, but it requires a lot of time and some skill to manage your investments effectively. However, there is a middle ground between doing it yourself and professional help.[1]
  - **Remember,** active duty, Reserve, and National Guard members can get free financial counseling from Military OneSource by calling 1-800-342-9647.[2]

  - **Mutual Funds**
    - Mutual funds collect the money of many different individuals and make a variety of investments depending upon the fund's investment strategy. They can invest in equities, bonds, or some combination of the two.
    - There are **different kinds** of mutual funds that take different kinds of risks and have different objectives. Compare these objectives, past performance, and cost when looking at mutual funds.
- You can find this information by reading a mutual fund's **prospectus**.
- Publicly offered investments like mutual funds and stocks must have a prospectus. It gives potential investors basic information about the investment.
    - The Mutual Fund Education Association has a lot of information about this type of investment.
  - **Exchange Traded Funds (ETFs)**[3]
    - ETFs are similar to mutual funds except they are traded like stocks. They are not actively managed, so they can be cheaper than mutual funds. They also have varying objectives, so be sure to compare before you buy.

[1] https://usaaef.org/financial-education/investing/u111/mutual-funds-make-investing-easy
[2] http://www.militaryonesource.mil/confidential-help/other-services-and-counseling?content_id=282876
[3] http://mfea.com/learn/mutual_funds/why_mutual_funds/content_tabbed/default.fs

RETIREMENT

- The *Investment* section of this chapter will help you prepare for a comfortable retirement. But you can do more to plan specifically for that time and maybe free up some of your investment earnings for emergencies or other immediate expenses. This section will discuss some of your **retirement-specific options.**

- **Individual Retirement Account** (IRA) [1]
  - IRAs are a common way for people to add to their retirement funds. They are like long-term savings accounts with tax advantages. The money you contribute to your IRA is invested in other places. There are two types of IRAs.[2]
  - Traditional IRA
    - The money you put in a traditional IRA is usually contributed before taxes are withheld (pre-tax income), but you will have to pay taxes when you withdraw the money (which has age restrictions as to when you can withdraw it without penalty).
  - Roth IRA
    - Contributions to a Roth IRA are not tax-deductible, but the money you take out is not taxed.
  - Both types of IRAs have **limits** on how much money you can put in them in a year. Most recently, that yearly limit was $5,500 for all of your IRAs. Your contributions can be further limited depending on your yearly income.
    - If you are 50 years or older, the maximum contribution

- **Thrift Savings Plan** (TSP)[3]
  - The TSP is similar to an IRA. Money is put into your account and invested in other places. The TSP has **better tax treatment** than a savings account and you can choose between traditional and Roth TSPs with the same benefits and drawbacks as their IRA counterparts.
  - However, the TSP's contribution limits is about three times as high as an IRA's. For example, the most recent limit was $18,000 per year. TSPs also have lower administrative expenses than other similar accounts.
  - Members of the Uniformed Services,[4] which includes the Reserves and National Guard, can **sign up for the TSP** by contributing through the automated system (such as myPay) used by their service. Otherwise, you can enroll by submitting a Form TSP-U-1 to your service.[5]

- IRAs and TSPs can be complicated, so you should talk to a financial counselor to make sure you're getting the maximum benefit.

[1] https://usaaef.org/publications-media/articles/u128/what-s-so-great-about-iras; https://www.irs.gov/retirement-plans/individual-retirement-arrangements-iras-1
[2] https://usaaef.org/publications-media/articles/u134/traditional-vs.-roth-iras
[3] https://www.tsp.gov
[4] https://www.tsp.gov/sitehelp/glossary/glossary.html?term=UniformedServices
[5] https://www.tsp.gov/PDF/formspubs/tsp-u-1.pdf

EXAMPLE OF BUDGET, INVESTMENT, AND RETIREMENT PLAN

● This chapter has given you a lot of advice and information about different areas of your finances. Now let's see how it all looks when you put it all together.

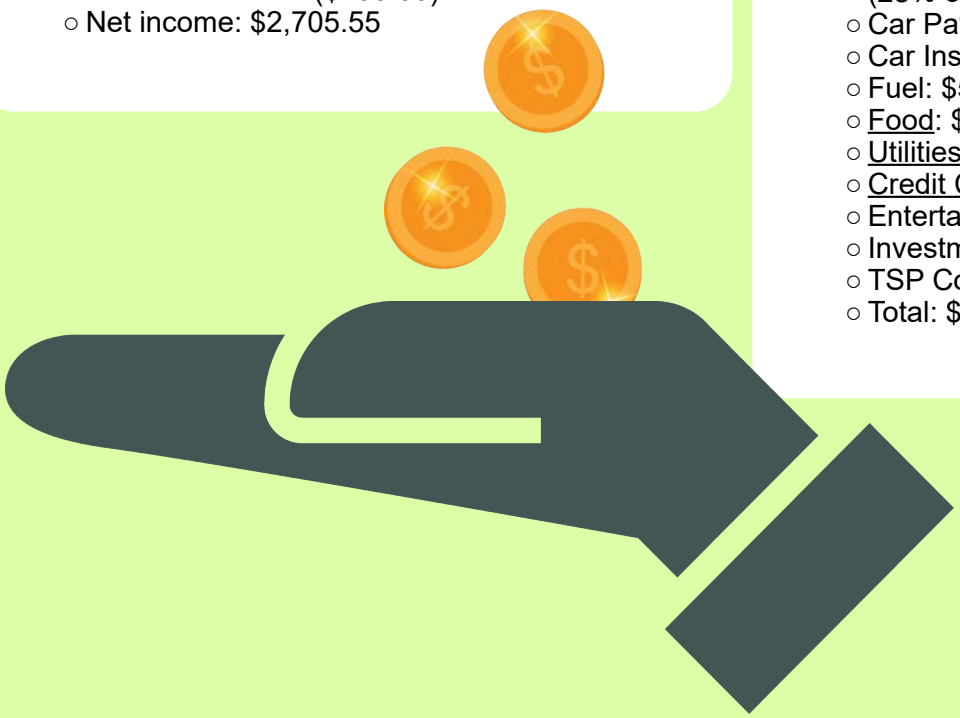
● Here's the budget of someone who recently joined the military in 2016: an E-1 with less than four months of active duty service. This Servicemember is stationed at Ft. Benning (Zip Code: 31905) and has no dependents.

Here is a list of the money coming in for this Servicemember each month (his gross income).

- Basic Pay: $1,449.00
- Basic Allowance for Subsistence (BAS): $357.55
- Basic Allowance for Housing (BAH): $999.00
- Total (gross pay): $2,805.55
- Less income tax: ($100.00)
- Net income: $2,705.55

● Now here is a list of this Servicemember's **monthly expenses.**

- Savings: $280 (10% of gross income)
- Housing: $785.55 (28% of gross income)
- Car Payments: $185.94
- Car Insurance: $98
- Fuel: $50
- Food: $300 (average)
- Utilities: $134.14 (average)
- Credit Card Payments: $320
- Entertainment: $150
- Investments: $50
- TSP Contributions: $140.27
- Total: $2,493.90



● On average, that leaves $211.65 left over each month. Of course, there would be other regular expenses, like premiums for life insurance, but this will be good enough for us to work with.

● As you may recall from the section on budgeting, the next step after tracking your income and expenses is to begin building your emergency fund. This fund should be equal to 3 to 6 months' worth of your net income. So our example Servicemember's emergency fund should be between $8,116.65 and $16,233.30.

- As stated above, this Servicemember saves at least $280 each month. If he only put this amount towards his emergency fund, then it would take him about 29 months to build up his minimum emergency fund.
- If he contributed more, it would not take as long. If he put all of the money he had left over each month ($491.65) towards his emergency fund, it would only take about 16 months to reach the minimum amount.
- Since his expenses and ability to save are likely to change, the time it will take him to save his minimum amount would likely fall somewhere in between the two.

EXAMPLE OF BUDGET, INVESTMENT, AND RETIREMENT PLAN (Continued)

- The Servicemember's next goal is to live off last month's paycheck.
  - Separate from his emergency fund, he'll need to save $2,705.55.
  - If he only puts away $280 each month, he'll reach his goal in about ten months.
  - If he saves $491.65 each month, he'll get there in about five months.

- As you can see, this Servicemember is also investing at least $50 each month.
  - Since this Servicemember is just starting out, he only has one investment outside of his savings account.
  - According to this investment's prospectus, its average annual return since it was started in 1997 is 2.82%. Let's say that this Servicemember continued to invest for the next 40 years.
  - If the rate of return and monthly amount invested never changed, he would have $40,607 after 40 years (not adjusted for inflation). [1]

- This Servicemember also wants to plan specifically for his retirement, so he invests in the Thrift Savings Plan (TSP).
  - Every pay period, he contributes 5% of his basic pay ($140.27). Because of this, his service will contribute 4% of his basic pay in addition to the automatic 1% it contributes for a total of 5%.

- However, only the first 3% is matched dollar for dollar ($84.16) while the next 2% is matched 50 cents for each dollar ($28.05) for a total contribution of $112.21.
  - In total, $252.48 is being contributed to his TSP account each pay period.
  - He chooses to invest in a **G Fund,** which has an average annual return of 5.29%. To make things easy, we'll assume that his pay, contribution amount, and annual rate of return never change.
  - If he contributes for 35 years, he will have saved $257,854

- From his investments and retirement planning, this Servicemember will have saved $298,461.
  - Of course, in reality, that number would almost certainly be higher because his pay (and contribution amount) would increase as he moved up in rank. At the same time, taxes and inflation would also change the amount.

- From this section, we can see two things:
  - One, managing your budget, investments, and other finances can be complicated, but well worth it. There are a lot of numbers to keep track of and doing things right takes time and effort.
  - Two, despite these complications, managing your finances is doable. More importantly, it is a must if you want to secure your future financial well-being.

[1] http://www.bankrate.com/calculators/retirement/roi-calculator.aspx

DEBT COLLECTION

OVERVIEW & PURPOSE

Debt is a major problem for many American families, especially for those in the military. This chapter talks about the legal protections you have against debt collectors, primarily those found in the Fair Debt Collection Practices Act. It will also cover what to do when debt collectors start calling and how unpaid debts can affect your military career.

THE FAIR DEBT COLLECTION PRACTICES ACT (FDCPA)

RIGHTS

You have the right to...

- Know the name of the debt collection company and the current creditor
- Demand that the collector provide written evidence that you actually owe the debt
- Dispute that you owe part or all of the debt within 30 days of receiving a letter from the collector

LIMITS

The FDCPA...

- Does NOT apply if the original creditor is trying to collect the debt themselves.
- Only applies to family, personal, or household debt
- Does NOT relieve you of your obilgation to repay a legitimate debt even if a collector breaks the law

PROTECTIONS

Collectors cannot...

- Add fees that you did not agree to or that are not allowed by law
- Call at unreasonable hours
- Contact your commanding officer
- Threaten to have you arrested or prosecuted because of a debt
- Contact you directly if they know you have a lawyer

PERMISSIONS

Collectors can...

- Get only your contact information from family, friends, or employers
- Call at reasonable hours
- Send negative information to credit reporting agencies

If a debt collector has violated the FDCPA,
contact a lawyer as soon as possible.
Go to http://legalassistance.law.af.mil/content/locator.php
to find the nearest Armed Forces Legal Services Location

HOW DOES THE LAW PROTECT ME FROM DEBT COLLECTORS?

- The Fair Debt Collection Practices Act (FDCPA) protects you from unfair and abusive debt collectors.
  - The FDCPA only applies to debt collectors, meaning people or businesses that regularly collect debts owed to others. The term "debt collector" includes companies that buy past due debts and then try to collect them.
    - It does NOT include companies trying to collect debts that were originally owed to them. For example, if you owe a Debt to Company A, the FDCPA does not apply if Company A tries to collect that Debt itself.
    - HOWEVER, if Company A sells the Debt to Company B, the FDCPA does apply if Company B tries to collect the Debt.
  - The FDCPA also only applies to personal, family, or household debt.
    - It does NOT cover business debt.

- Under the FDCPA, debt collectors MUST:
  - Tell you (1) their name, (2) the name of the debt collection company that they work for, (3) that they are attempting to collect a debt, and (4) that any information obtained will be used for that purpose; AND
  - Within five days of first contacting you, send you written notice stating (1) the amount you owe, (2) the name of the current creditor, and (3) that you have a right to dispute the debt.
  - If you choose to dispute the debt, you have 30 days to demand, in writing, that the collector provide evidence (known as "verification") that the debt is actually owed, such as a copy of the bill he or she is collecting on.
    - The debt collector must then stop all collection attempts until it has sent you written verification of the debt.

- The FDCPA allows debt collectors to:
  - Get only your contact info from a family member, friend, or employer;
  - Send truthful negative information to the credit reporting agencies; AND
  - Call at reasonable hours and at any time you said would be okay.

- Debt collectors are NOT allowed to:
  - Call before 8:00 am, after 9:00 pm, or anytime that you have said would be inconvenient. They can't call your workplace if you have told them not to;
  - Contact you if they know you have a lawyer;
  - Tell anyone other than you, your spouse, your lawyer, or a co-signer that you owe a debt;
  - Swear or use abusive language;
  - Lie about or misrepresent any facts, such as how much money you owe;
  - Threaten to have you arrested or prosecuted because of a debt;
  - Send false information to credit reporting agencies;
  - Cause your phone to ring an unreasonable number of times;
  - Add arbitrary fees; OR
    - Debt collectors cannot charge any interest or extra fees UNLESS you agreed to them in the original contract OR they are otherwise allowed by law.
  - Contact your commanding officer.

- Can my wages be garnished?
  - In some circumstances, a debt collector can have your wages or bank accounts garnished—meaning they can take money directly from your account to pay off the debt.
  - For most debts, collectors are prohibited from having certain federal benefits garnished, including your veteran's benefits, military annuities, and survivors' benefits
    - However, military wages and benefits can be garnished for unpaid child or spousal support, federal taxes, and student loans.

WHAT DO I DO WHEN DEBT COLLECTORS START CONTACTING ME?

- Your reaction will depend on whether you owe
  - All of the debt that is being collected; OR
  - Only part or none of the debt that being collected.
- In either case, if you want them to stop contacting you, send a written letter to the debt collector demanding an end to all debt collection contact.
- The collector must honor this request, BUT it can still take other actions against you such as filing a lawsuit.
  - Do not ignore a lawsuit. If you do, you could lose by default judgment and your wages or bank accounts could be garnished.

WHAT IF I OWE ALL OF THE DEBT THAT IS BEING COLLECTED?

- Even when debt collectors violate the FDCPA, you still must pay back any debt that you actually owe.
- If you are having trouble paying the debt, you can get free financial counseling through the DoD's Military OneSource (phone: 800-342-9647)[1]. Then, you can try to work with the creditor directly to figure out a payment plan.
  - See these Frequently Asked Questions for more information on Military OneSource's financial counseling[2].
- You should consider recording any conversation you have with a debt collector. Georgia is a 'one-party consent' state, which means you do not need the other person's permission to record a conversation you have.
  - Recording these conversations can be very helpful if you need to contact a lawyer or a government agency because they will know exactly what the debt collector has said.

WHAT IF I ONLY OWE PART OR NONE OF THE DEBT THAT IS BEING COLLECTED?

- You have a right to dispute all or part of the debt.

- To do this, send the collector a written letter stating that you dispute the debt.
  - You must send your dispute letter within 30 days of the collector's written notice of the debt.
  - Send your letter by certified mail with return receipt requested and keep a copy of the letter for yourself.
  - As appropriate, you may send copies of receipts, cancelled checks, or other information that backs up your dispute.
  - If you dispute the debt, the collector cannot make any more attempts to collect the debt until it has sent you written verification of the debt.
  - If you do not dispute the debt within 30 days, the collector can assume that you owe the debt.

- If, for whatever reason, the collector claims that you owe more than you actually do, you can dispute that amount. In this case, send the collector a written letter, as outlined above, explaining how much you dispute.
  - In your statement, make it clear that your letter does NOT acknowledge that you owe this or any other amount of money

As always, if you have concerns, you should speak with an attorney.

Information on where to get a lawyer can be found in the next section.

LEARN MORE

[1] http://www.militaryonesource.mil/confidential-help/other-services-and-counseling?content_id=282876
[2] http://www.militaryonesource.mil/counseling?content_id=267031

WHAT CAN I DO IF A DEBT COLLECTOR BREAKS THE LAW?

- If a debt collector violates any of these rules, you should contact a lawyer as soon as possible. You can find the nearest Armed Forces Legal Services location here. [1]
  - If you need representation in court, apply to the State Bar of Georgia's Military Assistance Program for a free or less expensive lawyer. [2]

- You have the right to sue the debt collector for any violation of the FDCPA.
  - You must file your lawsuit with the court within one year of the violation.
  - You can get money to compensate for any financial losses (such as lost wages or medical bills) and any emotional or mental distress that you suffered because of the debt collector's violations.
  - Even if you don't actually lose any money because of the violations, you can still get up to $1,000 and the reasonable cost of your attorney.

- You should also report violations of the FDCPA to the Federal Trade Commission, the Consumer Financial Protection Bureau, and the Georgia Department of Law's Consumer Protection Unit.[3] You should also report the debt collection company to the Better Business Bureau's Military Line.[4]
  - If you are sure that the debt collector is a law firm, do not submit a complaint to the Consumer Protection Unit. Instead, report it to the State Bar of Georgia.[5] Note that disreputable debt collectors may attempt to impersonate law firms or government entities.

- Remember, even if a debt collector violates the FDCPA, you must repay any debt that you actually owe.

DEBT AND YOUR MILITARY CAREER

- It is extremely important that you stay up to date on your payments. You can be denied security clearance or promotion if you have too many unpaid debts.

- The best way to avoid this problem is to stay away from unmanageable debt. Do not take out loans that you can't pay back and watch out for predatory lenders. For more information about the harms of predatory lending, see the Payday Loans and Title Pawn Loans sections in the Loans and Credit chapter. You can also read the chapter on Personal Finance for budgeting advice.
  - Of course, everybody has unexpected expenses. Car accidents, illnesses, divorce, loss of employment, or permanent change of station orders can throw a wrench into anyone's budget plans.
  - Rather than turning to high cost loans that will only drive you further into debt, contact an established bank or credit union about a loan.
    - Find a bank here: https://research.fdic.gov/bankfind/
    - Find a credit union here: http://mapping.ncua.gov/

- Reminder: You can get free credit counseling and financial help from the DoD's Military OneSource (phone: 800-342-9647).

- Remember, debt collectors often make mistakes and may try to collect a debt you no longer owe or never owed in the first place. Do NOT let concerns about your military career pressure you into paying a debt you do not owe. If a collector is wrongly trying to collect a debt from you, follow the advice in this chapter and talk to a lawyer as soon as possible.

SOURCES

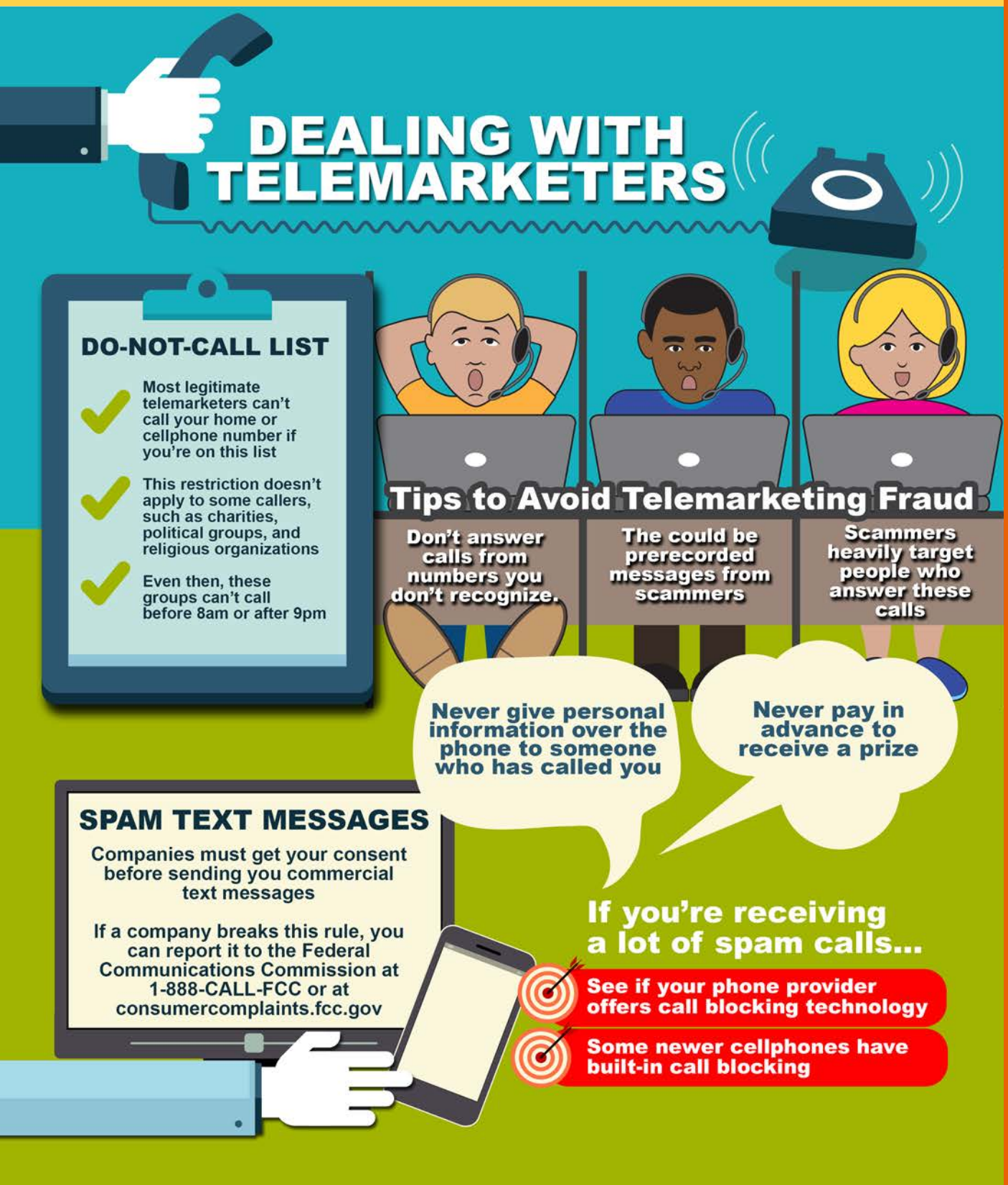
- http://consumer.georgia.gov/consumer-topics/debt-collectors
- https://www.consumer.ftc.gov/articles/0149-debt-collection
- http://www.bbbmarketplacetrust.org/story/28210985/are-unpaid-debts-a-military-career-killer

[1] http://legalassistance.law.af.mil/content/locator.php
[2] https://www.gabar.org/publicservice/militarylegalassistance.cfm
[3] https://www.ftccomplaintassistant.gov/GettingStarted?NextQID=24&Url=%23%26panel1-8#crnt; http://www.consumerfinance.gov/complaint/#debt-collection;
[4] http://consumer.georgia.gov/consumer-services/filing-a-complaint http://www.bbbmarketplacetrust.org/category/291048/military-and-veterans
[5] https://www.gabar.org/forthepublic/fileacomplaint.cfm

TELEMARKETING

OVERVIEW & PURPOSE

It is often more difficult to detect a scam when the perpetrator contacts you through the telephone. This chapter will teach you how to reduce the amount of telemarketing calls you get, how to spot a scam, and ways to protect yourself from telemarketing fraud. You can also find advice that is applicable to telemarketing scams in the chapter on
Scams, Fraud, and Deceptive Business Practices.



DO-NOT-CALL-LIST[1]

- The federal Do-Not-Call list stops most legitimate telemarketers from contacting anyone who has put their home or personal phone number on the list.[2]
  - You can add your number at www.donotcall.gov.

- Certain groups and organizations are not covered by the Do-Not-Call list, including:
  - Charities;
  - Religious groups;
  - Political groups;
  - Businesses that you have a previous or current relationship with (like telephone or credit card companies);
  - Companies that you have intentionally and clearly given permission to call you; and
  - Other companies that are not trying to get you to buy or sell anything (like polling companies and schools).

- Federal law also puts certain requirements and restrictions on telemarketers.[3]
  - They can only call between 8:00 am and 9:00 pm.
  - They must tell you whether the call is for sales or for charity.
  - They cannot lie or mislead you.

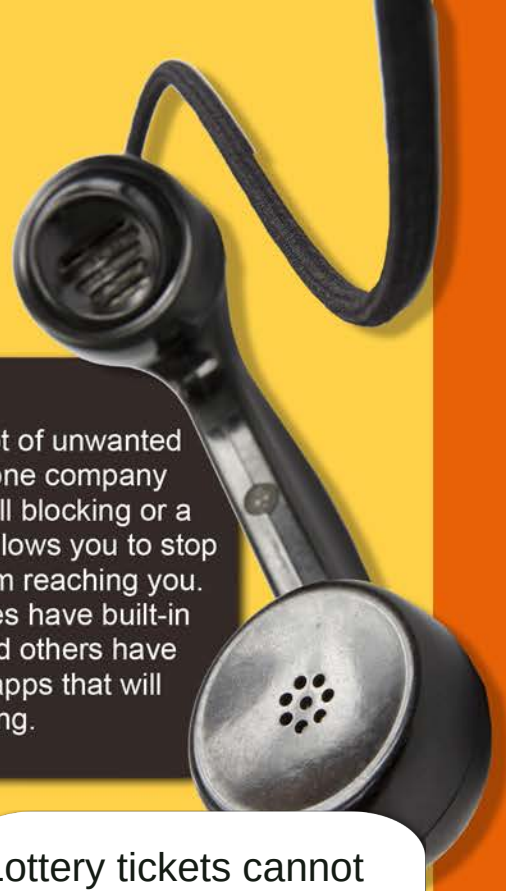
TELEMARKETING FRAUD

- Unfortunately, the Do-Not-Call list will not stop scammers from contacting you. If you have told a telemarketer that you are on the Do-Not-Call list, and the person keeps calling you anyway, he or she probably isn't trustworthy.
  - Report violations of the Do-Not-Call list at complaints.donotcall.gov/.

- You may also be able to sue the telemarketer yourself under Georgia law.[4]
  - Make sure you talk to a lawyer before suing anyone. A lawyer will be able to tell you how likely you are to win your case and whether you are likely to get any money out of it.

[1] http://consumer.georgia.gov/consumer-topics/do-not-call-law
[2] https://www.gpo.gov/fdsys/pkg/USCODE-2011-title15/pdf/USCODE-2011-title15-chap87A-sec6151.pdf
[3] https://www.consumer.ftc.gov/articles/0198-telemarketing-sales-rule
[4] O.C.G.A. 46-5-27(i)

Tips TO AVOID TELEMARKETING FRAUD



You should never have to pay money to receive a prize. If someone asks you to do so, it is a scam..

If you are getting a lot of unwanted calls, talk to your phone company to see if they offer call blocking or a similar service that allows you to stop specific numbers from reaching you.

- Some cellphones have built-in call blocking and others have Downloadable apps that will do the same thing.

If you get a call from a blocked number or a number you do not recognize, try not to take the call. Many telemarketers use prerecorded messages (known as "robocalls") that will keep track of anyone who answered the call.

- Scammers will target people who answer their robocalls, so answering one of these calls increases your chances of getting more.

Lottery tickets cannot be sold over the phone.

Remember that anyone who calls you can always leave a message and you can always call them right back.

Be wary of high pressure tactics. You can always ask a telemarketer to mail you information. If they are legitimate, they will be willing to do this.

Scammers may impersonate a company you do business with. If you get a call requesting payment on an existing account or asking you to verify your credit card information, hang up and call the number listed on your statement or credit card.

Be wary of mail or e-mail containing lottery or sweepstake prizes.

- Responding could make you a target for scammers.

You should also know about "spoofing," which allows scammers to disguise the name or number that appears on your caller ID. When spoofed, a call from another country can look like it is coming from your area code.

- A call could also look like it is coming from the IRS or the local power company.

SPAM EMAILS AND TEXT MESSAGES[1]

- Federal law requires that commercial emails have an accurate subject line and give you a way to opt out of getting any more emails. Companies must get your consent before sending you commercial emails or texts.
  - If you are receiving spam, you can file a complaint with the Federal Communications Commission online or by phone at 1-888-CALL-FCC (1-888-225-5322).

[1] https://www.fcc.gov/consumers/guides/spam-unwanted-text-messages-and-email
[2] https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket_form_id=38824

IDENTITY THEFT

OVERVIEW & PURPOSE

Identity theft is a crime where someone gets ahold of your personal information and uses it without your permission. Servicemembers are especially vulnerable to identity theft and military life can make it difficult to fix. This chapter will teach you some of the ways you can protect yourself and what you can do if someone steals your identity.

WAYS TO PROTECT YOURSELF FROM IDENTITY THEFT

If You're an active duty servicemember, put an active duty alert on your credit reports. Creditors will have to verify your identity before extending credit in your name.

You can also get a credit freeze. This prevents credit reporting agencies from giving out your credit report or score without your password verification.

Protect you military ID. If it gets lost or stolen, contact the issuing agency immediately.

Regularly check your credit card and bank statements. Look for any unusual charges.

Before throwing them away, shred any documents that have personal, financial, or medical information.

Never give out personal information (such as your Social Security or bank account number) over email, text message, or phone, especially when someone contacts you requesting it.

What to do If Your Identity Is Stolen

Report the fraud to your bank and credit card company

Cancel your affected cards and order replacements

Put a fraud alert and a security freeze on your credit reports This alert requires creditors to verify your identity before extending credit in your name

You must contact each credit reporting agency individually to place the credit freeze

Submit a complaint to the Federal Trade Commission You can submit your complaint at https://www.identitytheft.gov/

This will create an Identity Theft Affidavit, which you should print out

File a report with your local police force Bring a copy of your Identity Theft Affidavit with you when you fill out the police report

Together your Identity Theft Affidavit and police report will create your Identity Theft Report

Check your credit report for errors at www.annualcreditreport.com

Look for any unauthorized charges or newly opened accounts. You can use your Identity Theft Report to dispute these types of errors

HOW TO PROTECT YOURSELF FROM IDENTITY THEFT

Active Duty Alerts

- If you have been placed on active duty, the three credit reporting agencies will let you put an active duty alert on your credit report.
  - This alert requires creditors to take steps to verify your identity before extending credit in your name.
  - The alert lasts for twelve months, but can be renewed or removed at your request.

- You can call any one of the three agencies to get the active duty alert. The one you contact must inform the other two about the alert. Here is the contact information for each agency. [1]
  - Equifax: 1-800-525-6285
  - Experian: 1-888-397-3742
  - TransUnion: 1-800-680-7289

- An active duty alert will not prevent your identity from being stolen, but it will be harder for someone to misuse your information and damage your credit.

[1] https://www.alerts.equifax.com/AutoFraud_Online/jsp/fraudAlert.jsp; https://www.experian.com/fraud/center.html; http://www.transunion.com/fraud-victim-resource/place-fraud-alert

CREDIT FREEZES[1]

- A credit or security freeze prevents credit reporting agencies from giving out your credit report or score without a password verification from you. This freeze makes it much harder for identity thieves to open a credit account in your name.
  - The freeze won't affect any credit accounts you have already opened.

- You will need to contact each credit reporting agency individually to get a credit freeze from each one.
  - Equifax: https://www.freeze.equifax.com
    - 1-800-685-1111
  - Experian: https://www.experian.com/freeze/center.html
    - 1-888-397-3742
  - TransUnion: http://www.transunion.com/credit-freeze/place-credit-freeze
    - 1-888-909-8872

- If you're the victim of identity theft, Georgia allows you to get a free credit freeze. Just send a copy of your Identity Theft Report with the rest of your information.
  - See What to Do When Your Identity Has Been Stolen for more details.

- If your identity has not been stolen, you can still get a credit freeze for a payment of three dollars to each credit reporting agency. However, it is still free if you are at least 65 years of age.

OTHER WAYS TO PROTECT YOUR IDENTITY

- Protect your military ID. If it has been lost or stolen, contact the agency that issued it immediately;

- Regularly check your credit card and bank statements. If a statement has charges you don't recognize or doesn't come at all, contact your bank or credit card company as soon as possible;

- Shred any documents that have personal, financial, or medical information before throwing them away;

- Unless you contact the business first, never give out personal information (like your Social Security or bank account number) over email, text message, or phone.

- In fact, you should avoid opening emails from people or companies you do not recognize and you should never click on a link in one of these emails;

- Use a different password for each of your online accounts;

- If you shop online, try to use websites that are encrypted. A website that begins with "https" is encrypted.

[1] http://www.consumer.ga.gov/consumer-topics/credit-freeze

What to do When Your Identity Is Stolen

- First, if any of your credit cards or bank accounts were involved, cancel or close the accounts and get new ones in their place.
  - If your Social Security number has been misused, contact your local Social Security Administration office: https://secure.ssa.gov/ICON/main.jsp.
  - If your driver's license has been stolen, report this to the nearest Department of Driver Services office: http://www.dds.ga.gov/locations/.
- Second, put an alert on your credit reports if you don't already have one.
  - If you are not active duty military, you can still put an initial fraud alert on your credit reports, which works in much the same way. This alert is free and will last for 90 days. It will also allow you to get a free copy of your credit report from each agency.
  - For added protection, you can ask each credit reporting agency to place a credit freeze on your account.
- Third, submit a complaint to the Federal Trade Commission at https://www.identitytheft.gov/. This will be your first step towards creating an Identity Theft Report.
  - After you fill out all of the information, save and print out a copy of the report (which will be labeled as an Identity Theft Affidavit) before you exit the window.
  - You will also get a complaint reference number. Keep this number somewhere safe. You will need it if you have to update your complaint.
- Fourth, file a report with your local police force.
  - You will need to bring your Identity Theft Affidavit with you when you file the report. Get a copy of the police report before you leave.
  - The police report and the Identity Theft Affidavit will make up your Identity Theft Report.
  - You will need the Identity Theft Report to remove fraudulent information from your credit report and stop collectors from coming after you for debts you did not create.
  - If the police are unwilling to let you file a report, show them the Federal Trade Commission's Memo to Law Enforcement on Identity Theft.[1]
- Fifth, get a copy of your credit report from each of the three reporting agencies. You can get free copies at www.annualcreditreport.com.
  - As a Georgia resident, you are entitled by the Fair Business Practices Act to two free credit reports from each reporting agency per year. Contact the reporting agencies directly for your second free copy.
  - Look for any unauthorized charges or accounts you did not open.
  - Pay particular attention to the inquiry section, which will tell you if anyone has applied for credit in your name.
  - If you find an error, send a dispute letter to each credit reporting agency.[2]
    - Each agency has 30 days to investigate the error and notify you of what it finds.
    - If the agency confirms the error, it must remove that information from your report.
  - You should also send letters to the fraud department of any business that reported a transaction that you did not make and any business that opened a new account that you did not authorize.[3]
- Sixth, tell your commanding officer about your situation and the steps you have taken to fix it.

SOURCES

- https://www.consumer.ftc.gov/articles/pdf-0016-military-identity-theft.pdf
- http://consumer.georgia.gov/consumer-topics/identity-theft-what-to-do-if-it-happens-to-you
- http://consumer.georgia.gov/consumer-topics/id-theft-military-personnel

[1] https://www.consumer.ftc.gov/sites/default/files/articles/pdf/pdf-0088-ftc-memo-law-enforcement.pdf
[2] http://www.consumer.ga.gov/consumer-services/sample-identity-theft-dispute-letter-to-credit-bureau
[3] http://www.consumer.ga.gov/consumer-services/sample-identity-theft-dispute-letter-to-a-company-existing-account;http://www.consumer.ga.gov/consumer-services/sample-identity-theft-dispute-letter-to-a-company-new-account

SCAMS, FRAUD, AND DECEPTIVE BUSINESS PRACTICES

OVERVIEW & PURPOSE

Service members and their families are frequent targets of scammers and dishonest businesses. Service members are targeted because they receive their paychecks on a regular basis and tend to be inexperienced in financial matters. This chapter will give you general advice that will help you protect yourself from a variety of fraudulent practices. However, keep in mind that the best way to protect yourself is to use your common sense and to think things over before making any decisions that involve money. Certain scams and practices can be found in other chapters, such as Identity Theft or the *Common Car Buying Pitfalls* section in Buying a Car.

TOP SCAMS

PHISHING SCAMS

○ Phishing scams use email to get access to your personal information or steal your identity. These emails may have links in them that download a virus onto your computer. Such links can also be found on social media sites. They may also pretend to be from a legitimate company or organization, possibly one you already have a relationship with. These emails will ask you to give them your personal information like passwords, bank accounts, or credit card numbers.

○ Don't open emails from people or groups you don't recognize. And most importantly, never click on the links in these emails. Even if you have virus protection, it's better to just avoid them all together.

○ Additionally, know that companies and other organizations never ask for your personal information by contacting you through email, phone call, or text. You should only give them this information if you contacted them.

INTERNAL REVENUE SERVICE (IRS) IMPOSTER SCAMS

○ In this scam, someone calls or emails you pretending to be the IRS. Their email address or caller ID may look like it comes from the IRS. They will claim that you owe unpaid taxes. They will likely threaten to have you arrested and prosecuted if you don't send them money immediately. They may request the money by wire or a prepaid debit card.

○ The IRS will only contact you through the mail and never requires a specific method of payment. Never give these people your personal information. Just write down their email address or phone number. If they called, hang up as soon as you've taken down their number. Then, report the scam to the Treasury Inspector General for Tax Administration (**www.treasury.gov/tigta/** or **1-800-366-4484**) and the Federal Trade Commission (**www.ftc.gov/complaint** or **1-800-FTC-HELP**).

○ If you're afraid that the IRS may really be trying to collect money from you, contact them directly at www.irs.gov or 1-800-829-1040.

PENSION SCAMS

○ These scams target veterans and offer to help them with their pension paperwork. The scammers may pose as attorneys, financial counselors, or insurance agents. They use this scam to get access to your pension and your personal information, which they can use to defraud you further.

○ If you need help with your pension, contact the Defense Finance and Accounting Service at 800-321-1080[1]

[1] http://www.dfas.mil/retiredmilitary/about/aboutus/customer-service.html

TOP SCAMS

WORK FROM HOME SCAMS

○ Most likely, you've already seen examples of this scam online. They claim that you can make thousands of dollars while working from home. These scammers will ask you to send them money (possibly to pay for training materials or exams) before you can secure the job.

○ Again, never send money to someone you don't know or to get a job. Be wary of any employer that will only interview you over the phone. And remember, any offer that sounds too good to be true -including a job offer- probably is.

TECH SUPPORT SCAMS

○ These are also known as "Microsoft scams" because the scammers will often pose as legitimate computer or software companies. They will call you and claim that there is a problem with your computer. Possibly, they will try to sell you worthless services or products. They may also try to get remote access to your computer, so that they can get your personal information.

○ If you get a tech support call, hang up and call the company immediately. Use a number that you know is genuine. They will tell you if the call really came from them. Never give someone remote access to your computer or your personal information unless you contacted them and know they are legitimate. Don't give into pressure tactics. People who use these methods are almost always scammers.

FAKE CHECK SCAMS

○ If you are selling something (like your car), scammers will sometimes pay using a fake check. Since it can take several days for a deposited check to clear, the scammer is able to get away with whatever you sold them before you find out that the check bounced.

○ Insist that buyers use an online payment service that you trust. Alternatively, you can ask that the seller use a check from a local bank or a bank with a local branch. Then you can visit the bank in person to see if the check is valid.

○ Fake checks are also used in **sweepstakes and lottery scams**. In these scams, you receive a check for winning a sweepstakes or lottery. You are also asked to wire funds to cover processing fees, taxes, or delivery. Ultimately, the check turns out to be fake and you've lost whatever amount you wired.

○ Never send someone money to receive a prize and never believe that you won a contest you didn't enter.

RELATIONSHIP SCAMS

○ These scammers meet their targets through internet dating sites and strike up an online relationship. They give some reason about why they can't meet you in person (like distance or work travel). Then, they claim to have an emergency and ask that you send them money to pay for it. They will continue to do this until you're no longer willing to send them money.

○ Never send money to someone you do not know and trust.

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SCAMS, FRAUD, AND DECEPTIVE BUSINESS PRACTICES

FAIR BUSINESS PRACTICES

- Like most states, Georgia has a general law banning deceptive or unfair business practices (the "Fair Business Practices Act"). [1]

- The Georgia Department of Law's Consumer Protection Unit (CPU) uses this law to stop illegal business practices that harm consumers. **The CPU relies on the public to inform them when they think a business is violating the law.** You can contact them at www.consumer.ga.gov.

- **Under the Fair Business Practices Act, a business cannot:**
  - Pass off goods or services as someone else's;
  - Say that goods come from a place they do not actually come from;
  - Pass off used goods as new;
  - Falsely claim that goods are of a certain quality, grade, style, or model;
  - Lie about another business, its products, or its services;
  - Advertise goods or services that it is not going to sell as advertised ("bait and switch");
  - Advertise goods or services while knowing that it does not have enough to meet demand (unless the ad says "quantities limited"); OR
  - Lie about sale prices.

[1] http://consumer.georgia.gov/about-us/statutes-we-enforce

TIPS TO AVOID SCAMMERS

BE SKEPTICAL

○ It may sound harsh, but the best way to protect yourself is to take everything you hear with a grain of salt.

○ If someone wants you to give them money or personal information, you should start by treating it like a scam. That way, you'll be less likely to become a victim of someone's scheme.

○ At the same time, you should balance this with some common sense and know that some of these rules may not apply to people you trust.

IF IT SOUNDS TOO GOOD TO BE TRUE, IT PROBABLY IS

○ This is one rule that applies to everyone, no matter how well you know and trust them. That person may be getting scammed as well.

○ If someone is offering you a deal on a purchase, get it in writing and have them sign it. A verbal agreement is almost never good enough for a court.

○ This advice also applies to investment offers.

PROTECT YOUR PERSONAL INFORMATION

○ If you receive an email, text message, or phone call requesting your personal or financial information, DO NOT RESPOND. It is probably a scam.

- If you think it might be legitimate, get a verified phone number for the business and contact them that way. For example, if the caller claims to be from your credit card company, HANG UP and dial the phone number that appears on the back of your credit card or on your credit card statement.

○ Don't click on links in emails from people or businesses you don't know. They can be used to infiltrate your computer and steal your personal information.

TAKE YOUR TIME BEFORE YOU SIGN

○ When you're handing over money, you should never rush into a decision. Anyone who tries to pressure you into doing so is probably not trustworthy.

○ Make sure you understand all the terms of an agreement before you sign it.

NEVER PAY MONEY TO RECEIVE A PRIZE

○You may receive phone calls or other messages about prizes you have "won." These prizes can include cruises, cash, and everything in between.

○ Be wary of these messages, especially if you did not enter any contests. Even if you did, you should never have to pay to receive your prize.

CHECK OUT A BUSINESS' REPUTATION BEFORE YOU BUY ANYTHING

○ The Better Businesses Bureau (BBB) is a good resource for complaints against businesses and charities. You can find your local BBB at https://www.bbb.org/.

○ When you look up a business, pay attention to the number and types of complaints against a business. Most important, see how the business resolved those complaints. You can also see what grade, if any, the business has received from the BBB.

TIPS TO AVOID SCAMMERS (CONTINUED)

ONLY DONATE TO CHARITIES YOU HAVE CHECKED OUT

○ Although there are many legitimate charities, there are also scammers who try to take advantage of people's generosity. Sometimes dishonest charities will claim that they help veterans or Service members in order to play on people's sympathies.

○ You should know that the Department of Defense does not officially endorse any charity. An organization's use of a word like "Army" or "Marine" doesn't mean that it has been reviewed or approved by the government.

○ Before donating, ask how much of your money is actually going to help its cause and how much of it is going towards overhead. Charitable solicitors usually aren't required to volunteer this information, but it is illegal for them to lie about it if you ask.

○ You can use the BBB Wise Giving Alliance to look up a charity before donating: http://www.give.org/.

WHAT TO DO IF YOU'VE BEEN SCAMMED?

● Unfortunately, it is usually very difficult for victims of scams to get their money back. The best thing to do is submit complaints to the following places.

- ○ Federal Trade Commission: www.ftc.gov/complaint
- ○ Consumer Financial Protection Bureau: consumerfinance.gov/complaint/
- ○ Georgia Department of Law, Consumer Protection Unit: consumer.georgia.gov/consumer-services/filing-a-complaint
- ○ Better Business Bureau: www.bbb.org/consumer-complaints/

● These complaints may not help you recover your money, but it could keep the next person from becoming a victim.

● You should also inform the legal assistance office at your installation to see if there is anything else you can do.

● You have a slightly better chance of getting your money back if you were deceived by a business with a physical location. It is not only possible that your complaints to outside organizations will help, but you can also write a letter directly to the business. This may get it to try to resolve your problem.

- ○ You can find a sample letter here.
- ○ Let them know that you are a Servicemember, veteran, or military family member.

SOURCES

- Georgia Department of Law, Consumer Protection Unit, Ten Golden Rules to Protect Yourself from Scams
- Georgia Department of Law, Consumer Protection Unit, Checking the Reliability or Reputation of a Business
- http://consumer.georgia.gov/scams-and-tips/ten-golden-rules-to-protect-yourself-from-scams
- http://consumer.georgia.gov/consumer-topics/checking-the-reliability-or-reputation-of-a-business

CONTINUING YOUR EDUCATION

OVERVIEW & PURPOSE

Getting an education after high school is becoming more and more important. Whether it's a college degree or vocational training, the right schooling can be your path to a better paying job. This chapter will teach you about the various GI Bill programs that can help you pay for your education and even your family's. It will also tell you about the potential dangers of attending a for-profit school. Finally, it will give you a list of questions to ask when you're trying to decide which school or program is right for you.

POST-9/11 GI BILL

WHO CAN USE IT?

Must have been on active duty service for at least 90 days since September 10th, 2001

WHAT DO I GET?

Tuition and Fees: maximum of full tuition for those in 100% benefit tier attending in-state public school

Monthly Housing Allowance: same as BAH for E-5 with dependents living in same zip code as your school

Book & Supplies Stipend: maximum of $1000 per year

WHERE CAN I USE IT?

Two-year, four-year, and graduate degree granting programs;

Licensing and vocational requirements; Vocational and technical training, and more

MONTGOMERY GI BILL-AD

WHO CAN USE IT?

Must have high school diploma or GED;

Must have completed at least two years of active duty service;

Must enroll while still on active duty and pay $100 a month for 12 months

WHAT DO I GET?

A monthly stipend. The amount you get depends on the number of hours you're taking, your duty status, and the type of education you receive.

WHERE CAN I USE IT?

College degrees, vocational training, professional licenses and more

DEA PROGRAM

WHO CAN USE IT?

Spouses and children of servicemembers who died while on active duty or who have a service-related disability

WHAT DO I GET?

Most recent maximum payment was $1,021 per month for a full-time student

WHERE CAN I USE IT?

Degree programs, apprenticeships, on-the-job training, and others

HERO SCHOLARSHIP

WHO CAN USE IT?

Members of the Georgia National Guard; U.S. Militry Reservists who served in combat zones; The children of either

WHAT DO I GET?

Up to $2,000 per year and a maximum of $8,000 total

WHERE CAN I USE IT?

A unit of the University System of Georgia, the Technical College System of Georgia, or another eligible school in Georgia

GI BILL PROGRAMS

- Despite its name, the GI Bill actually refers to several different programs. They have different requirements, benefits, and interact with each other in different ways.

- This section will give you basic information about the major programs. However, they can be quite complicated, so you should speak with your Education Services Officer (ESO) before making any decisions.
  - Some of these benefits are only available while you are on active duty, so you should speak to your ESO as soon as possible, even if you aren't planning on using your benefits right away.
  - Here is the contact info for some of the major bases in Georgia.
    - Fort Benning: http://www.benning.army.mil/garrison/DHR/aces.html
    - Hunter Army Airfield: http://www.stewart.army.mil/info/?id=400
    - Fort Gordon: http://www.gordon.army.mil/aces/
    - Fort Stewart: http://www.stewart.army.mil/info/?id=400
    - Clay National Guard Center: https://www.goarmyed.com/public/facility_pages/NG_Georgia_Education_Services_Office/default.asp

THE POST-9/11 GI BILL[1]

- Introduction
  - This is the most comprehensive program available. Servicemembers in Georgia and the U.S. use this program more than any other. [2]
- Eligibility
  - You are eligible if you have been on active duty service for 90 or more days since September 10th, 2001.
- Benefits
  - This bill covers the following expenses:
    - (1) Tuition and Fees
      - The GI Bill covers the full tuition and fee amount for those in the 100% tier if they attend an in-state public school.
        - See below for more information on the benefit tiers.
      - However, for out-of-state or private schools, this Bill only covers a limited amount.
        - For the 2015 Academic Year, that amount was $21,084.89. [3]
      - These benefits are paid directly to the school or program.
    - (2) Monthly Housing Allowance (MHA)[4]
      - For most students, this amount is tied to the Basic Allowance for Housing (BAH) for an E-5 with dependents living in the same zip code as the school you are attending.
        - For example, if you were attending the University of Georgia in Athens (30602) for the 2016 Academic Year, your maximum MHA would be $1,284.[5]
      - If you are only taking online classes, your MHA is half of the BAH national average for students only taking online classes.
        - Currently, that number is $783.
      - If you are attending a foreign school, your MHA is half of the BAH national average for students attending foreign schools.
        - Currently, that number is $1,566.
      - Your MHA is also tied to the number of hours you are taking at your school. You must be enrolled for more than 50% of the hours that your school needs to consider you a full-time student.
        - For example, if you are an undergraduate and your school considers students taking 12 hours to be full-time, you would need to take at least 7 hours to get your MHA.
      - Active duty Servicemembers and spouses who receive transferred benefits cannot get an MHA.
    - (3) Books and Supplies Stipend
      - Maximum of $1,000 every year.

[1] http://www.benefits.va.gov/gibill/post911_gibill.asp
[2] http://www.benefits.va.gov/REPORTS/abr/ABR-Education-FY13-09262014.pdf
[3] www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch33/ch33rates080115.asp
[4] http://www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch33/ch33rates080115.asp#HOUSING
[5] http://www.defensetravel.dod.mil/site/bahCalc.cfm

THE POST-9/11 GI BILL (continued)

- Benefit Tiers: A percentage of these expenses will be covered based on the amount of time you spent on active duty service. These tiers apply to all of your expenses.
  - At least 36 total months: 100%
  - At least 30 consecutive days on active duty and discharged because of a service-connected disability: 100%
  - At least 30 months total: 90%
    - For these first three tiers, Entry Level or Skills Training time count towards the length of your active duty service.
  - At least 24 months total: 80%
  - At least 18 months total: 70%
  - At least 12 months total: 60%
  - At least 6 months total: 50%
  - At least 90 days total: 40%
    - For the remaining tiers, Entry Level or Skills Training time do not count towards the length of your active duty service.
  - These tiers only refer to time served after September 10th, 2001.

- Where Can I Apply My Benefits?
  - You can apply the Post-9/11 GI Bill to several different types of education, including:
    - Two-year, four-year, or graduate degrees;
    - Licensing and certification requirements; and
    - Vocational and technical training.
  - For others, see http://www.benefits.va.gov/gibill/post911_gibill.asp.

- Yellow Ribbon Program (YRP) [1]
  - Only available at schools that opt-in, this program can help pay for the cost of a private school education.
  - To qualify for the YRP, you must either:
    - Be in the 100% tier for your Post-9/11 GI Bill benefits; OR
    - Have received transferred benefits from a Servicemember who would have been in the 100% tier.
  - You CANNOT receive the YRP if:
    - You are an active duty Servicemember or spouse using transferred benefits; OR
    - Your school has already offered the YRP to the maximum amount of students allowed in its agreement with the VA.
  - If you qualify, the school will pay for part of your tuition. The VA will also match that amount.
    - For example, if the school pays for $5,000 of tuition, the VA will also pay for $5,000. In total, $10,000 of your tuition will be paid for.[2]
  - A list of Georgia schools offering the YRP in 2015-16 can be found here.[3]

[1] http://www.benefits.va.gov/gibill/yellow_ribbon.asp
[2] http://www.military.com/education/gi-bill/the-yellow-ribbon-program-explained.html
[3] http://www.benefits.va.gov/gibill/yellow_ribbon/2015/states/ga.asp

THE POST-9/11 GI BILL (Continued)

- Transfer of Entitlement Option [1]
  - Current active duty members of the Uniformed Services can transfer unused benefits if they:
    - Are eligible for their Post-9/11 GI Bill benefits on or after August 1st, 2009; AND
    - They transfer their benefits and get approval while still on active duty service.
  - In addition, they must meet one of two sets of conditions:
    - First Set:
      - They have served at least six years in the Armed Forces at the time they choose to transfer their benefits; AND
      - They agree to serve at least four more years
    - Second Set:
      - They have at least ten years of Armed Forces service at the time they choose to transfer;
      - They cannot serve another four years because of policy or law; AND
      - They agree to serve the maximum amount of time allowed by policy or law.
  - You can transfer your unused benefits to (1) your spouse, (2) your kids, or (3) any combination of the two.
  - You can transfer your benefits by using the milConnect portal at the DMDC's website.[2]
    - Remember: You MUST transfer your benefits while still on active duty. Otherwise, your transfer request will be denied.

Montgomery GI Bill Active Duty (MGIB-AD)

- Introduction
  - This program supplements the Post-9/11 GI Bill with monthly payments.

- Eligibility
  - You must enroll while you are on active duty and pay $100 a month for 12 months OR you must qualify under VEAP conversion;
  - You must have completed High School or your GED; AND
  - You must have completed at least two years of active duty service.

- Amount
  - The amount of money you receive depends on whether the school considers you to be a f full-time or part-time student.
  - It can also be affected by your duty status and the type of education you are receiving.
  - The VA keeps a list of tables of current and past payment rates here.[2]
  - You may also be eligible for the GI Bill Buy Up program.
    - You can contribute up to $600 and receive up to $5,400 in additional payments.
  - You can only get payments for 36 academic months. This means that your time on summer and winter breaks doesn't count towards the payment limit.

- Duty Status
  - If you are on active duty, the MGIB-AD will only pay for actual tuition and expenses if it is less than the payment rate you normally get.
  - Once you leave active duty, you will receive the full rate no matter what your tuition is.
  - Duty status also affects the amount of time that counts towards your 36-month payment limit.
    - Veterans' time limits are tied to how much money they receive. A month is equal to the full payment rate allowed. So if $1,368 is the maximum rate and you receive $2,736, you will have two months count towards your payment limit.
    - Active duty Servicemembers who are full-time students have the actual amount of time spent in school count towards their limit. So if you spend four months in school, you will have spent four months of your 36-month limit regardless of the amount of money you received.

[1] http://www.military.com/education/gi-bill/post-911-gi-bill-transferability-fact-sheet.html
https://www.dmdc.osd.mil/milconnect/faces/faqs?ct=fSu&_adf.ctrl-state=13kalzz2rj_9&_afrLoop=9555431939679359
[2] http://www.benefits.va.gov/GIBILL/resources/benefits_resources/rate_tables.asp

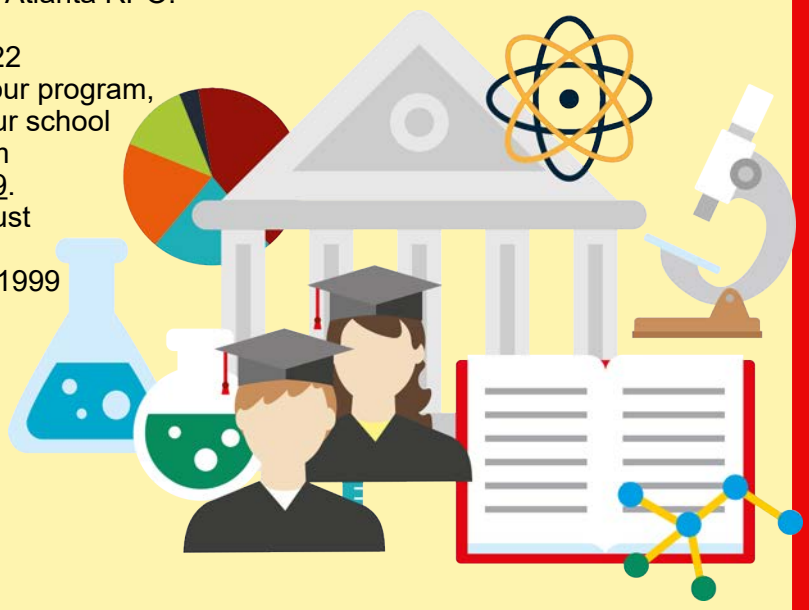
Montgomery GI Bill Active Duty (MGIB-AD) (continued)

- Where Can I Use My Benefits?
  - The MGIB-AD can be applied to college degrees, professional licenses, vocational training, and many other programs. You can see more types of assistance available here: http://www.benefits.va.gov/gibill/mgib_ad.asp.

- How to Apply
  - Enlisted Servicemembers will automatically have $100 withheld from their paycheck unless they opt-out within the first three working days.
    - Once you opt-out, you can never opt back in.
  - After your discharge from service, you generally have ten years to use your MGIB-AD benefits.

Montgomery GI Bill Selected Reserve (MGIB-SR)

- Montgomery GI Bill Selected Reserve (MGIB-SR)
  - Members of the Selected Reserve and National Guard are eligible for benefits under the MGIB-SR.
  - Eligibility
    - You must agree to serve at least six years after June 30, 1985.
      - Officers must agree to serve six years in addition to their original commitment.
    - You must complete your initial active duty training (IADT).
    - You must have a high school diploma or GED.
    - You must remain in good standing.
    - Your eligibility normally ends once you leave the Selected Reserve.
  - Benefits
    - Your benefits generally work the same as they would be under the MGIB-AD. The main difference is the amount of payment. You can find a list of past and present pay rates here.[1]
  - Where Can I Apply My Benefits?
    - You can use the MGIB-SR for many of the same programs available under the MGIB-AD. You can find more information at the VA's website: http://www.benefits.va.gov/gibill/mgib_sr.asp.
  - How to Apply
    - Complete a DD Form 2384-1 (Notice of Basic Eligibility). You can get this form from your unit.
    - Make sure your selected program is VA approved.
    - Complete a Form 22-1990 and send it to the VA regional office for the state where your program is located.
      - For Georgia, that is the Atlanta RPO:
        P.O. Box 100022
        Decatur, GA 30031-7022
    - If you've already started your program, give your application to your school or employer and have them complete VA Form 22-1999. The school or employer must send both to the VA
      - They can get Form 22-1999 by contacting the VA.



[1] http://www.benefits.va.gov/gibill/resources/benefits_resources/rate_tables.asp#ch1606
[2] http://www.vba.va.gov/pubs/forms/VBA-22-1990-ARE.pdf

Survivors' and Dependents' Educational Assistance (DEA) Program[1]

- This program is open to the dependents (spouses and children) of Servicemembers who died while on active duty or have a service-related disability.
  - NOTE: If you are eligible for a Fry Scholarship AND the DEA program, you must choose one over the other.[2]

- Eligibility
  - You must be the child or spouse of:
    - A veteran who died or was permanently and totally disabled because of a service-related disability connected to active duty service;
    - A veteran who died while they had such a disability;
    - A Servicemember who was captured by a foreign enemy in the line of duty; OR
    - A Servicemember who was hospitalized or received outpatient care because of a permanent and total service-related disability if he or she is likely to be discharged from the military because of that disability.
  - In general, children can use their benefits between the ages of 18 and 26.
  - Spouses have ten years from their date of eligibility to use their benefits.
    - If the Servicemember died on active duty, the spouse has 20 years from the date of death to use these benefits.

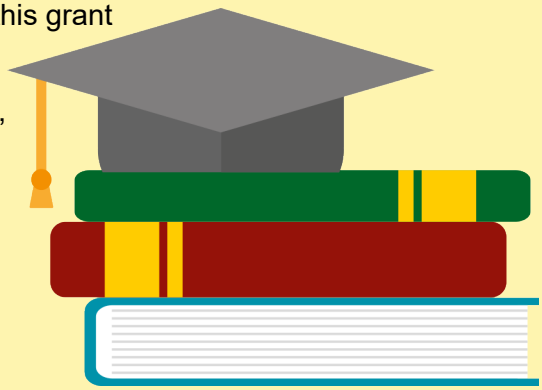
- Benefits
  - You can receive your benefits for a maximum of 45 months.
  - Most recently, the maximum payout was $1,021 a month for a full-time student.
    - You can find a list of past and present pay rates here. [3]

- Where Can I Use My Benefits?
  - More information on types of assistance can be found at http://www.benefits.va.gov/GIBILL/DEA.asp.

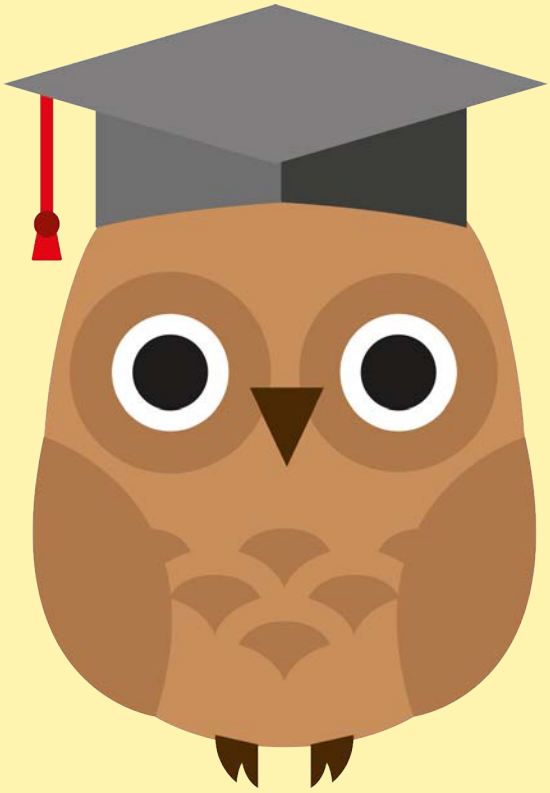
- How to Apply
  - Make sure your school or program is VA approved.
  - Fill out VA Form 22-5490 (Dependents' Application for VA Education Benefits) and send it the proper VA regional office according to where you will be going to school.[4]
  - If you've already started school, ask them or your employer to complete (1) VA Form 22-1999 and (2) your application. Both must be sent to the VA by the school or employer.
    - Schools must contact their VA representative to get Form 22-1999.

Georgia HERO Scholarship [5]

- The HERO (Helping Educate Reservists and their Offspring) Scholarship is available to (1) members of the Georgia National Guard and (2) U.S. Military Reservists who served in combat zones. It is also open to the children of either type of Servicemember.
  - Those attending an approved school can get up to $2,000 per year.
  - The maximum total amount you can receive from this grant is $8,000.
  - Can be used at a unit of the University System of Georgia, the Technical College System of Georgia, or another eligible school in Georgia.
  - You can apply by following the instructions on this application.[6]



[1] http://www.benefits.va.gov/GIBILL/DEA.asp
[2] http://www.benefits.va.gov/GIBILL/Fry_scholarship.asp
[3] http://www.benefits.va.gov/gibill/resources/benefits_resources/rate_tables.asp#ch35
[4] http://www.vba.va.gov/pubs/forms/VBA-22-5490-ARE.pdf
[5] www.gafutures.org/hope-state-aid-programs/state-scholarships-and-grants/georgias-hero/
[6] https://www.gafutures.org/media/113289/hero-application-fy2017.pdf



FOR-PROFIT SCHOOLS

● Most colleges and universities, whether public or private, are non-profit. This means that they are not run like other businesses. Their first priority is supposed to be your education.

- ○ You can search for public and private schools across the country at https://www.gafutures.org/college-search.
- ○ You can also use the interactive map at the following website to see all of the public schools in Georgia: www.usg.edu/institutions.

● However, some schools are run for-profit. They could be legitimate or they could be a "diploma mill." The latter type of school is concerned more about its own profits than your education.

- ○ For-profit schools in general tend to recruit a lot of Servicemembers because the GI Bill does not count against the limited amount of money that a school can receive from the federal government.

● If you are thinking about enrolling in a for-profit school, make sure to check its accreditation first. Some for-profit schools lie about their accreditation, so you shouldn't take their word for it.

- ○ Accreditation is important because other institutions will often refuse to recognize degrees from unaccredited schools. Employers may not hire you, licensing boards may not allow you to work in their profession, and other schools may not credit the hours you've taken.
- ○ If the school is struggling financially and closes down, you will be out of the money you spent -not to mention the time and energy.

● There are several things you can do to vet a for-profit school.

- ○ Check its reputation with the Better Business Bureau: www.bbb.org.
- ○ Search for the school on the Georgia Nonpublic Postsecondary Education Commission's website: www.gnpec.org.
- ○ If the school is accredited, you can check out the accrediting agency at http://www.chea.org/Directories/index.asp.

HOW DO I SELECT THE RIGHT SCHOOL OR PROGRAM?

● There are many things to consider when choosing a college to attend. The Federal Trade Commission has a list of important questions to ask when looking at different schools.[1] Here are a few key questions:

● Will this degree get you the job you want?
- ○ A college degree is necessary for a lot of jobs, but getting that degree is often expensive and time-consuming. Before you spend that time and money, make sure that your degree will lead you to the job you want.
- ○ If you want to enter a profession that requires a license, contact that profession's licensing organization to see what training and credentials it requires. Ask if the schools you are interested in meet those requirements.

● What is the total cost?
- ○ You need to know how the school charges for tuition. Will you have to pay by the course, semester, or program?
- ○ Paying for college goes well beyond your tuition. You need to figure out how much you will spend on books, meals, equipment, supplies, transportation, and any fees (lab fees, graduation fees, etc.) that the school requires you to pay or any services (like housing) it requires you to buy.

● Can you get credit for your military training?
- ○ The American Council on Education (ACE) has a guide for helping schools accept all possible credit for military training.[2] Ask schools if they follow the ACE Military Guide. Some schools accept credit for military coursework, but not occupational specialties.

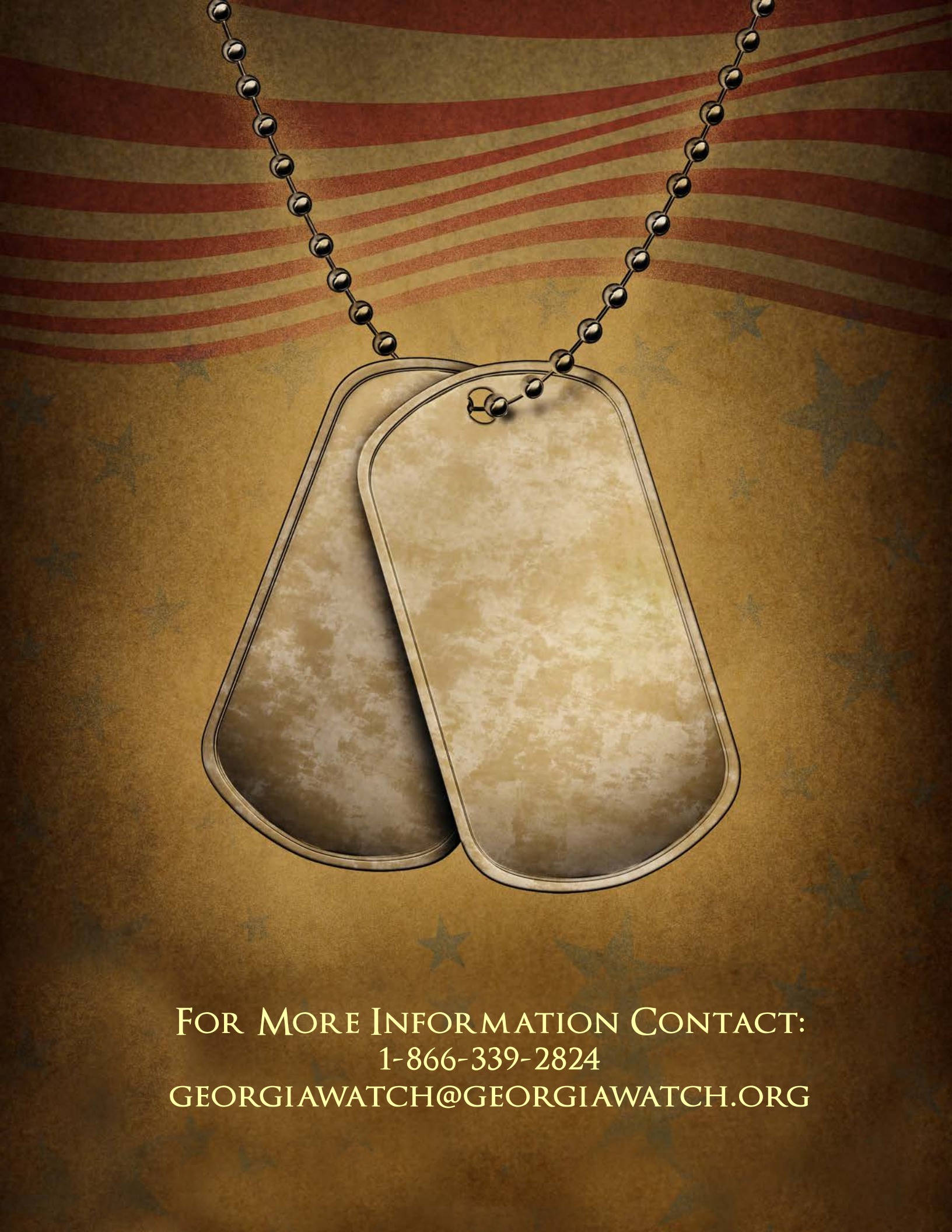
● Is the school committed to helping veterans?
- ○ If a school claims to support student veterans, see what kinds of services they provide. These could include special academic or career support for veterans, health and disability services, or housing options for veterans.
- ○ You can also see if the school has a chapter of Student Veterans of America (studentveterans.org). This group may be able to assist you further.

● Are you being pressured to enroll?
- ○ College recruiters are sometimes paid according to the number of students they bring in. You should proceed very carefully if you feel you are being pressured to enroll. Before signing up, see if the school has a cooling off period that lets you cancel your enrollment within a few days.

[1] https://www.consumer.ftc.gov/articles/0395-choosing-college-questions-ask
[2] http://www.acenet.edu/news-room/Pages/Military-Guide-Online.aspx

Thank you for your service!

We hope this guide is useful to you
and your families.



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