



# Practical Application Review/Record-keeping and Instructional Techniques

## I. INTRODUCTION

The main focus of this training section is the discussion on instructional techniques. You are being given all the information and materials you need to conduct training. We will be focusing on instructor training techniques and style to bring the training sessions to life. To make them truly effective, we will focus on making them participant-centered, active learning experiences. Providing training at the command level is crucial, so we will work with you to enhance both your training skills and your comfort with providing training.

This chapter also includes a brief review of record-keeping systems. The best record-keeping system is simple and easy and one that actually will be used and kept up-to-date. For our purposes, we will focus on what clients should keep and where they should keep it.

Chapter correlation to major OPNAVINST task areas:

1. **Education and Training:** Introduction to the chapter includes a review of the Instructional Techniques homework. This is a main element and provides students the opportunity for specific instruction on how to be an effective trainer.
2. **Information and Referral:** No direct correlation
3. **Counseling:** This chapter will prepare the CFS to work with clients with no record-keeping system in place, helping them to set up an appropriate system to assist in efficiently developing and maintaining a financial plan.

## II. LEARNING OBJECTIVES

Using instructional materials from the PFMSC, learners will demonstrate appropriate training techniques that result in an 80 percent “Yes” response to all items on the Instructional Techniques Critique Sheet.

## III. REFERENCES

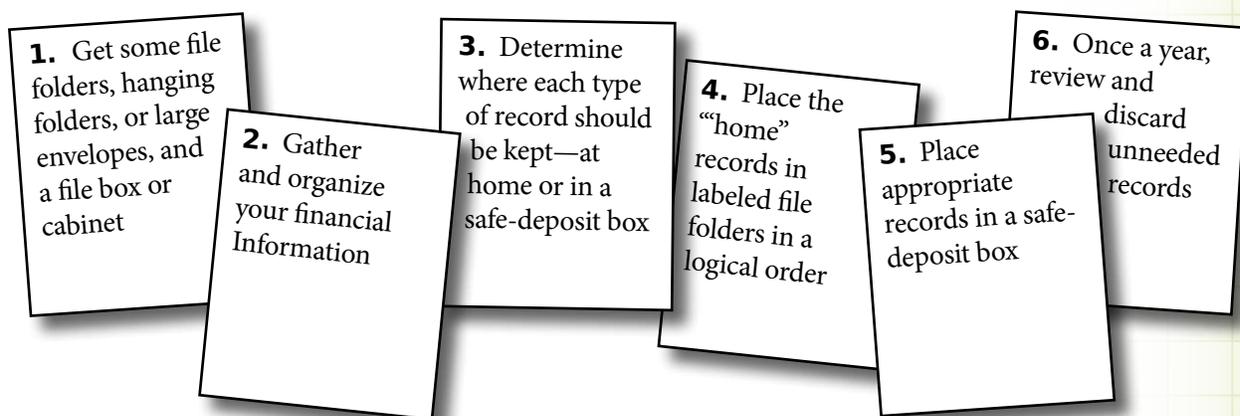
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#### **IV. CONTENT**

# PFM Record-Keeping Organizer

## Six Simple Steps to Better Record-Keeping



## Items for Storage in Safe-Deposit Box

### PERSONAL DOCUMENTS

Family birth certificates  
Family death certificates  
Marriage certificate  
Divorce decree  
Baptismal certificates  
Citizenship/naturalization papers  
Adoption papers  
Military discharge papers  
Social Security verification

### COPIES OF ESTATE-PLANNING DOCUMENTS

Wills  
Living wills  
Health-care proxies  
Trusts  
Letters of instruction  
Guardianship arrangements

### OBLIGATIONS/CONTRACTS

Contracts  
Copies of insurance policies  
IOUs  
Retirement and pension plan documents

### OWNERSHIP DOCUMENTS

Bonds and stock certificates  
Deeds  
Automobile titles  
Household inventories  
Home-ownership records  
Copies of trust documents

## Labels for File Folders at Home

### Banking and Bills

Bills due after this month  
Bills due this month  
Checking account transactions/statements  
Credit-card transactions/statements  
Credit report  
Debt-management plans  
Savings account transactions/statements/passbooks

### Children

Important information for each child  
Social Security numbers  
Copies of birth certificates  
Passports  
School information

### Estate Planning

Durable power of attorney  
Letters of last instruction  
Living wills  
Will(s)

### Financial Planning

Annuity policies  
Financial planning Worksheet  
Insurance policies  
Automobile  
Health and medical  
Home  
Life  
Other  
Personal liability  
Property

# PFM Record-Keeping Organizer

## More Labels for File Folders

### Household

Appliance manuals and warranty/guarantee information  
Complaint letters  
Home purchase and sale documents  
Household inventory (copy in safe-deposit box)  
Property tax information  
Purchase information/receipts for expensive items  
Repair records

### Investments

Investment account information and statements  
IRA and other retirement account transaction statements  
Stocks/bonds/mutual fund statements (original stock certificates and bonds should be kept in a safe-deposit box)  
TSP information

### Job

Command information  
Current resumes  
Employment records/information  
LES and other pay information  
Points of contact for emergency (military)  
Command leadership  
Ombudsman  
NMCRS  
ARC

### Medical

Family dental records  
Family health records  
Insurance statements

### Personal

Certifications/licenses  
Church information  
Divorce/separation papers  
Frequent-flier mileage statements  
Legal papers  
Name and addresses of financial professionals  
Passports  
Powers of attorney  
Safe-deposit box spare key

### Taxes

Business expense records  
Current file for this year's receipts and transactions  
Past-year's tax files

### Vehicles

Buy/sell documents  
Lease information  
Maintenance and repair records  
Registration/titles (keep titles in safe deposit box)

### Record Retention

Three Years for Most Files

Tax Files and Information: Six Years\*

Homeownership Documents: As Long as You Own the Property

Safety-Deposit Box Contents: Indefinitely for Most Items

*\*See IRS Pub 552 for record retention relating to federal income taxes.*

# Instructional Techniques for CFS Instructors

## Motivating Adults to Learn

**What makes a person an instructor?** What makes a good instructor? What makes a great instructor? Are there key elements that can make a good instructor great? How do we motivate our learner to learn the material and then use it in a successful PFM program at their command? Motivation, the “I want” that drives the “I can,” is the driving force that makes you accomplish something. It is stimulus, impetus and incentive. It is key to successful training, as it is a necessary condition for learning, a causal factor in learning, and a consequence of learning. Motivation will make learners cooperative and will stimulate adults to learn. Adults choose to learn, and they will make that choice in an effort to resolve problems, enhance understanding, master a skill or topic, or simply to improve themselves. There are four elements of motivation:

**Empathy:** The Power of Understanding — Relate to the audience with your own experiences. Improve direct contact with audience (move out from behind that podium). Use a friendly approach to understanding the audience. Use common goals as motivators. Involve the whole audience, one-on-one and as a whole. Dress appropriately. Offer tools and resources to learners. Provide a comfortable environment. Ask for feedback and use it. Repeat or paraphrase the learners’ questions. Avoid preconceived notions. Realistically understand learners’ needs and expectations. Adapt instruction to meet learners’ skills and experience level. Consider the learners’ perspective.

**Enthusiasm:** The Power of Commitment — Display enthusiasm. Use body language, correct voice tones. Display practicality. Share personal experience. Be role models. Encourage synergy. Use audience involvement. Be creative. Be energetic. Be knowledgeable. Use positive goals. Use eye contact. Be courageous. Be imaginative. Be entertaining. Illustrate professionalism. Encourage leadership. Get attention. Care about and value what you teach. Exercise powerful influence. Use emotion, animation and energy.

**Expertise:** The Power of Knowledge — Use facts, not fiction. Know something beneficial to the adult. Know your subject well. Be open-minded. Use new ideas. Admit when you don’t know something. Be a subject-matter expert or use them. Have a proven plan — practice what you preach. Give attention to detail. Use appropriate resources. Use life experiences. Conduct research and stay current.

**Clarity:** The Power of Presentation — Provide specific objectives and feedback. Keep the subject timely. Tell stories designed for the audience. Use appropriate instructional techniques. Be concise in communication. Know your subject. Relate relevant personal experiences. Use props and audio/visual aids. Speak to the level of the audience, using appropriate language. Use etiquette and respect. Promote questions and answers. Listen to learner sea stories. Discuss correct facts and figures. Provide detailed information. Ensure instruction can be understood and followed by most learners. Provide additional methods of comprehension of what was taught if it was not clear in the initial presentation. Use active learning techniques. Don’t try to impress but to express.

## Active Training Techniques

**Adult Learning Styles** — For adults to learn, instruction must be stimulating and have something for all types of learners. Some people are **visual learners**. They rely on their sight to learn new information. With visual learners, demonstrations and visual aids (e.g., charts, videos, slides, pictures) are very effective. Some are **auditory learners**. They like to listen to explanations and discuss new information with others. They learn verbally. Lectures, group discussions and audiotapes are effective for this group. Finally, some learners are known as **kinesthetic learners**. This group learns best by doing. They enjoy “hands-on” experiences and need to practice

new skills. Even though most people have a learning-style preference, studies have found that people retain more information when a combination of learning styles is used. An effective instructor will present information in a combination of ways: visually (learners see it), verbally (learners hear it), and interactively (learners do it), so that people are engaged by the training.

Using the various adult learning styles, or a combination of them, trainers need to focus on maintaining learner attention, building learner interest, and developing learner involvement. Maintaining learner attention is accomplished by providing response opportunities frequently through questions, opinions, demonstrations and reactions to feedback. Help learners realize that they are accountable for learning. Provide variety in style, instructional methods and learning materials (visual, auditory, kinesthetic). Provide closure to activities. Use breaks, physical exercises and energizers. Building learner interests is accomplished by relating the learning to adult interests, providing a constant stream of relevant material, using age-related topics, touching on issues that interest people (probably NOT something about you), and defining the clear advantages of learning the materials. Developing learner involvement includes using disequilibria to stimulate, playing the devil's advocate, and making learner reaction and participation an essential part of the learning process via games, exercises, observations, overt bodily activity, and minor challenges.

The Command Financial Specialist Training Course uses many active training techniques in an effort to appeal to all types of learners. These techniques include active lecturing using questions and answers, brainstorming, learning partners, games, role-plays, activities, group work, hands-on practical application, and simulations. Active learning techniques aid in retention, add variety, and keep learner attention. They can be icebreakers, illustrations or session closers. They are single-focus, adaptive, inexpensive, and often humorous. Since many people learn best by doing, active learning lets the learner do the work. Brief, participative, low-risk activities assist learning through repetition, reinforcement, association, and the five senses. Get off the lecture circuit and start training actively! Following are some tips on key types of active training.

## Active Lecturing

- Break down lectures into small pieces, punctuated with practical application
- Use visual aids
- Encourage and use questions (have them prepared)
- APPLE technique: **A**sk question, **P**ause, **P**ick a person to respond, **L**isten to the answers, **E**ncourage the person by responding with positive reinforcement such as “great” or “excellent.”
- Call on non-volunteer students occasionally (use the whole class); prompt those who give a weak or inaccurate answer; answer some questions with a question. Don't ridicule; don't shotgun; give time for a response.
- Use guided note-taking
- Encourage discussion
- Involve learners through written participation
- Use values-clarification exercises
- Use role-play or simulation
- Use brainstorming
- Prepare supplementary handouts
- Illustrate with a case study or critical incident
- Give informal tests

- Conduct interviews
- Encourage directed listening
- Make a concept diagram
- Ask for “I learned...” and “I wonder...” statements
- Team lecture

## Visual Aids

- Reduces explanation time; a picture is worth a thousand words
- Should be:
  1. Accurate: Outdated or incorrect visuals defeat their purpose
  2. Simple: Unnecessary data can confuse the student
  3. Visible: All students must be able to see all aspects of the visual aid (for projection visibility, each row should be no more than three screen-widths wide, the first row should be at least two screen-widths length from the screen, and the back row should be no more than six screen-widths length from the screen)
  4. Necessary: Visual aids must support your program
- Can be transparencies, electronic projections, videos, newsprint and/or wall charts, slides, chalkboard/white board, handouts, and props

## Humor in Presentations

- Appropriate humor will turn “ha-ha” into “a-ha”
- Humor helps people relax
- During and immediately after the use of humor, people suspend judgment. This is a teachable moment — call it the “laughter-math” and take advantage of it.
- Humor can be very simple — showing a funny cartoon, T-shirt, hat or button. It can be more complex — humorous ways of choosing groups, games and activities with a humorous twist. Humor can include props as well. Although humor should be appropriate to the training, there are times when humor for humor’s sake is OK, too.
- Humor makes training fun, but it doesn’t make fun of trainees.
- Humor isn’t necessarily telling a joke so much as communicating a sense of humor.
- Here are eight E’s of humor:
  1. Environment: Have a humor-filled environment
  2. Entrance: Start the workshop with humor
  3. Ear Ye, Ear Ye: Listen to participants; let them share humor
  4. Exercise: Use humorous but relevant exercises
  5. Exaggerate: Use humorous exaggeration to stress a point
  6. Energize: Use energizers that refresh and amuse
  7. Enhance: Use humor that goes for the jocular vein, not the jugular!
  8. Extend: Use humor that will extend learning

## Games and Activities

Games and activities are part of the process of a learning experience. They may be an exercise, illustration, activity or incident used to present or support the trainee's learning.

- Games usually have the following characteristics:

1. They are brief
2. They are inexpensive
3. They are participative
4. They use props
5. They are low-risk
6. They are adaptable
7. They are single-focus

- Games can be used:

1. As session icebreakers
2. To involve the trainees
3. As illustrations
4. As session closings

- Games assist the learning process through:

1. Repetition
2. Reinforcement
3. Association
4. Senses

Games will be dismal failures if insecure, inexperienced or unprepared trainers use them to kill time, impress trainees, or put down trainees. They should not dominate the process but enhance it. Trainees should be able to answer the "What's in it for me?" questions positively for any game or activity.

### Tips for "Experiential" Activities

1. Explain your objectives
2. Sell the benefits
3. Speak slowly when giving directions
4. Demonstrate the activity if the directions are complicated
5. Divide participants into subgroups before giving further instructions
6. Inform participants how much time they have
7. Keep the activity moving
8. Challenge participants
9. Always discuss the activity — before and after

## Working With “Unique” Participants

Here are a few tips for working with participants who have a unique way of cooperating:

- Five Strategies to Deal With “Over-Participants”
  1. Make questions easier for all to answer
  2. Ignore raised hands
  3. Tell the over-participant you are not ignoring them but want to give others a chance
  4. Have the class discuss a topic in pairs
  5. Offer to speak with the over-participant privately about his/her unique situation
- Four-Step Strategy for Dealing With Resistant Audiences
  1. Don't apologize — openly acknowledge the conditions under which participants are attending
  2. Adjust their perspective
  3. Make a statement of course commitment
  4. Ask for their commitment
- Strategy for Dealing With an Apathetic Audience
  1. Acknowledge the situation
  2. State your observations
  3. Inquire and assist
  4. Explore, commit and adapt

# Practically Perfect Presentations Checklist

If you do not have a lot of experience with making presentations, the following checklist will help you be more comfortable in the classroom and assist in delivering successful training.

## Speaker Analysis

- Do you have a clear purpose in mind? Do you know what you want? Do you know what your listeners want to learn, or to be able to do?
- Have you organized and rehearsed the beginning and ending of your presentation?
- Do you appear calm and prepared?
- Are you establishing and maintaining eye contact?
- Are you speaking in a direct, friendly, conversational manner?
- Are your notes unobtrusive and not distracting?
- Are you relaxed and ready to go?

## Audience Analysis

- Have you considered what interests your listeners have and how these interests will affect their attentiveness?
- Is there a certain person or group with whom you have avoided speaking? Don't do that!
- What is your credibility rating with your audience?
- Have you considered WHOM your listeners are most likely to believe?

## Message Analysis

- Are the central ideas of your presentation important, significant and/or interesting to your audience?
- Do you have a clear, unified, central idea? And is it narrow enough to be done correctly in the time allotted?
- Is the intent of your presentation to inform, to persuade, or both?
- Does the introduction "grab" your audience's attention?
- Does your conclusion adequately summarize your presentation?
- Can you possibly shorten your presentation? If so, do it!

## Opening Remarks

- Look at your audience and smile
- Get their attention; arouse interest in the presentation
- Reveal and preview your topic; make the purpose of your presentation clear
- Establish your credibility for speaking on the topic
- Don't make excuses or apologize
- Never compare audiences

## Closing Remarks

- State that you are concluding your presentation
- Summarize your main idea
- If appropriate, and time allows, ask if there are any questions; set a time limit for questions, and make yourself available to answer questions after the presentation
- Compliment your audience
- Have a "call to action"
- Finish with a BANG!!
- Thank the audience; let them know that this was a good beginning and that you would be happy to come back again

## Questions and Answers

- Decide when and if you'll take questions
- Limit time
- Don't answer unless you can
- Be brief
- Recognize questions in order
- Repeat the question before answering
- Soften words in hostile questions when repeated
- Use the audience to answer questions
- Avoid conversations
- Be courteous
- Don't let the question-and-answer session drag

# Instructional Techniques Critique Sheet

Presenter:	Evaluator:		
		Yes	No
1. The instructor made an impactful “What’s in it for me?” statement.			
2. The opening was effective, caught my attention, and was relevant.			
3. The instructor facilitated learner-centered activities that were useful and effective.			
4. The trainer spoke 50 percent or less of the training time.			
5. The closing was effective and relevant.			
6. The instructor knew the material well.			
7. The instructor knows whether or not I learned the material.			
8. I took part in training techniques I’d like to use.			

**Comments:**





# Consumer Awareness: Deter, Detect, Defend

## I. INTRODUCTION

This chapter provides you with exposure to a wide array of consumer issues and methods of using the information in your role as an educator and counselor. Using the Federal Trade Commission's Deter, Detect, Defend model, topics include why the military is vulnerable to consumer rip-offs, the impact of advertising on the buying decision, deterring consumer problems, detecting when a fraud has occurred, and defending against them if the member is victimized.

Chapter correlation to major OPNAVINST task areas:

1. **Education and Training:** This chapter directly correlates to the PFMSC Consumer Awareness Module. You will have adequate exposure to the topic to allow you to present this segment at your command. Alternative ways of using the material to educate command members other than stand-up training also will be practiced.
2. **Information and Referral:** Many referral resources are reviewed in this topic that will assist you in functioning as a consumer advocate for clients.
3. **Counseling:** The CFS often meets with clients regarding consumer issues. Your role as a counselor is enhanced by the knowledge of consumer resources available and the techniques to manage consumer problems.

## II. LEARNING OBJECTIVES

Learners will demonstrate knowledge of deterring scams, misrepresentations and frauds and the ability to educate command members by developing five usable POD notes.

Learners will demonstrate knowledge of detecting scams, misrepresentations and frauds and the ability to educate command members by writing an e-mail to command members on ways to detect fraud.

Learners will demonstrate knowledge of defending against scams, misrepresentations and fraud and educating command members by developing an educational flier on ways to defend against fraud.

Learners will demonstrate knowledge of consumer laws and resources by correctly completing a matching exercise.

### III. REFERENCES

SECNAVINST 1754.1B, DoN Family Support Programs (27 Sep 2005)

OPNAV Instruction 1740.5B, Personal Financial Management Education, Training and Counseling Program (7 May 2007, amended 2 Jul 2008)

Consumer Awareness Module, Personal Financial Management Standardized Curriculum 2007 and all references listed therein.

Federal Citizen Information Center. 2009 Consumer Action Handbook. U.S. General Services Administration ([www.consumeraction.gov](http://www.consumeraction.gov))

Federal Trade Commission. 2009. "Deter, Detect, Defend" and various other pamphlets available to consumers.

National Consumer Law Center Inc. May 2003. In Harm's Way at Home: Consumer Scams and the Direct Targeting of America's Military and Veterans. Boston, Mass.: NCLC. ([www.nclc.org](http://www.nclc.org))

National Consumer Law Center et al., February 2007.

"COMMENTS of the National Consumer Law Center, Consumer Federation of America, Center for Responsible Lending, Consumers Union, National Association of Consumer Advocates Regarding Limitations on Terms of Consumer Credit Extended to Service Members and Dependents." Department of Defense, FR Doc. 06-9518, DOD-2006-OS-0216, 71 Fed. Reg. 70512 (5 Dec 2006).

[www.pewinternet.org/trends.asp](http://www.pewinternet.org/trends.asp) (Pew Internet and American Life Project). Accessed March 2009.

[www.adage.com](http://www.adage.com) (Ad Age Web site, advertising statistics)

[www.bbb.org](http://www.bbb.org) (Better Business Bureau)

[www.callforaction.org](http://www.callforaction.org) (network of consumer hotlines)

[www.citizen.org](http://www.citizen.org) (Public Citizen Consumer Advocacy Web site)

[www.consumer.gov](http://www.consumer.gov) (consumer safety tips)

[www.consumeraction.gov](http://www.consumeraction.gov) (Consumer Action Web site)

[www.consumerreports.org](http://www.consumerreports.org) (Consumer Reports)

[www.consumerworld.org](http://www.consumerworld.org) (Consumerworld Web site)

[www.DMAchoice.org](http://www.DMAchoice.org) (Direct Marketing Association opt-out programs)

[www.donotcall.gov](http://www.donotcall.gov) (National Do-Not-Call List)



[www.fraud.org](http://www.fraud.org) (Internet Fraud Watch)

[www.ftc.gov](http://www.ftc.gov) (Federal Trade Commission)

[www.ftc.gov/Sentinel/](http://www.ftc.gov/Sentinel/) (FTC Consumer Sentinel Network)

[www.naag.org](http://www.naag.org) (National Association of Attorneys General)

[www.natlconsumersleague.org](http://www.natlconsumersleague.org) (National Consumers League)

[www.nffsp.org](http://www.nffsp.org) (Fleet and Family Support Programs)

[www.nlada.org](http://www.nlada.org) (National Legal Aid and Defenders Association)

[www.pueblo.gsa.gov](http://www.pueblo.gsa.gov) (Federal Citizen Information Center)

[www.responsiblelending.org](http://www.responsiblelending.org) (Center for Responsible Lending)

[www.scambusters.org](http://www.scambusters.org) (scam site, updated regularly)

## Deter

### Target: Military Personnel

Military personnel are ripe targets for consumer predators for a variety of reasons. Many are low-income (always the most-targeted group) but have more economically attractive qualities than most low-income people, including these factors:

- They have a steady paycheck (with no danger of being laid off) and a willingness to spend it.
- More of them are married at a younger age than previous generations and therefore have more financial needs.
- Military codes of conduct that stress the need for orderly personal lives, including orderly finances, inadvertently may be driving service members toward the quick fixes that many consumer predators offer.
- There are more young adults who have no consumer education, are away from home for the first time, and are anxious to experience new things.
- They are a population that is easy for debt collectors to track.
- They are easy to pick out, even in civilian clothes. It's easy for salespeople who've experienced military life to engage service members in conversation, appear authoritative, and ultimately sell them something.
- Periods of deployment uniquely impact military personnel.
- Affinity marketing, using military-sounding names, military symbols, and ex-military people in sales and executive capacities, further clouds the identities and goals of many businesses that military people should avoid.
- Consumer-unfriendly businesses often can be found inside the base gates.
- The military are targeted specifically by ID-theft scams and predatory lenders and retailers.

### Common Advertising Techniques

- Beauty Appeal
- Celebrity Endorsement
- Escape
- Independence
- Individuality
- Intelligence



- Lifestyle
- Nurturing
- Peer Approval
- Rebel
- Rhetorical Question
- Scientific/Statistical Claim
- Unfinished Comparison/Claims

Truth in Advertising?

- “Greatly Reduced”
- “Below Cost”
- “Now or Never”
- “Special Purchase”

Beware!

- “We Finance E-1s and Up”
- “Specialists in Military Financing”
- “Instant Financing”
- “Free Ride to the Store!”

**If it sounds too good to be true, it probably is.**

### Internet Use in 2008

(from the Pew Internet and American Life Project)

Online Activity	Gen Y (18-32)	Gen X (33-44)	Boomers (45-54)
Use the Internet	87 percent	82 percent	79 percent
Bank online	57 percent	65 percent	53 percent
Buy online	71 percent	80 percent	68 percent
Use e-mail	94 percent	93 percent	90 percent

Basic Guidelines to Deter Consumer Rip-offs

- Know what you can afford.
- Separate your needs and your wants.
- Don't buy on impulse.
- Know the merchant before you buy — do your homework!

# Sources of Help for Military Consumers

## Sample Complaint Letter

Your Address  
Your City, State, Zip  
Date

Name of Contact Person, if available  
Title, if available  
Company Name  
Consumer Complaint Division (if you have no specific contact)  
Street Address  
City, State, Zip Code

Dear (Contact Person),

Re: (account number, if applicable)

On (date), I (bought, leased, rented, or had repaired) a (name of the product, with serial or model number or service performed) at (location, date and other important details of the transaction).

Unfortunately, your product (or service) has not performed well (or the service was inadequate) because (state the problem). I am disappointed because (explain the problem: for example, the product does not work properly, the service was not performed correctly, I was billed the wrong amount, something was not disclosed clearly or was misrepresented, etc.).

To resolve the problem, I would appreciate your (state the specific action you want — money back, charge-card credit, repair, exchange, etc.). Enclosed are copies (do not send originals) of my records (include receipts, guarantees, warranties, cancelled checks, contracts, model and serial numbers and any other documents).

I look forward to your reply and resolution to my problem and will wait until (set a time limit) before seeking help from a consumer-protection agency or the Better Business Bureau. Please contact me at the above address or by phone at (home and/or office numbers with area code).

Sincerely,  
(Your Name)

Enclosure(s)

- Describe purchase.  
Include name of product and serial number.  
Include date and place of purchase.
- State problem.  
Give history.
- Ask for specific actions.  
Include copies of documents.
- Allow time for action.  
State how you can be reached.

Keep copies of all your letters, faxes, e-mails, and related documents.

## How to Complain Effectively

- See your Command Financial Specialist for guidance.
- Save all purchase-related paperwork. Include copies of receipts, repair orders, warranties, cancelled checks, contracts, and any letters to or from the company.
- If you have a problem:
  1. Contact the business — the salesperson with whom you dealt or the manager. Clearly and calmly describe the problem and the action you would like them to take. Document their response in writing.
  2. Contact the company president or a representative of the manufacturer. Use the Sample Complaint Letter. Send it certified mail, return receipt requested.
  3. Contact industry trade associations.
  4. Contact local and state consumer advocates for further assistance. Don't give up until you are satisfied. Use the quick resource list on the reverse side of this page for consumer-protection contacts.



Type of Solicitation	Contact	Other Information
Junk Mail, E-Mail and Spam	The Direct Marketing Association <a href="http://www.DMAChoice.org">www.DMAChoice.org</a>	Included at this site: ▶ Credit Offers ▶ Catalogs ▶ Magazine Offers ▶ Other Mail Offers ▶ Email Preference Service
Credit and Insurance Offers	Credit Reporting Industry's Opt-Out Program <a href="http://www.optoutprescreen.com">www.optoutprescreen.com</a> 1-888-567-8688	The official credit reporting industry website to accept and process request from consumers to opt-in or opt-out of firm offers of credit or insurance.
Phone Solicitation	Federal Government's Do-Not-Call Registry <a href="http://www.donotcall.gov">www.donotcall.gov</a> 1-888-382-1222 (TTY: 1-866-290-4236)	Remember, for calls that do come through to your phone, tell the caller to take your name off their mailing list.
Mail that looks like it is from a government agency but isn't	Contact the U.S. Post Office	

**How To File A Complaint About A Sales Call**  
If you think a sales call is in violation of the Federal Trade Commission rule and want to file a complaint, use the online resource at [www.ftc.gov](http://www.ftc.gov) and click on the "File a Complaint Online" link.

## Protect Your Personal Information

- Give personal information only when absolutely necessary, and only when you initiated contact.
- Carry only the credit cards you need.
- Store personal information in a safe place at home or work. Copy all the contents of your wallet, front and back, and store with other personal information.
- Keep your PIN numbers secret. Never write a PIN on a credit/debit card or on a slip of paper kept with your card.
- Avoid obvious passwords.
- Watch out for “shoulder surfers.” Use your free hand to shield the keypad when using pay phones and ATMs.
- Do not leave any blank spaces on checks, credit slips and contracts.
- Keep all receipts. Ask for carbons and incorrect charge slips as well. Promptly compare your receipts with account statements. Watch for unauthorized charges.
- Destroy (shred) documents with account information.
- Protect your mail. Ask your local U.S. Postal Service to put your mail on hold when you are traveling and can't pick it up.
- Get your free credit report once a year.

## Think Before You Click: Practice Safe Computing

- Protect your personal information.
- Know who you are dealing with.
- Use anti-virus software and a firewall, and update both regularly.
- Be sure to set up your operating system and Web browser software properly, and update them regularly.
- Protect your passwords.
- Back up important files.
- Learn who to contact if something goes wrong.
- In short, think before you click!

## Web Sites for Consumers

### The Consumer Action Handbook

[www.consumeraction.gov](http://www.consumeraction.gov)

### Consumer Protection

Better Business Bureau: [www.bbbonline.org](http://www.bbbonline.org)

Consumer World: [www.consumerworld.org](http://www.consumerworld.org)

Consumer Safety Tips: [www.consumer.gov](http://www.consumer.gov)

Consumer Reports: [www.consumerreports.org](http://www.consumerreports.org)

Federal Citizen Information Center: [www.pueblo.gsa.gov](http://www.pueblo.gsa.gov)

Federal Trade Commission: [www.ftc.gov](http://www.ftc.gov)

Internet Crime Complaint Center: [www.ic3.gov](http://www.ic3.gov)

Kelley Blue Book: [www.kbb.com](http://www.kbb.com)

National Consumer League's Fraud Center: [www.fraud.org](http://www.fraud.org)

Military OneSource Web site: [www.militaryonesource.com](http://www.militaryonesource.com)

Military Sentinel Fraud Website: [www.consumer.gov/military](http://www.consumer.gov/military)

NADA Car Guides: [www.nada.com](http://www.nada.com)

National Association of Attorneys General: [www.naag.org](http://www.naag.org)

National Consumers League: [www.natlconsumersleague.org](http://www.natlconsumersleague.org)

National Legal Aid & Defender Association: [www.nlada.org](http://www.nlada.org)

Network of Consumer Hotlines: [www.callforaction.org](http://www.callforaction.org)

Public Citizen, consumer advocacy: [www.citizen.org](http://www.citizen.org)

Scam Site: [www.scambusters.org](http://www.scambusters.org)

### Emergency Financial Assistance

American Red Cross: [www.redcross.org](http://www.redcross.org)

Navy-Marine Corps Relief Society: [www.nmcrcs.org](http://www.nmcrcs.org)

### Financial Information and Counseling

Bill Tracking: [www.billmonk.com](http://www.billmonk.com); [www.buxfer.com](http://www.buxfer.com)

Consumer Credit Counseling: [www.nfcc.org](http://www.nfcc.org)

Credit Reporting Agencies: [www.experian.com](http://www.experian.com);  
[www.transunion.com](http://www.transunion.com); [www.equifax.com](http://www.equifax.com)

Free Annual Credit Report: [www.annualcreditreport.com](http://www.annualcreditreport.com)

Navy Fleet and Family Support Programs: [www.ffsp.navy.mil](http://www.ffsp.navy.mil)

Power Payment Plans: <https://powerpay.org>

Tightwad Central Frugality Website: [www.tightwad.com](http://www.tightwad.com)

### Predatory Lending

Center for Responsible Lending: [www.responsiblelending.org](http://www.responsiblelending.org)

Payday Loan Information: [www.PayDayLoanInfo.org](http://www.PayDayLoanInfo.org)

### Protecting Personal Information

- Guard your Social Security number.
- Sign credit/debit cards when they arrive.
- Carry only the cards you need.
- Keep your PIN numbers secret.
- Avoid obvious passwords.
- Store personal information in a safe place at home and at work.
- Don't give card numbers to strangers.
- Watch out for "shoulder surfers."
- Beware of blank spaces.
- Keep your receipts.
- Destroy documents with account information.
- Protect your mail.
- Keep a record of your cards and accounts.
- Pay attention to your billing cycles.
- Promptly compare receipts with account statements.
- Check your credit report once a year.

### Protecting Information on Your Computer

- Protect your personal information.
- Know who you are dealing with.
- Use anti-virus software and a firewall, and update both regularly.
- Be sure to set up your operating system and Web browser software properly, and update them regularly.
- Protect your passwords.
- Back up important files.
- Learn who to contact if something goes wrong.

### Deterring Identity Theft

- Safeguard your mail.
- Opt out of unsolicited credit offers.
- Guard your wallet.
- Take your receipts.
- Safeguard your checks.

## National Consumer Protection Week POD Notes

National Consumer Protection Week usually is in late February or early March. Sponsored by the Federal Trade Commission, the event focuses on consumer education nationwide. Using lecture material, the Student Manual and the Consumer Action Handbook (if available), draft a series of five POD notes on deterring consumer problems to be placed in the POD during National Consumer Protection Week. You can choose a single topic and write a series of five POD notes, or you can choose a different topic for each day. Remember who it is that reads the POD notes, and make the information appropriate.

### Topic suggestions:

Military as Targets of  
Consumer Rip-Offs

The Impact of Advertising

Common Advertising  
Techniques

Technology and  
Consumer Rip-Offs

Deterring Consumer  
Problems

Opting-Out and  
Do-Not-Call Registries

Protecting Your Personal  
Information

Tips for Smart Computing

Identity Theft and  
How to Avoid It

<b>Day 1</b>	
<b>Day 2</b>	
<b>Day 3</b>	
<b>Day 4</b>	
<b>Day 5</b>	



## Detect

### Misrepresentations, Scams and Frauds

- A misrepresentation is not necessarily illegal, but it is misleading.
- A scam is an unfair act of exploitation, but it is not necessarily illegal.
- A fraud is a deliberate deception.

### Major Issues of Concern for Service Members

- Internet fraud
- Predatory lending
- Identity theft



## Predatory Lending Protections for Service Members

In 2006 Congress enacted the Talent-Nelson amendment to the John Warner Defense Authorization Act of 2007 to provide landmark federal protections against predatory lending for Active duty Service members and their eligible family members. The Department of Defense issued final regulations for the Military Lending Act (MLA), effective for loans written on or after October 1, 2007.

### Creditors and Consumer Credit Covered by Rules

The Department narrowly defined three types of loans as “consumer credit” to be subject to the protections of the MLA.

- **Payday Loans** (at stores or made via the Internet or telephone/fax)
  - Loans up to \$2,000 (one or more loans)
  - Closed-end (single advance of credit over fixed term)
  - Term of 91 days or less
  - Based on check held for future deposit or electronic access to account for future payment
- **Vehicle Title Loans**
  - Term of 181 days or less
  - Closed-end
  - Secured by title to a registered motor vehicle owned by a covered borrower (except to buy the car)
- **Tax Refund Anticipation Loans**
  - Closed-end credit
  - Tax refund goes to creditor to repay loan

### Credit Not Covered per Military Lending Act or Regulations

1. Residential mortgages, including refinancing, home equity loans or lines of credit, and reverse mortgages.
2. Credit to finance the purchase or lease of a vehicle, and secured by the vehicle being purchased or leased.

3. Open-end credit, including all credit cards, bank overdraft lines of credit, and any truly open-end payday or vehicle title loans. (“Open end” involves repeat use of credit without approval necessary, no fixed term to repay, charge based on outstanding balance)
4. Any debt to a bank that can be paid by set-off of deposited funds, such as overdraft loans. (Set-off means the bank withdraws payment directly from account per standard account contract terms.)
5. Any credit not subject to Truth in Lending Act disclosures, such as overdraft loans. (FRB regulations currently exempt bank overdraft loans from TILA cost disclosures, though pending legislation H.R. 946 would reverse this.)
6. Installment loans with terms longer than 91 days, including all military installment lenders, or all installment loans not secured by a check or electronic access to an account.
7. Rent to own transactions.
8. Any credit transaction to finance the purchase or lease of personal property when the credit is secured by the property being purchased.
9. Credit secured by a qualified retirement account.

#### **Covered Borrowers**

1. Regular or reserve member of the **Army, Navy, Marine Corps, Air Force or Coast Guard**
2. Serving on active duty under a call or order that specifies longer than 30 days
3. Member serving on Active Guard and Reserve Duty (10 U.S.C. 101(d)(6))
4. Card-carrying dependent of active duty military. (Member’s spouse, child (38 U.S.C. 101(4)), or individual who gets over half support for 180 days immediately preceding an extension of credit)

#### **Protections That Apply to Covered Credit: Payday Loans, Car Title Loans, Tax Refund Loans**

**36% Annual Interest Rate Cap**, including most fees (but not late or default fees) and insurance premiums, called the Military Annual Percentage Rate (MAPR)

**Ban on securing loan with a personal check or other access to bank account, title to a personal vehicle, or military allotment.** (Service member can choose to pay other types of credit by allotment.)

**No Prepayment penalties**

**No Roll-overs, renewals, refinancing or consolidation** unless the renewal is at better terms for the borrower, such as a lower cost.

**Ban on mandatory arbitration clauses, waiver of legal rights, and onerous legal notice in case of dispute** (Borrower cannot sign away legal rights.)

**Mandatory disclosures orally and in writing before credit is issued:**

**Military annual percentage rate of interest**

**Truth In Lending Act required disclosures**

**Clear description of payment obligations**

For loans made via the mail or Internet, oral disclosures may be made by providing a 1-800 #.

### **Federal vs. State Laws**

**Military Lending Act and DOD regulations apply unless a state law provides additional protection to the borrower. (State rate cap can be lower than 36%, for example, or cover open-end payday loans.)**

**States must enforce state laws to protect non-resident Service Members stationed in their state for covered consumer credit.**

### **Where to File Complaints**

**Notify the base legal office if a payday loan, title loan or tax refund loan fails to comply with the law and regulations.**

**File a complaint with the state credit regulator. Go to [www.paydayloaninfo.org](http://www.paydayloaninfo.org), click on State Information, then the state where the Service member got the loan. Contact information and online complaint forms for state officials are provided.**

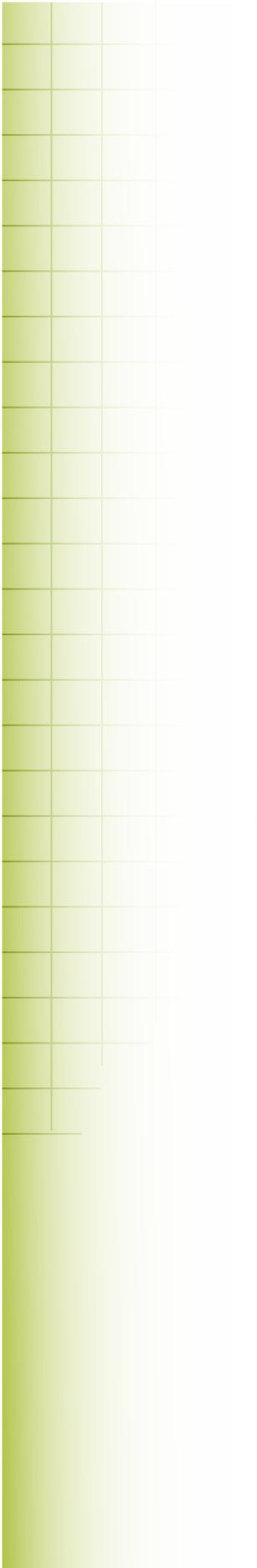
Public Law 109-364, the John Warner National Defense Authorization Act for Fiscal Year 2007, Section 670, "Limitations on Terms of Consumer Credit Extended to Service Members and Dependents," (October 17, 2006.)

Title 32, Code of Federal Regulations, Part 232—Limitations on Terms of Consumer Credit Extended to Service Members and Dependents

## **Detecting Identity Theft**

Look for:

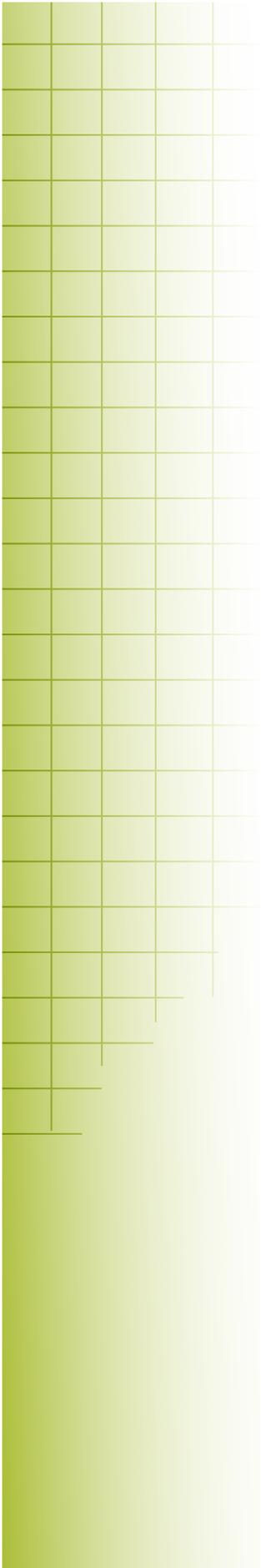
- Missing bills
- Mysterious trade lines on your credit report
- Unsolicited cards or bills
- Credit denial



## E-mail to the Command

More than 90 percent of people use e-mail, and it can be a great way to educate and inform. Using the information from the “Detect” section of this program, draft a two- or three-paragraph e-mail educating the command on one aspect of how to detect if you have been the victim of misrepresentation, scam or fraud. Topic suggestions:

Difference Between Misrepresentations, Scams and Frauds and Current Examples	Types of Internet Fraud and How to Avoid Them	The Military Lending Act and How It Can Help You
Why You Want to Avoid Predatory Lending Practices	The True Cost of Rent-to-Own	Detecting Identity Theft



# Defend

General Combat Strategies — Remember the Basics:

- Know why the military is targeted and understand the impact of advertising.
- Be familiar with current scams and frauds in the marketplace.
- Have a budget and stick to it, separating your needs and your wants.
- Stop telemarketers, get off mailing lists, opt-out.
- Be very cautious with your personal information and computer.

Make Smart Purchases

- Get agreements in writing, and keep all your receipts. Remember this saying: “A verbal promise is only as good as the paper on which it is written.”
- Don't be rushed. Wait 24 hours before making a major purchase.
- Know the merchant before you buy.
- Take prompt action.

Borrow Wisely

- Check with your credit union or bank first.
- Look for the APR.
- Know all the terms of the deal.
- Use the Navy Legal Service Office.

Take Action

1. Contact the seller first by starting with the salesperson.
2. Go to the company president and/or manufacturer.
3. Contact the appropriate trade associations, national consumer organizations, and/or media organizations.
4. Use your consumer advocate resources if you still are not satisfied.
  - ▶ The state attorney general or state office of consumer affairs
  - ▶ State regulatory and licensing agencies
  - ▶ The Armed Forces Disciplinary Control Board
  - ▶ The Better Business Bureau
  - ▶ Dispute-resolution programs
  - ▶ Small-claims court

For Identity Theft

- Place an active-duty alert on your credit reports.
- Close accounts.
- File a police report.
- Keep a journal.
- Contact the Federal Trade Commission.

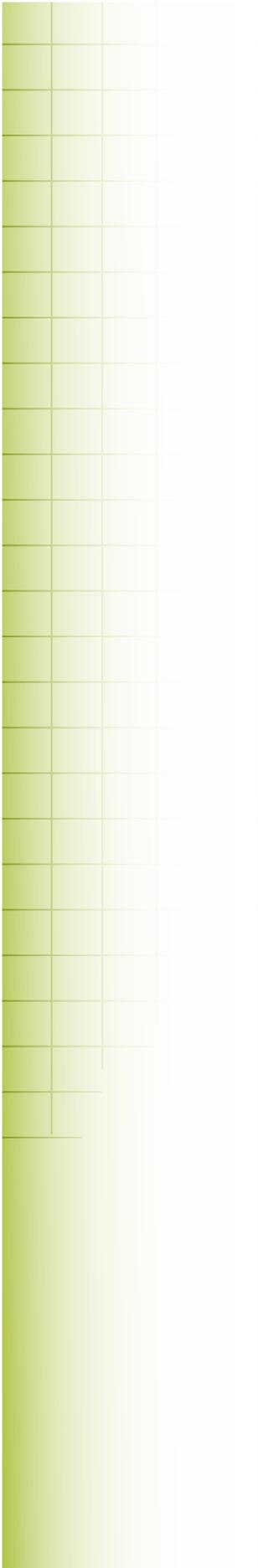


## Fabulous Fliers

It has come to your attention that several of the younger members of your command have been victims of fraud but have done nothing about it. As part of your plan of action to help keep this from happening, you have decided to post some educational fliers around the command. Using the lecture material, the Student Manual, and the *Consumer Action Handbook*, if available, choose one topic and create an effective educational flier. Consider who your target audience is when you put together a design.

### Topic suggestions:

Defensive Techniques	Making Smart Purchases
Borrowing Wisely	Taking Action When You Are Unhappy With a Consumer Purchase
What to Do if You Have Been a Victim of Identity Theft	Consumer Advocates



## How to Cancel a Contract

1. Cancel in writing.
2. Keep a copy of your cancellation letter.
3. Send the cancellation by certified mail with return receipt requested, so you have a record that your cancellation request was received if a dispute arises.
4. Keep a copy of your letter and signed return receipt until you get your money back.

If you cancel a contract by telephone, be sure to get the name of the person with whom you spoke and follow up your call with a letter using the steps above. Mention the name of the person with whom you spoke on the phone. Be sure to act within the window of three business days. Saturdays are considered business days, while Sundays and holidays are not.

### Cooling-Off Periods

When you buy something at a store and later change your mind, your ability to return the merchandise depends on the store's policy. If you buy an item in your home, you might have three days to cancel. This cooling-off rule also applies to purchases of \$25 or more at your workplace and places rented by a seller on a temporary basis, such as hotel or motel rooms, convention centers, fairgrounds and restaurants. The cooling-off rule requires sellers to tell you that you have three business days after the sale to change your mind. Specific information about cooling-off periods can be found in the *Consumer Action Handbook*.

### Federal and State Consumer-Protection Laws

Federal Consumer Laws Include:

- Servicemembers Civil Relief Act
- Consumer Bill of Rights
- Fair Credit Billing Act
- 7th Amendment (the right to trial by jury)
- The Military Lending Act of 2007

State Consumer-Protection Laws Include:

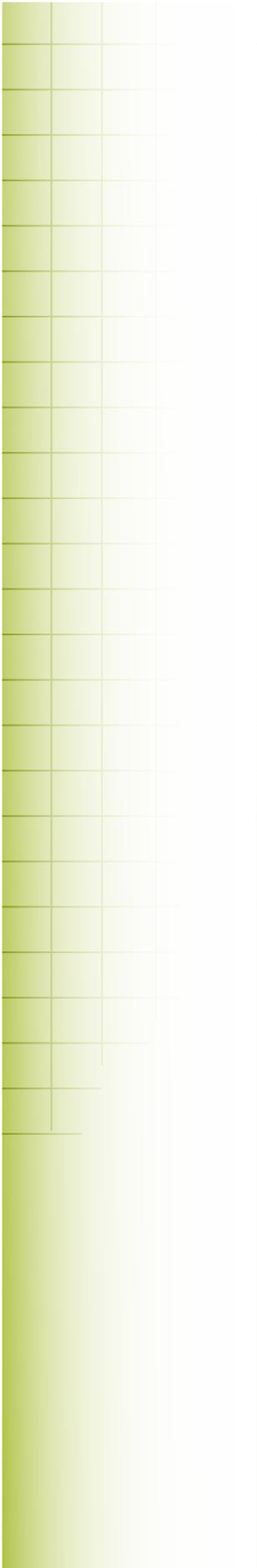
- Lemon Laws (also known as the Motor Vehicle Warranty Enforcement Acts)
- Usury Laws



## Consumer Laws and Referral Resource Matching

Match the item on the left with the correct statement on the right.

Letter	Law/Referral Resource	Description
	1. Cooling-Off Rule	a. Allows you to withhold payment on a credit-card charge for a disputed amount.
	2. State Lemon Laws	a. Applies a 36 percent cap on rates for payday loans, auto-title loans, and refund-anticipation loans.
	3. Usury Laws	a. Applies only to used cars.
	4. Servicemembers Civil Relief Act	a. Federal rule gives three days for purchases made in a place that isn't the merchant's normal place of business.
	5. Consumer Bill of Rights	a. Guarantees a member their right to a day in court (among other things).
	6. Fair Credit Billing Act	a. Provides general rights of access to product and price information.
	7. 7th Amendment	a. Sets a cap on consumer interest rates, but there often are ways around them.
	8. Military Lending Act	a. Some contracts try to get you to sign away your right to a trial by jury.
	9. Consumer Credit Counseling Services	a. This resource is a clearinghouse for business information and provides some dispute-resolution services.
	10. Navy Legal Service Office	a. This resource is the military's own consumer watchdog organization.
	11. Better Business Bureau	a. This resource will take legal action against a company if a complaint is valid.
	12. State Attorney General or Office of Consumer Affairs	a. Will review an unsigned contract to help members avoid being ripped off or unwittingly waive their legal rights.
	13. Armed Forces Disciplinary Control Board	a. Works with consumers who have severe debt problems.



### COMMON WAYS ID THEFT HAPPENS:

Skilled identity thieves use a variety of methods to steal your personal information, including:

- 1. Dumpster Diving.** They rummage through trash looking for bills or other paper with your personal information on it.
- 2. Skimming.** They steal credit/debit card numbers by using a special storage device when processing your card.
- 3. Phishing.** They pretend to be financial institutions or companies and send spam or pop-up messages to get you to reveal your personal information.
- 4. Changing Your Address.** They divert your billing statements to another location by completing a "change of address" form.
- 5. "Old-Fashioned" Stealing.** They steal wallets and purses; mail, including bank and credit card statements; pre-approved credit offers; and new checks or tax information. They steal personnel records from their employers, or bribe employees who have access.

Identity theft is a serious crime. It occurs when your personal information is stolen and used without your knowledge to commit fraud or other crimes. Identity theft can cost you time and money. It can destroy your credit and ruin your good name.

The rigors of military life can compound the problems that identity theft creates.

#### Active Duty Alerts:

If you are deployed away from your usual duty station and do not expect to seek new credit while you are deployed, consider placing an "active duty alert" on your credit report. An active duty alert requires creditors to take steps to verify your identity before granting credit in your name.

An active duty alert is effective for one year, unless you ask for it to be removed sooner. If your deployment lasts longer than a year, you may place another alert on your report.

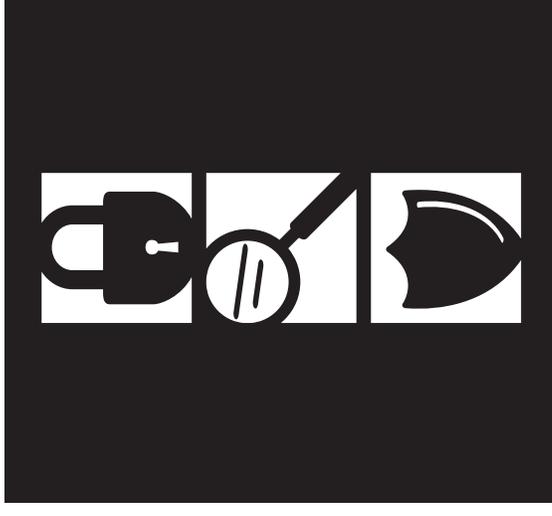
To place an active duty alert, or to have it removed, call the toll-free fraud number of one of the three nationwide consumer reporting companies. (Check under "Defend" in this brochure.) The company you call is required to contact the other two.

The law allows you to use a personal representative to place or remove an alert.

DETER · DETECT · DEFEND

# AVOID THEFT

[www.ftc.gov/idtheft](http://www.ftc.gov/idtheft)



DETER · DETECT · DEFEND

# AVOID THEFT

[www.ftc.gov/idtheft](http://www.ftc.gov/idtheft)

To learn more about ID theft and how to deter, detect, and defend against it, visit [ftc.gov/idtheft](http://ftc.gov/idtheft). Or request copies of ID theft resources by writing to:



**Consumer Response Center**  
Federal Trade Commission  
600 Pennsylvania Ave., NW, H-130  
Washington, DC 20580



**MILITARY PERSONNEL & FAMILIES  
FIGHTING BACK AGAINST  
IDENTITY THEFT**

FEDERAL TRADE COMMISSION



## DETER



## DETECT



## DEFEND

**Deter identity thieves by safeguarding your information.**

- **Shred** financial documents and paperwork with personal information before you discard them.
- **Protect** your Social Security number. Don't carry your Social Security card in your wallet or write your Social Security number on a check. Give it out only if absolutely necessary or ask to use another identifier.
- **Don't give out** personal information on the phone, through the mail, or over the Internet unless you know who you are dealing with.
- **Safeguard your military ID.** Keep it with you or locked up at all times.
- **Never lend** your credit cards or account information to anyone else.
- **Do not click on** links sent in unsolicited e-mails; instead, type in a Web address you know. Use firewalls, anti-spyware, and anti-virus software to protect your home computer, and keep them up to date. Visit [OnGuardOnline.gov](http://OnGuardOnline.gov) for more information.
- **Don't use** an obvious password like your birth date, your mother's maiden name, or the last four digits of your Social Security number.
- **Keep** your personal information in a secure place, especially if you live in barracks or with roommates.
- **Don't let** mail pile up unattended if you can't collect it. Use a mail stop or P.O. Box, or have someone you trust hold your mail while you are away.

**Detect suspicious activity by routinely monitoring your financial accounts and billing statements. If you are unable to take these steps while you are deployed, consider placing an "active duty alert" on your credit report.**

- **Inspect:**
  - **Your credit report.** Credit reports contain information about you, including what accounts you have and your bill-paying history.
  - The law requires each of the major nationwide consumer reporting companies—Equifax, Experian, and TransUnion—to give you a free copy of your credit report every year if you ask for it.
  - Visit [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com) or call 1-877-322-8228, a service created by these three companies, to order your free credit reports each year. You also can write: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.
- **Your financial statements.** Review your financial accounts and read your billing statements regularly, looking for charges you did not make. If you review financial accounts online from a public computer, be sure to log off of financial sites before you end your session.
- **Be alert to signs that require immediate attention:**
  - Bills that do not arrive as expected
  - Unexpected credit cards or account statements
  - Denials of credit for no apparent reason
  - Calls or letters about purchases you did not make

**Defend against ID theft as soon as you suspect it.**

- **Place a "Fraud Alert" on your credit reports, and review the reports carefully.** The alert tells creditors to follow certain procedures before they open new accounts in your name or make changes to your existing accounts. The three nationwide consumer reporting companies have toll-free numbers for placing an initial 90-day fraud alert; a call to one company is sufficient:
  - Equifax: 1-800-525-6285
  - Experian: 1-888-EXPERIAN (397-3742)
  - TransUnion: 1-800-680-7289
 Placing a fraud alert entitles you to free copies of your credit reports. Look for inquiries from companies you haven't contacted, accounts you didn't open, and debts on your accounts that you can't explain.
- **Close accounts.** Close any accounts that have been tampered with or established fraudulently.
  - Call the security or fraud departments of each company where an account was opened or changed without your okay. Follow up in writing, with copies of supporting documents.
  - Use the ID Theft Affidavit at [ftc.gov/idtheft](http://ftc.gov/idtheft) to support your written statement.
  - Ask for verification that the disputed account has been closed and the fraudulent debts discharged.
  - Keep copies of documents and records of your conversations about the theft.
- **Explain the situation to your commanding officer.** You don't want your C.O. taken by surprise if contacted by creditors looking to collect on charges made by the identity thief. You also may want a referral to a legal assistance office.
- **File a police report.** File a report with military law enforcement and the local police (if you are in the United States). Their reports will help you with creditors who may want proof of the crime.
- **Report the theft to the Federal Trade Commission.** Your report helps law enforcement officials across the United States in their investigations.
  - Online: [ftc.gov/idtheft](http://ftc.gov/idtheft)
  - By phone: 1-877-ID-THEFT (438-4338) or TTY, 1-866-653-4261
  - By mail: **Identity Theft Clearinghouse**, Federal Trade Commission, Washington, DC 20580
 To learn more about ID theft and how to deter, detect, and defend against it, visit [ftc.gov/idtheft](http://ftc.gov/idtheft).

DETER·DETECT·DEFEND



[www.ftc.gov/idtheft](http://www.ftc.gov/idtheft)

FEDERAL TRADE COMMISSION

600 PENNSYLVANIA AVE., NW WASHINGTON, DC 20580

FTC.GOV/IDTHEFT | 1-877-ID-THEFT (438-4338)



# Legal Issues of PFM

## I. INTRODUCTION

A variety of legal issues often are coupled with personal financial affairs. Military members are bound by both civilian law and military law; it is important for you to understand what means are available to alleviate a client's legal difficulties. This chapter is meant as a review of legal issues and a GUIDE for making the appropriate referrals when legal issues are part of a client's financial issues. The CFS should NOT attempt to provide legal advice. The information presented is general in nature. It is meant as a starting point for recognizing and handling potential legal issues arising from personal financial management.

- Chapter correlation to major OPNAVINST task areas:
  1. **Education and Training:** There is no corresponding legal-issues module in the PFMSC. The information provided here is for the CFS's reference and will be useful in individual educational settings during a counseling session. Training techniques used are lecture format and short case study scenarios.
  2. **Information and Referral:** NLSO is a major referral resource for the CFS.
  3. **Counseling:** This chapter will help the you recognize when a client has legal issues and assist you in making an appropriate referral, thus allowing the counseling process to focus on the client's financial issues.

## II. LEARNING OBJECTIVE

Using a scenario-based activity, learners will identify situations for which a referral to NLSO would be appropriate.

## III. REFERENCES

Debt Collection FAQs: A Guide for Consumers. "Fair Debt Collection." Washington, D.C.: Federal Trade Commission, February 2009.

DoD Instruction 1344.9 Indebtedness of Military Personnel

Facts for Consumers: Credit and Your Consumer Rights. Washington, D.C.: Federal Trade Commission, March 2005.

Fair and Accurate Credit Transactions (FACT) Act of 2003. Washington, D.C.: Federal Trade Commission.

Fair Credit Reporting. Washington, D.C.: Federal Trade Commission, March 1999.

MILPERSMAN 1754-030, Support of Family Members

MILPERSMAN 5800-010, Paternity Complaints

MILPERSMAN 7000-010, Worthless Checks by Members and/or Their Families

MILPERSMAN 7000-020, Indebtedness and Financial Responsibility of Members

Truth in Lending Act (TILA) 15 U.S.C. Sec. 1601 et seq.

<http://www.lifelines.navy.mil> (Lifelines Services)

<http://usmilitary.about.com/cs/sscra/a/scra1.htm> (Servicemembers Civil Relief Act)

[www.abanet.org](http://www.abanet.org) (American Bar Association)

[www.law.cornell.edu](http://www.law.cornell.edu) (Legal Information Institute of Cornell Law School)

[www.supportguidelines.com](http://www.supportguidelines.com) (Child Support Guidelines on the Web)

[www.findlaw.com](http://www.findlaw.com)

[www.divorcesource.com](http://www.divorcesource.com)

[www.MilitaryOnesource.com](http://www.MilitaryOnesource.com)

## **IV. CONTENT**

# Reference Information

## Domestic Relations

### 1. MILPERSMAN Article 1754.030 — Relevant Excerpts

Support obligations: “The Navy will not act as a haven for personnel who disregard or evade obligations to their legal dependents.” “All members shall provide adequate and continuous support for their lawful family members and fully comply with the provisions of separation agreements and valid court orders.”

#### Guidelines

- Spouse only .....  $\frac{1}{3}$  gross pay
- Spouse and one minor child .....  $\frac{1}{2}$  gross pay
- Spouse and two or more children .....  $\frac{3}{5}$  gross pay
- One minor child .....  $\frac{1}{6}$  gross pay
- Two minor children .....  $\frac{1}{4}$  gross pay
- Three minor children .....  $\frac{1}{3}$  gross pay

Gross pay is basic pay plus basic allowance for housing. This is a guideline to use until a mutual agreement is reached or a court order is issued. The Navy provides counseling regarding non-support issues but does not possess the direct authority to force service members to provide support. Failure to support dependents is a criminal offense in most states. The military recognizes a service member’s moral and legal obligation to support family members and as such provides for involuntary allotments from Navy pay for support obligations. When a member is receiving BAH with dependents, the money is to be used for the support of dependents. Non-support while receiving BAH/D will result in recoupment and possible disciplinary action.

### 2. Marital Debts

Marital debts are subject to division via mutual agreement. Before an agreement or court decree, both parties still are equally responsible for joint debts. The creditor never is a party to your divorce. If both names are on the contract, creditors can and will go after either or both, regardless of court decree or mutual agreement.

### 3. Children

Your children are those who are born while married, adopted or determined by paternity test. This does not include stepchildren.

## Contracts

1. **Clauses:** There are several key clauses to consider in the “fine print” of a consumer credit contract that refer to the rights and responsibilities of the creditor and debtor if payments are missed. Remember, the “big print giveth, and the fine print taketh away.”

- **Security Clause:** This clause itemizes the property that the creditor may claim as collateral if the member does not pay the loan as agreed. The item purchased may be the collateral as well as any other items the member may have pledged in order to obtain the loan.
- **Attorney’s Fee Clause:** This clause states that the member is responsible for paying the creditor’s attorney’s fees if the creditor sues the member for non-payment.
- **Repossession Clause:** This clause states that if the item purchased is repossessed, the service member still is responsible for paying any outstanding balance on the loan if the creditor does not receive enough money when the collateral is sold to pay off the loan, as well as other charges related to the repossession.
- **Late Fee Clause:** This clause states when and how the creditor will charge the service member late fees if payments are not made as agreed.
- **Acceleration Clause:** This clause states that if the debtor defaults on the loan, the creditor can demand payment of the outstanding balance. A default can be only ONE missed payment.

### 2. Cancellation

Generally, a contract is binding on both parties and cannot be canceled by one party without the express permission of the other party. Some contracts, however, contain various “cooling-off” provisions that allow the purchaser to cancel the contract within a specified period of time. Make sure any applicable cancellation provisions are in writing in the body of the contract itself. When canceling, always send the notice in writing via certified mail.

# Top Tips to Avoid Legal Tangles

## Separation or Divorce

- Organize your documents.
- Review your credit report for discrepancies and/or unknown trade lines.
- Retitle property to reflect any changes in ownership.
- Review wills, powers of attorney, and beneficiaries declarations and change as necessary.
- Set new goals.
- Close all joint accounts.
- Create a new financial plan.
- Seek legal assistance in drafting a separation agreement.
- Get a court order.
- Tear up and revoke any powers of attorney.

## Child Support

- If you are responsible for child support, pay it, and keep a record of all payments made.
- If paternity is in question, get a paternity test. Refrain from taking any action that can be construed as child support, because it may be considered in establishing paternity. Fathers also can request the court's assistance to determine paternity, custody and child support.
- If you are due child support and it is not being paid, visit your local child support enforcement office and seek assistance from NLSO.
- An involuntary allotment for back child support will take priority over all other debts except those owed to the government.

## Contracts

- Read the fine print.
- Get everything in writing— no verbal promises.
- Understand all the terms of the contract— ask questions.
- Before signing any contract, but especially one for a vehicle purchase, take a copy of the unsigned contract to NLSO to have an attorney review it.
- Be sure the whole contract is filled in— leave no blanks.
- A contract is presumed legally binding on both parties. If the seller wants to cancel the existing contract, change some of the terms (such as the interest rate) and sign a new one, you have the right to stay with the original contract if it was signed by both parties.
- Cancellation of a contract may require the agreement of both parties. Get it in writing, and deliver it via certified mail.
- Be wary of any rights you may waive regarding collection of delinquent accounts.

## Landlord/Tenant Transactions

- Get a written lease— do not accept oral promises.
- If your lease does not have a military cause, then you will still have the protections of the Servicemembers Civil Relief Act (SCRA) as it applies to residential real property.
- Get renter's insurance to protect your property, whether you are renting or living in government quarters.
- Thoroughly inspect the property before moving in and note IN WRITING any discrepancies. Retain your list for when you vacate. Take pictures or videos.
- See NLSO with concerns about your lease.

## Warranties

- Read any warranty and know what is covered.
- Seriously scrutinize any offers of an extended warranty or service contract. You probably don't need it.
- Inspect anything you are going to purchase "as is." What you see is what you get, and what you DON'T see is what you get (especially when it comes to used cars).
- When something goes wrong with an item, take action while the warranty is in effect.
- Implied warranties are valid even when not in writing. These are the warranty of merchantability — the item does what it is supposed to do, (a toaster will toast) and the warranty of fitness for a particular purpose — the item will be suitable for the purpose which the seller said it was, (such as a zero-degree sleeping bag).
- Express warranties can be oral or written — "as is" means no warranty, "limited" means only as specified by the seller, and "full" means completely guaranteed for a period of time.

## Servicemembers Civil Relief Act

- If you think you have a defense under the SCRA, consult an NLSO attorney.
- You have the right to stay court and administrative hearings for at least 90 days or longer if military service materially affects your ability to defend your interests. Request it in writing.
- You must request in writing the provision reducing interest to 6 percent on pre-service loans and obligations.
- You and your family are protected from eviction if the monthly rent does not exceed \$2,932.31 (2009).
- If you undergo PCS or deploy for at least 90 days, you can terminate a lease, even without a military clause.
- You may have the ability to terminate your auto lease, especially if you undergo PCS or deploy overseas.

## Credit, Collection And Bankruptcy

- Make sure all finance contracts include the Federal Truth In Lending information: annual percentage rate, finance charge, amount financed, and total of payments.
- If incorrect information is on your credit report, dispute it.
- Report in writing any loss or theft of credit cards or debit cards as soon as you realize they are missing.
- If you are being harassed by third-party collection agents, ask them to stop calling you. Seek debt-management counseling.
- Avoid Letters of Indebtedness to the command by developing and using a personal financial plan and keeping debt payments to an affordable level.
- Get counseling before you talk with a bankruptcy attorney.

# Servicemembers Civil Relief Act, Simplified

By Rod Powers, <http://usmilitary.about.com>

## What Is the Servicemembers Civil Relief Act?

In 2003, the Soldiers and Sailors Civil Relief Act was re-written and re-named the Servicemembers Civil Relief Act (SCRA). The bill was signed into law by President Bush on 19 Dec 2003. The law now governs legal protections for members of the U.S. military.

## Who Is Covered?

Reservists and members of the National Guard (when in active federal service) also are protected under the law. SCRA (for all) begins on the first day of active duty, which means when the person ships out to basic training (basic training and job-school are considered active duty for Guard and Reserve personnel, as well as active-duty personnel). Some protections under the act extend for a limited time beyond active-duty discharge or release but are tied to the discharge/release date. Additionally, some of the act's protections extend to the member's dependents.

National Guard members recalled for state duty also are protected by the Servicemembers Civil Relief Act in certain circumstances. National Guard members are entitled to SCRA protection when called to state active duty under Title 32, if the duty is because of a federal emergency; the request for active duty is made by the president or secretary of defense; and the member is activated for longer than 30 days.

## Major Legal Protections

1. Termination of Residential Leases. The SCRA allows individuals to break a lease when they go onto active duty, if the lease was signed before going onto active duty. Additionally, the act allows a service member to terminate a residential lease signed while in the military, if the member receives permanent change of station (PCS) orders or orders to deploy for a period of not less than 90 days.

This protection covers "lease of premises occupied, or intended to be occupied, by a service-

member or a servicemember's dependents for a residential, professional, business, agricultural or similar purpose."

To break a lease under these provisions, the service member must make the request in writing and must include a copy of their orders (orders placing them on active duty, PCS orders, or deployment orders). The member may deliver the notification by hand, by commercial carrier, or by mail (return receipt requested).

The earliest termination date for a lease that requires monthly rent is 30 days after the first date on which the next payment is due, following proper notification of termination. For example, if Sailor John pays his rent on the first of every month, and he notifies his landlord (and gives the landlord a copy of his orders) on 18 Jun that he wishes to terminate the lease under the provisions of the SCRA, the earliest termination date is 1 Aug (the next rent is due 1 Jul, and 30 days later is 1 Aug). If some other arrangement is in place, other than monthly rent, the earliest termination of the lease is the last day of the month following the month in which the notice is given. So, if notice is given on 20 Jun, the earliest termination date would be 31 Jul.

The SCRA gives the military member the right to terminate his/her own portion of the lease early, but the law does not require the landlord to decrease the amount of total rent for the property, nor does the law protect remaining non-military roommates (unless, of course, they are the member's legal dependents).

2. Automobile Leases. Military members also may terminate automobile leases in certain circumstances. Just like with residential leases, if a member enters into an automobile lease before going on active duty, the member may request termination of the lease when he/she goes onto active duty. The act specifically covers "lease of a motor vehicle used, or intended to be used, by a servicemember or a servicemember's dependents for personal or business transportation."

However, for this to apply, the active duty must be for at least 180 continuous days. So, if a person joined the Reserves, and had orders for basic training and technical school, the total of which was only 120 days, he/she could not terminate the automobile lease under this act.

Military members making a permanent change of station (PCS) move, or who deploy for 180 days or longer, may terminate such leases.

To terminate the lease, the member must make the request in writing, along with a copy of orders. The member may deliver the notification by hand, by commercial carrier, or by mail (return receipt requested). Additionally, the member then must return the vehicle to the lessor within 15 days of delivery of the termination notice.

The lessor is prohibited from charging an early lease termination fee. However, any taxes, summonses, title and registration fees, and any other obligation and liability of the lessee in accordance with the terms of the lease, including reasonable charges to the lessee for excess wear, use and mileage that are due and unpaid at the time of termination of the lease, shall be paid by the lessee.

3. **Evictions From Leased Housing.** Service members may seek protection from eviction under SCRA. The rented/leased property must be occupied by the service member or his/her dependents for the purpose of housing, and the monthly rent can not exceed \$2,400 (for 2004; the actual amount is adjusted automatically each year for inflation).

The service member or dependent who has received notice of an eviction must submit a request to the court for protection under the SCRA. If the court finds that the service member's military duties have materially affected his ability to pay his rent on time, the judge may order a stay, or postponement, of the eviction proceeding for up to three months or make any other "just" order.

4. **Installment Contracts.** The SCRA gives certain protections against repossessions for installment contracts (including automobile leases). If the contract was signed before going on active duty and at least one payment was made before that time, the creditor cannot repossess the property while the member is on active duty, nor can they terminate the contract for breach, without a court order.
5. **Six Percent Interest Rate.** If a service member's military obligation has affected his/her ability to

pay on financial obligations such as credit cards, loans, mortgages, etc., the service member can have his/her interest rate capped at 6 percent for the duration of the service member's military obligation.

Qualifying debts are debts that were incurred by the service member, or the service member and their spouse jointly, before coming on active duty. Debts incurred after going on active duty are not so protected.

Notice that this particular provision of the act applies only if a service member's military service affects their ability to pay. However, the burden is on the creditor to seek relief in court if the creditor believes the service member's military career does not materially affect his/her ability to pay. The creditor must comply, unless he/she gets a court order stating otherwise.

In order for an obligation or liability of a service member to be subject to the interest-rate limitation, the service member must provide to the creditor written notice and a copy of the military orders calling the service member to military service and any orders further extending military service, not later than 180 days after the date of the service member's termination or release from military service.

Upon receipt of notice, the creditor must reduce the interest rate to a maximum of 6 percent, effective the first day of active duty (even if the service member makes the request at a later time).

The law unambiguously states that no interest above 6 percent can accrue for credit obligations while on active duty (for debts incurred before going onto active duty), nor can that excess interest become due once the service member leaves active duty (that was a "trick" some creditors tried under the old law); instead, that portion above 6 percent is forgiven permanently. Furthermore, the monthly payment must be reduced by the amount of interest saved during the covered period.

6. **Court Proceedings.** If a service member is a defendant in a civil court proceeding, the court may (note the word "may"), on its own motion, grant a 90-day delay in the proceedings. The provision applies to civil lawsuits, suits for paternity, child-custody suits, bankruptcy debtor/creditor meetings, and administrative proceedings.

If the service member asks for a stay, or postponement, the court must grant a minimum 90-day stay, if:

1. The service member submits a letter or other communication setting forth facts stating the manner in which current duty requirements materially affect the service member's ability to appear and stating a date when the service member will be available to appear; and
2. The service member submits a letter or other communication from the service member's commanding officer stating that the service member's current duty prevents appearance and that military leave is not authorized for the service member at the time of the letter.

The new act specifically states that a service member communicating with the court requesting a stay does not constitute an appearance for jurisdictional purposes and does not constitute a waiver of any substantive or procedural defense (including a defense relating to lack of personal jurisdiction). Under the old act, some courts held that merely communicating with the court (i.e., requesting a stay) implied that the member agreed to jurisdiction of the court.

A service member who is granted a stay may request an additional stay, if he/she can show that military requirements affect his/her ability to appear (commander's letter also is needed). However, the court is not obligated to grant the additional stay. If the court refuses to grant an additional stay of the proceedings, the court must appoint counsel to represent the service member in the action or proceeding.

If a default judgment is entered in a civil action against a service member during the service member's period of military service (or within 60 days after termination of, or release from, such military service), the court entering the judgment must, upon application by or on behalf of the service member, reopen the judgment for the purpose of allowing the service member to defend the action if it appears that:

1. The service member was materially affected by reason of that military service in making a defense to the action; and
2. The service member has a meritorious or legal defense to the action or some part of it.

#### **Enforcement of Obligations, Liabilities, Taxes.**

A service member or dependent may, at any time during his/her military service, or within six months thereafter, apply to a court for relief of any obligation or liability incurred by the service member or dependent prior to active duty or in respect to any tax or assessment whether falling during or prior to the service member's active military service. The court may grant stays of enforcement during which time no fine or penalty can accrue.

Additionally, the act prevents service members from a form of double taxation that can occur when they have a spouse who works and is taxed in a state other than the state in which they maintain their permanent legal residence. The law prevents states from using the income earned by a service member in determining the spouse's tax rate when they do not maintain their permanent legal residence in that state.

# Reference Information

## Credit and Collection Laws

Here are some of the major laws that you need to know:

1. **Federal Truth in Lending Act:** The purpose of the act is to protect consumers by requiring lenders to provide a meaningful disclosure of credit terms before making a loan or extending credit. By having this information, consumers will be better able to comparison shop for the best terms and rates. The act does NOT regulate the amount that lenders may charge for credit.
  2. **Fair Credit Billing Act:** The purpose of this act is to help consumers resolve disputes with creditors over billing errors, including transactions by unauthorized users, and to ensure fair handling of credit accounts. Billing errors include charges made by an unauthorized user; charges for goods or services not accepted by the consumer; computation errors; and charges for the wrong amount or on the wrong date. The consumer must notify the creditor in writing within 60 days of receiving an incorrect bill. The creditor will investigate, and if the claim is valid the maximum liability is \$50.
  3. **Electronic Funds Transfer Act:** Adopted to provide protection to EFT users. Affects the use of many point-of-sale transfers, ATM transfers, direct deposits, withdrawal of funds, transfers by telephone, debit cards, and credit cards used as debit cards. A major tenet of this act regards cardholder liability for unauthorized transfers. Consumers are liable only for the first \$50 of unauthorized use if they notify the issuing company within TWO business days after the loss or theft. If the cardholder notifies the issuer between two and 60 days after the loss or theft, liability rises to \$500. If the consumer fails to notify the issuer within 60 days, the liability can be unlimited. Notification can be oral or written. Note how this differs from liability for unauthorized use of a credit card under the Fair Credit Billing Act.
  4. **Fair Debt Collections Practices Act:** The purpose of this act is to eliminate abusive debt-collection practices, ensure that those collectors who refrain from using abusive debt-collection practices are not competitively disadvantaged, and promote consistent state action to protect consumers against debt-collection abuses. This act applies to “debt collectors” only. Debt collectors may not:
    - Harass, oppress or abuse any person by making threats of violence, using obscene or profane language, or by using the telephone repeatedly to annoy.
    - Call before 8 a.m. or after 9 p.m.
    - Make any false statements when collecting a debt.
    - Engage in unfair practices in attempting to collect a debt by depositing a post-dated check before the date on the check or by taking a debtor’s property unless done legally.
- Debtors have the right to notify a debt collector in writing to have no further contact with them. The law allows the collector one final contact, usually to invoke a specific remedy. If the collector continues to contact the debtor after a written request has been made to cease all contact, the debtor has the right to report the violation to the Federal Trade Commission for action. In cases like these, the members should seek assistance from NLSO.
5. **Fair Credit Reporting Act:** The purpose of this act is to ensure that consumer credit-reporting agencies furnish correct and complete information to businesses for use in evaluating applications for credit, insurance or employment. Mistakes do occur, and you are wise to check your report periodically and correct any erroneous information. Among other things, this act gives you the right to see your credit bureau file and to dispute the completeness or accuracy of the report. It also requires disclosure to you of the name and address of any credit-reporting agency that supplied information about you. Further, it gives you the right to put a 100-word statement on your credit report.
  6. **Fair and Accurate Credit Transaction Act:** This amendment to the Fair Credit Reporting Act is intended primarily to help consumers fight identity theft. Among other things, this act gives you the right to one free credit report annually. It also allows free access to specialty reports (medical, insurance, and check-writing history) annually. FACTA provides the right to add a “fraud alert” to your file if you have been the victim of identity theft. It also provides for “active-duty alerts” for military members — a very useful idea when going overseas.
  7. **Equal Credit Opportunity Act:** Provides for credit being granted to all consumers in a fair and equitable manner. Prohibits discrimination based on sex, marital status, race, national origin, religion, age or the receipt of public assistance. Prohibits women from having to reapply for credit due to separation or divorce.

A person still can be denied credit if they fall into one of these categories, but a poor credit history is the only allowable reason for denial of credit.
  8. **Military Lending Act:** For payday loans offered after 1 Oct 2007, the military annual percentage rate cannot exceed 36 percent. Most fees and charges, with few exceptions, are included in the rate. Creditors also may not require use of a check or access to a bank account for the loan, mandatory arbitration, and unreasonable legal notices. Military consumers also must be given certain disclosures about the loan costs and their rights. Credit agreements that violate the protections are void. Creditors that offer payday loans may ask loan applicants to sign a statement about their military affiliation. This applies to payday loans, auto-title loans and refund-anticipation loans only.

# Heading for Trouble?

1. A service member is separated from her spouse. The spouse has custody of their one child. The member and spouse are arguing over how much child support should be paid. The service member decides not to pay anything to the spouse until there is a court decree. She continues to live in their apartment and receive BAH at the “with dependents” rate. Is she heading for trouble?
2. A service member wakes up one Saturday and decides to go out and buy his dream car. While on the lot, the salesperson tells the member to sign the retail installment sales contract and a promissory note as well as a few other miscellaneous sheets of paper. He also recommends that the member purchase a service contract to keep the car running smoothly. The member is late for a date and, since he trusts the salesperson, he signs all the documents without reading them. Is he heading for trouble?
3. A very junior service member is having difficulty paying bills he incurred before he joined the military. Some of the debts have interest rates as high as 20 percent. Is he heading for trouble?
4. A service member and her husband are moving into an apartment and sign a lease without a military clause. Are they heading for trouble?
5. A service member and her husband are moving into government quarters. They believe the government will pay for any damage to personal property if there is a disaster, such as fire or flood. Are they heading for trouble?
6. A Sailor is buying a used car and asks the salesman for a copy of the unsigned contract to take to his legal officer before he signs it. Is he heading for trouble?
7. The court tells a Sailor he must pay debts legally incurred by his ex-wife while they were married. The Sailor decides there is no way he will pay the debts. Is he headed for trouble?
8. A Sailor living in the barracks has fallen behind three months on support for his estranged wife and baby son, who are living in military housing. His CO orders him to pay half of his gross pay each month. Is anyone headed for trouble?
9. A Sailor does not believe he is the father of a new baby, but he agrees to provide financial support until “things are straightened out.” Is he headed for trouble?
10. A Sailor buys a heavy-duty steam carpet cleaner from a department store. The saleswoman tells the Sailor it will clean heavy-duty dirt from most carpets. The Sailor notes, upon using the cleaner, that it forms small, muddy ponds in his living room. Is he headed for trouble?
11. A Sailor buys a used car marked “as is.” When he puts the key in the ignition, nothing happens. He then lifts the hood and notes that there is no engine. Is he headed for trouble?
12. A Sailor realizes she has lost her credit card. She informs the issuer immediately. When she gets her next bill, there is a charge of \$400 that she didn’t make. Is she headed for trouble?
13. A Sailor realizes she has lost her debit card. She doesn’t call the issuer for three days. Meanwhile, there was unauthorized use of the card for \$400. Is she headed for trouble?

## BONUS

A Sailor gives her husband a general power of attorney to take care of business while she is deployed. Is she headed for trouble?



# Financial Referral Resources

## I. INTRODUCTION

- Command Financial Specialist training focuses on preparing you to fulfill your role as a CFS by providing instruction in three key areas: financial education, financial counseling, and how to be an information and referral resource. Part of being a good counselor and a good CFS is acknowledging that there are limits to your training, authority, personal abilities and time. That is why it is important for you to become aware of the numerous resources available to assist you in your duties. Throughout this week-long program, guest speakers are used to acquaint you with some of the different resources you may use on a referral basis for your clients. To assist in this effort, this chapter is presented in two sections. The first section on Tuesday begins with a listening exercise designed to focus on the importance of active listening during a presentation. This is followed by the introduction of referral resources using guest speakers. The second section is training on using the referral resources and making appropriate referrals, which occurs on Wednesday morning. It includes a practical application designed to verify retention of the resources presented the previous day.
- This chapter continues the focus on resources by introducing some of the main referral resources that work with the CFS. Having been presented with many consumer issues, the course now turns to the Fleet and Family Support Center and Navy-Marine Corps Relief Society. The chapter concludes with a brief lecture on considerations when making a referral and practical application of resource information through 14 short case study scenarios.
- Chapter correlation to major OPNAVINST task areas:
  1. **Education and Training:** This chapter has no direct correlation to PFMSC modules. However, the information presented in the resource training portion of CFS will complement any and all general training conducted by the CFS, as "Sources of Help" is a part of each PFMSC module. Additionally, the CFS is exposed to many different training techniques when guest speakers are invited into the classroom.
  2. **Information and Referral:** Students are given "face time" with key financial referral resources, enhancing their understanding of what the resource does and clarifying appropriate application to client situations.
  3. **Counseling:** Referrals often are an important aspect of counseling, and knowing the right way to make the referral to the appropriate resource can motivate a client to action. This topic provides necessary and relevant training for a key part of the counseling cycle.

## II. REFERENCES

[www.nmcrs.org](http://www.nmcrs.org) (Navy-Marine Corps Relief Society)

[www.tricare.osd.mil](http://www.tricare.osd.mil) (TRICARE Health Insurance)

[www.lifelines.navy.mil](http://www.lifelines.navy.mil) (Lifelines Education Information)

Fundamentals of Assistance, Arlington, Va.: Navy-Marine Corps Relief Society.

Sense With Dollars, A Guide for the Military Financial Counselor, Arlington, Va.: Navy-Marine Corps Relief Society.

## III. LEARNING OBJECTIVE

Using a scenario-based activity, the learner will identify the appropriate referral resources for situations commonly encountered by a CFS.

## IV. CONTENT

# Navy-Marine Corps Relief Society Fact Sheet

Point of Contact: \_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Address: \_\_\_\_\_

## 1. What is NMCRS?

- Short-term emergency relief agency
- Private non-profit organization
- Provides assistance to Navy and Marine Corp personnel and their families
- Funding from donations and an investment fund

## 2. Who is Eligible for Assistance?

- Active and retired members of the regular Navy and Marine Corps
- Reservists on extended active duty and certain retired reservists
- Dependents and dependent survivors of the above members
- Indigent mothers (65 or older) of deceased service members who have limited resources and no family to provide for their welfare
- Ex-spouses “20-20-20” (un-remarried former spouses) whose marriage to a service member lasted for at least 20 years while the service member was on active duty
- Uniformed members of the National Oceanic and Atmospheric Administration (NOAA)

## 3. Financial Assistance

Interest-free loans or grants to help with emergency needs such as:

- Emergency transportation
- Funeral expenses
- Medical/dental bills (patient's share)
- Food, rent, clothing and utilities
- Disaster relief assistance
- Child-care expenses
- Car repairs, insurance and payments
- Unforeseen family emergencies
- Household setups
- Pay problems (non-NJP related)
- Assistance with car insurance payments
- Quick Assist Loans: Quick Assist Loans of up to \$300 are designed to help with emergency needs for basic living expenses such as housing, utilities, food and clothing; medical or dental expenses; vehicle or transportation expenses; or to assist during family emergencies. Like the society's other loans, QALs are interest-free.

#### 4. Policy Limitations

- Cable TV
- Debt consolidation
- Legal fees and fines
- Government credit cards
- Taxes
- Covering bad checks
- Living beyond one's means

#### 5. Making a Referral to NMCRS

- Client confidentiality
- No promises
- Call ahead for appointment
- What should the service member bring?
- Command involvement

#### 6. Interview Process

- Analyze the need
- Prepare a budget
- Determine repay
- Provide financial education
- Decision
- Service cases
- Check

#### 7. Loans vs. Grants

- Loan-only programs
- Budget
- Best interest of the service member
- Conversions

#### 8. Denials

- Takes two to say no
- Command appeal
- SM requests command assistance
- CO/XO/CMC contacts local NMCRS
- Denial reversed or upheld

#### 9. Other Services and Programs

- Budget for baby
- Layette
- Food bags/vouchers
- Visiting nurse
- Thrift shop
- Budget counseling
- Education programs
- Active-duty survivor benefit program

#### 10. Volunteer Opportunities

- Budget for Baby
- Caseworkers
- Client Services Assistant
- Public Speaking
- Publicity
- Record Keeping
- Thrift Shop

#### 11. Where to get additional information

- Contact local NMCRS office
- NMCRS Web site

#### 12. Relevance of program to CFS program

- Have money for emergency financial needs (send client with completed FPW)
- Avoid predatory lenders
- Budgeting assistance
- Financial education provided
- Consulting for CFS

#### **Notes:**

# Fleet and Family Support Center Fact Sheet

Point of Contact: \_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Address: \_\_\_\_\_

## 1. Services

- Deployment readiness
- Ombudsman program
- Personal finances
- New-parent support
- Transition assistance
- Family employment
- Relocation assistance
- Family advocacy
- Sexual assault
- Life skills
- Volunteer services
- Clinical counseling

## 2. Where to Get Additional Information

## 3. Relevance of Programs to CFS Program

### **Notes:**

# Exceptional Family Member Program Fact Sheet

Point of Contact: \_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Address: \_\_\_\_\_

- The Navy's Exceptional Family Member Program (EFMP) is designed to assist Sailors by addressing the special needs of their exceptional family members (EFM) during the assignment process. Special needs include any special medical, dental, mental-health, developmental or educational requirement; wheelchair accessibility; and adaptive equipment or assistive technology devices and services. EFMP/special needs guidance is contained in:
  - ▶ DOD Instruction 1315.19, 20 Dec 2005, Authorizing Special Needs Family Members Travel Overseas at Government Expense
  - ▶ SECNAV Instruction 1754.5B, 14 Dec 2005, Exceptional Family Member Program
  - ▶ OPNAV Instruction 1754.2C, 22 Jan 2007, Exceptional Family Member (EFM) Program
  - ▶ BUMED Instruction 1300.2A, 23 Jun 2006, Suitability Screening, Medical Assignment Screening and Exceptional Family Member Program (EFMP) Identification and Enrollment
- The primary goal of the EFMP is to ensure the special needs of EFM can be met at a new assignment location. EFMP enrollment information enables Navy detailers to consider a family member's special-need requirements proactively during the assignment process and to pinpoint the assignment to a location with appropriate resources that address the special needs. Successful implementation requires up-to-date enrollment information and extensive coordination among the personnel, medical and educational communities.
- EFMP enrollment is mandatory and required immediately upon identification of a special need. Command points of contact and Navy military treatment facility (MTF) EFMP coordinators can assist service and family members with the enrollment process. DD Form 2792 (11-06), Exceptional Family Member Medical Summary and DD Form 2792-1 (11-06), Exceptional Family Member Special Education/Early Intervention Summary, are used for enrollment. DoD civilian employees and their family members do not enroll in the EFMP.
- There is a reluctance to enroll because of misconceptions that EFMP enrollment may limit assignments and career advancement or preclude family members from accompanying sponsors on overseas tours. These negative perceptions are not supported by fact. Sailors enrolled in the EFMP always have received equal consideration for accompanied assignments and for promotions.
- There are six EFMP enrollment categories which include:
  - ▶ Category I— for monitoring purposes only
  - ▶ Category II— pinpoint to specific geographic locations
  - ▶ Category III— no overseas assignments
  - ▶ Category IV— major medical areas in CONUS
  - ▶ Category V— homesteading
  - ▶ Category VI— temporary enrollment; update required in six to 12 months

- The Navy Personnel Command (NAVPERSCOM) in Millington, Tenn., is the proponent for EFMP. Contact information for EFMP operations (PERS-451) is: CML 901-874-4390, DSN 882-4390 or e-mail: cynthia.granby@navy.mil. Contact information for EFMP policy (N135) is: CML 901-874-6670, DSN 882-6670 or e-mail: marcia.hagood@navy.mil. NAVPERSCOM is responsible for:
  - ▶ Prescribing EFMP enrollment and disenrollment procedures.
  - ▶ Coordinating detailing procedures including those for severely disabled EFM.
  - ▶ Prescribing procedures for expeditious screening and forwarding of EFM forms from the sponsor or MTF via the Central Screening Committee to the EFMP manager.
  - ▶ Establishing and maintaining a database of enrolled service members with EFM.
  - ▶ Establishing and maintaining a current EFM resource database which includes medical, educational and support agencies, facilities, and services in key fleet concentration areas.
  - ▶ Developing and periodically conducting training and information campaigns.
  - ▶ Providing relocation assistance.
- The Bureau of Medicine and Surgery (BUMED) in Washington, D.C., also has EFMP responsibilities. BUMED (M322) EFMP contact information is: CML 202-762-3451, DSN 762-3451, or e-mail: sharon.dempsey@med.navy.mil. BUMED and Navy MTFs are responsible for:
  - ▶ Developing policy for health-care providers and patient administrators to identify and enroll eligible family members in the EFMP.
  - ▶ Maintaining Central Screening Committees composed of health-care providers who review completed EFMP applications and recommend disposition to NAVPERSCOM.
  - ▶ Identifying an EFMP coordinator at each Navy MTF who will assist staff and service members with the application process and provide necessary enrollment forms.
- ▶ Providing training, as necessary, to all area commands on the EFMP.
- ▶ At an overseas MTF, coordinating early intervention, special education and related services with the cognizant Department of Defense Dependents School (DODDS) special-education coordinator and/or military service with responsibility for Educational and Developmental Intervention Services (EDIS).
- Each military component has developed its own program that addresses special needs and assignment coordination. For additional information contact:
  - ▶ Marine Corps, HQ, USMC, Quantico, Va., telephone: 703-784-9654/0298, or e-mail: cheryl.r.erickson@usmc.mil
  - ▶ Army, Army MEDCOM, San Antonio, Texas, telephone: 210-221-8926/6476, or e-mail: audrey.ardison@amedd.army.mil
  - ▶ Air Force, AFSMA/SGOF, Falls Church, Va., telephone: 703-681-6320, or e-mail: carol.copeland@pentagon.af.mil
  - ▶ Coast Guard, HQ, USCG, Washington, D.C., telephone: 202-475-5166
- Additional information can be found in the following publications (available at each command, Fleet and Family Support Center, or Navy MTF) or Web sites:
  - ▶ Exceptional Family Member Program Resource Guide (NAVPERS 15614H)
  - ▶ Children With Special Needs — A Navy Parent Handbook
  - ▶ The Navy Exceptional Family Member Program (VCR or DVD — NAVPERS 806683)
  - ▶ Navy EFMP <[www.npc.navy.mil/Command-Support/ExceptionalFamilyMember/](http://www.npc.navy.mil/Command-Support/ExceptionalFamilyMember/)>
  - ▶ USMC EFMP <[www.usmc-mccs.org/efmp](http://www.usmc-mccs.org/efmp)>
  - ▶ Military Homefront <[www.militaryhomefront.dod.mil](http://www.militaryhomefront.dod.mil)>
  - ▶ Military OneSource <[www.militaryonesource.com](http://www.militaryonesource.com)>

## EFMP Enrollment Process

Special needs are:

- Identified during routine health care (MTF or TRICARE health provider)
- Self-identified (service or family member)
- Identified during suitability screening (suitability screening coordinator)

Special needs include any special medical, dental, mental-health, developmental or educational requirement; wheelchair accessibility; and adaptive equipment or assistive technology devices and services.

**Step 1:** Refer the service and family member to the MTF EFMP coordinator who assists with completing DD Form 2792, Nov 06, Exceptional Family Member Medical Summary or DD Form 2792-1, Nov 06, Exceptional Family Member Special Education/Early Intervention Summary.

For school-age children, both the Medical and Special Education summaries must be completed and signed by appropriate medical and educational officials.

**Step 2:** The MTF EFMP coordinator forwards completed enrollment forms to the appropriate regional Central Screening Committee (CSC), which includes NMC Portsmouth, NMC San Diego and USNH Yokosuka.

**Step 3:** The CSC reviews the enrollment forms, recommends a category code, and forwards the forms to the Navy EFMP (PERS-45) in Millington, Tenn. or to the USMC EFMP in Quantico, Va.

There are six Navy EFMP enrollment categories:

- Category I— for monitoring purposes only
- Category II— pinpoint to specific geographic locations
- Category III— no overseas assignments
- Category IV— major medical areas in CONUS
- Category V— homestead location
- Category VI— temporary enrollment; update required in six to 12 months

**Step 4:** PERS-45 confirms the category code and enters the enrollment data into an EFMP database.

Personnel assignment managers (detailers) use the EFMP enrollment data to pinpoint assignments to locations with appropriate resources that can address the special needs.

# TRICARE Fact Sheet

Point of Contact: \_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Address: \_\_\_\_\_

	<b>TRICARE Prime</b>	<b>TRICARE Standard and Extra</b>
<b>What is it?</b>	TRICARE Prime is a managed-care option offering the most affordable and comprehensive coverage.	TRICARE Standard and Extra is a fee-for-service option, which allows you the most flexibility in whom you see for care but will cost you more out-of-pocket than a managed-care plan such as TRICARE Prime. With TRICARE Standard and Extra, you can seek care from any TRICARE-authorized provider. If you see a network provider, you'll be using the TRICARE Extra option and will pay less than if you see a non-network provider.
<b>Am I eligible?</b>  Note: Eligibility can be determined only by uniformed services, and eligibility information is reflected in the Defense Enrollment Eligibility Reporting System (DEERS). The information provided here is general. Visit eligibility for more information about eligibility requirements.	In general, the following are eligible for TRICARE Prime if it's offered in their location: <ul style="list-style-type: none"> <li>• Active-duty service members</li> <li>• Active-duty family members</li> <li>• Retirees and their family members under age 65</li> <li>• Survivors under age 65</li> <li>• Certain former spouses under age 65</li> <li>• Medal of Honor recipients and their family members under age 65</li> <li>• Members of the National Guard and Reserves and their families if the sponsor is activated for more than 30 consecutive days</li> </ul>	In general, the following are eligible for TRICARE Standard and Extra: <ul style="list-style-type: none"> <li>• Active-duty family members</li> <li>• Retirees and their family members under age 65*</li> <li>• Survivors under age 65*</li> <li>• Certain former spouses under age 65*</li> <li>• Medal of Honor recipients and their families under age 65*</li> <li>• Family members of National Guard or Reserve members who are activated for more than 30 consecutive days</li> </ul> <p>*If under age 65 and entitled to Medicare Part A, you must have Medicare Part B to remain eligible for TRICARE. When you have Medicare Part A and Part B, you're covered automatically by TRICARE For Life.</p>

<p><b>What are the main features?</b></p>	<ul style="list-style-type: none"> <li>● Enrollment required <ul style="list-style-type: none"> <li>▶ Easy to transfer enrollment when you move</li> </ul> </li> <li>● Enhanced vision coverage and clinical preventive services</li> <li>● Assigned primary-care manager (PCM) provides most of your care and gives you referrals for specialty care*</li> <li>● Time and distance access standards</li> <li>● First priority for military treatment facility appointments</li> <li>● Fewer out-of-pocket costs</li> <li>● No claims to file (in most cases)</li> </ul> <p>*Point-of-service (POS) option available to receive care without a PCM referral, resulting in higher out-of-pocket costs. POS not available for active-duty service members.</p>	<ul style="list-style-type: none"> <li>● Enrollment NOT required <ul style="list-style-type: none"> <li>▶ No enrollment forms to fill out</li> <li>▶ No annual enrollment fees</li> </ul> </li> <li>● Freedom to choose from any TRICARE-authorized provider, network or non-network</li> <li>● Receive care in a military treatment facility on a space-available basis only</li> <li>● Referrals are not required, but some care may require prior authorization</li> <li>● Highest out-of-pocket costs <ul style="list-style-type: none"> <li>▶ Tip: Save time and money with the TRICARE Extra option. When you visit a TRICARE network provider, you'll pay less out-of-pocket, and providers will file claims for you.</li> </ul> </li> <li>● You may have to pay for services when they are received and file your own claims for reimbursement</li> <li>● TRICARE Standard is available worldwide, but TRICARE Extra is not available overseas</li> </ul>
<p><b>Will I have to file my own claims?</b></p>	<p>Your provider will file claims for you (in most cases).</p>	<p>If you receive care from a TRICARE network provider, your provider will submit claims on your behalf. If you receive care from a non-network provider, you may be required to submit your own health-care claims.</p>

<p><b>Do I have to enroll? If so, is there an annual enrollment fee?</b></p>	<p>Yes, to participate in TRICARE Prime, you must enroll by submitting a TRICARE Prime Enrollment and PCM Change Form to your regional contractor.</p> <p>Active-duty service members and activated National Guard and Reserve members are required to enroll in TRICARE Prime (or another Prime option depending on where they live/work). All others may choose to enroll. Eligible beneficiaries who do not enroll in TRICARE Prime are covered by TRICARE Standard and Extra.</p> <p>Active-duty service members and their families; activated National Guard and Reserve members and their families; and transitional survivors are not required to pay an annual enrollment fee.</p> <p>Retirees, their families and all others must pay an annual enrollment fee:</p> <ul style="list-style-type: none"> <li>● \$230/individual</li> <li>● \$460/family</li> </ul>	<p>You do not have to enroll in TRICARE Standard and Extra to participate. Coverage is automatic, as long as you remain eligible in the Defense Enrollment Eligibility Reporting System.</p>
<p><b>What is the annual deductible?</b></p>	<p>There is no annual deductible unless you are using the POS option, which allows you to see any provider without a referral from your primary-care manager.</p> <p>POS outpatient annual deductible:</p> <ul style="list-style-type: none"> <li>● \$300/individual</li> <li>● \$600/family</li> </ul> <p>Note: Active-duty service members and activated National Guard or Reserve members may not use the POS option.</p>	<ul style="list-style-type: none"> <li>● The annual outpatient deductible varies depending on the sponsor's military status and rank:</li> </ul> <p>Active duty family members (sponsor rank E-4 and below):</p> <ul style="list-style-type: none"> <li>● \$50/individual</li> <li>● \$100/family</li> </ul> <p>Active-duty family members (sponsor rank E-5 and above)</p> <ul style="list-style-type: none"> <li>● \$150/individual</li> <li>● \$300/family</li> </ul> <p>All others:</p> <ul style="list-style-type: none"> <li>● \$150/individual</li> <li>● \$300/family</li> </ul> <p>Family members of National Guard or Reserve members activated in support of a contingency operation (OEF, OIF, Noble Eagle): \$0; Deductibles waived as part of the Reserve Family Demonstration Project</p> <p>Note: There is no annual deductible for care received in military treatment facilities.</p>

<p><b>What's the maximum I'll pay out-of-pocket? (Also known as the catastrophic cap.)</b></p>	<p>Your catastrophic cap varies depending on the sponsor's military status:</p> <ul style="list-style-type: none"> <li>• Active-duty families: \$1,000 per family, per fiscal year</li> <li>• National Guard and Reserve families: \$1,000 per family, per fiscal year</li> <li>• Retired families (and all others): \$3,000 per family, per fiscal year</li> </ul> <p>Note: POS fees do not apply toward meeting your catastrophic cap.</p>	<p>Your catastrophic cap varies depending on the sponsor's military status:</p> <ul style="list-style-type: none"> <li>• Active-duty families: \$1,000 per family, per fiscal year</li> <li>• National Guard and Reserve families: \$1,000 per family, per fiscal year</li> <li>• Retired families (and all others): \$3,000 per family, per fiscal year</li> </ul>
<p><b>Where is the program available?</b></p>	<p>TRICARE Prime is available throughout the continental United States in areas known as Prime service areas.</p>	<p>Anywhere in the continental United States. TRICARE Standard is available in U.S. territories and overseas through the TRICARE Standard Overseas program. The TRICARE Extra option is not available overseas.</p>

For more details on TRICARE Prime, Standard and Extra, as well as TRICARE Global Remote Overseas, TRICARE Prime Overseas, TRICARE Standard Overseas, TRICARE Prime Remote, TRICARE Reserve Select, TRICARE for Life, and the U.S. Family Health Plan, visit [www.tricare.mil](http://www.tricare.mil).

# Making a Referral

One critical part of your role as a CFS is to make successful referrals. Your goal is to prevent financial problems from recurring. Your responsibility is to discuss other sources of help with the client and to suggest referrals to the appropriate community and military agencies.

The steps to making a referral are:

1. Determine the needs of the client.
2. Determine if a referral is necessary.
3. Select the appropriate referral resource and make the referral.
4. Monitor and follow-up.

## 1. Determine the Needs of the Client

Consider the following when contemplating a referral:

**People you CANNOT accept as clients:** In such cases, work with the command master chief, security, DAPA, or other persons in authority.

- ▶ People who are engaged in any kind of criminal activity. Do not endanger yourself or open yourself to possible legal problems and time-consuming criminal court appearances.
- ▶ Drug addicts or alcoholics, unless in supervised treatment. If you find a large amount of income for which you cannot account in their listed expenses, there is a good possibility that such income is being used for alcohol, drugs or gambling, or for some other activity that your client wants to hide.
- ▶ Intoxicated persons. Do not attempt financial counseling with someone who is drunk or drugged, but be careful not to jump to conclusions about behavior that initially might suggest that the person is under the influence of drugs or alcohol.
- ▶ Psychotic and borderline personalities. Such people will tend to exhibit intense outbursts of emotion, such as uncontrolled crying or screaming, amnesia, hallucinations, exceptional fear or rage.

**Identify emotional issues** and other kinds of problems that financial counselors are not prepared to handle. Refer to FFSC professional therapists, DAPA or MTF for assessment:

- ▶ Talk or hints of suicide/homicide
- ▶ Problems with substance addictions
- ▶ Problems with psychological addictions
- ▶ Spousal or child abuse
- ▶ Marital problems
- ▶ Interpersonal problems at work
- ▶ Anger-management problems — intense or uncontrollable outbursts of rage, fear or other emotions
- ▶ Chronic and severe depression
- ▶ Phobias

- ▶ Chronic insomnia
- ▶ Amnesia
- ▶ Hallucinations
- ▶ Feelings of profound helplessness
- ▶ Extreme anxiety
- ▶ Verbal responses unrelated to your questions
- ▶ Generally bizarre behavior

**Identify needs:** You will know if a financial referral is appropriate after working through some of the following considerations:

- ▶ **Emergency needs:** Does the client have an emergency need that must be addressed immediately? Refer to the appropriate emergency referral resource.
  - If the client has received an eviction notice, when is the last date the client can occupy the rental unit?
  - If the client has received a cut-off notice for utilities, when will the service be terminated?
  - Does the client have enough money for food and other necessities until next payday?
  - Does the client have adequate clothing and transportation?
  - What resources does the client have available to meet his/her emergency needs, such as savings, checking, cash-value life insurance, family, friends, etc.?
- ▶ **Longer-term needs:** Assess the client's needs that do not require immediate intervention. Here you may need to refer to an appropriate financial referral resource, or you may be able to handle the client's problems yourself:
  - Has the client ever seen a financial counselor regarding his or her financial problems?
  - Is the client delinquent in paying any accounts? If so, when was the last payment made on each account and the amount?
  - Is this the first time the client has experienced financial difficulties of this sort?
  - Have any of the client's debts been turned over to a debt-collection agency?
  - Has the command received Letters of Indebtedness concerning the client?
  - Has the client received final notices for payment from any creditors?
  - Are any of the client's creditors threatening to take legal action?
  - Has the client had any judgment filed against him or her by creditors or received notices to appear in court for non-payment of debts?
  - Has the client contacted the creditors and tried to work out a repayment plan? If not, when was the last time the client contacted the creditors?
  - What has the client done to try to solve the problem?

## 2. Determine if in Fact a Referral is Necessary

Decide whether the client needs help that goes beyond the scope of your training and responsibility as a CFS. In making that decision, consider the following questions:

- ▶ What is the client asking of me?
- ▶ What is the severity of the problem?
- ▶ In what area does the problem exist?
- ▶ Who is involved other than the client seeking help?
- ▶ What are the consequences of the client's or my actions?
- ▶ What additional information is needed to solve the problem?
- ▶ What support is the client seeking and/or needing?
- ▶ Is the problem similar to other problems with which I have dealt? (ASK: What if the answer is no? There is a first time for everything...)
- ▶ Are other personal problems involved outside the financial concerns?

(You take care of financial problems, refer to other resources for other problems, such as emotional fallout.)

- ▶ Is money needed to solve the problem? (Refer to an agency with money.)
- ▶ Are court proceedings or legal actions indicated? (Refer to NLSO.)
- ▶ Does the problem require long-range planning, frequent follow-up and close monitoring? (SFFC is short-term — refer to an outside financial-counseling agency.)
- ▶ Will it take longer than three months or five sessions for the client to be able to resume managing his or her financial affairs without my support? (SFFC is short-term — refer to an outside agency.)
- ▶ Are the client and/or I uncomfortable discussing the problem? (Find a way to deal with the discomfort, or refer to another CFS or FFSC Financial Education Specialist..)
- ▶ Do I know of outside agencies that fit this client's situation? Can we work together?
- ▶ Are there other Navy programs that fit this client's situation? Can we work together?

### 3. **Select the Appropriate Referral Resource and Make the Referral**

By conducting the assessment via the questions listed above, you should be able to come to a decision regarding the appropriateness of a referral. Once you have a thorough understanding of the client's needs and problems and have made the decision to refer the client to a helping resource, you should make the referral promptly.

1. Explain that you have done all you can do as a CFS or that the client's needs go beyond the scope of your service and expertise. Any further progress toward a solution for the problem requires the use of another resource.
2. Suggest that the client call a specific agency or professional service and make an appointment.
3. With the client's permission, you can call the referral resource and set up the appointment while the client is in your office. Let the agency know that this is a command referral and briefly describe the client's problem.
4. Tell the client that he or she must see a helping resource.
5. Select the referral resource best suited to assist with the client's particular problem. Be specific and direct in suggesting the helping resource.

- a. List what the client needs to prepare for the appointment.
- b. Give written information to the client — date, agency, address, telephone number, contact person, time of appointment, and information to bring to the interview. Use the “Action Plan” referral section of the Financial Planning Worksheet.
- c. Arrange for absence from work, if necessary.

#### 4. Monitor and Follow Up

Follow up with the agency and the client after completing the referral:

- ▶ Did the client keep the appointment?
- ▶ Was the referral resource able to help the client? If so, what assistance was given?
- ▶ Continue to offer support and encouragement to the client as he or she works out the financial problem and monitor/record progress of the client in your case file.

#### Keeping Referral Resource Files and Information

Making prompt and appropriate referrals for your client is a key task of the Command Financial Specialist. You must be aware of the available resources in the community and in the military. Find out what they do, if they are reliable, if they are accessible, if your clients are eligible for the services, etc.

Develop a referral resource listing, database or file system. Include the following information:

1. Name, address and telephone number of each referral resource
2. The name of a contact at the agency or organization
3. A brief description of services provided
4. If available, have copies of brochures from the resource

You will be able to compile a substantial listing of financial resource referrals from information given out in this class. Refer to the “References” section of each chapter in the Student Manual to compile your database. Be sure to include any and all Web sites given out during the class. Finally, write down the name and number of your FFSC Information and Referral Specialist, who always is standing by to assist you with finding the appropriate resource for your client.

# Resources for the Savvy CFS

The Navy Fleet and Family Support Programs Home  
Page: [www.nffsp.org](http://www.nffsp.org)

## **Banks**

American Bankers Association: [www.aba.com](http://www.aba.com)

Answers and Solutions for Customers of National  
Banks: [www.helpwithmybank.gov](http://www.helpwithmybank.gov)

Complaints About Banks: [www.occ.treas.gov](http://www.occ.treas.gov)

Credit Union National Association: [www.cuna.org](http://www.cuna.org)

Better Business Bureau

[www.bbb.org](http://www.bbb.org)

Car-Buying

Web Directory for All Types of Car Information:  
[www.autopedia.com](http://www.autopedia.com)

## **Charities**

Better Business Bureau: [www.bbb.org](http://www.bbb.org)

## **College Planning**

College Parents of America: [www.collegeparents.org](http://www.collegeparents.org)

College Savings Plans Network: [www.collegesavings.org](http://www.collegesavings.org)

College Savings Programs (529 Plans):  
[www.savingforcollege.com](http://www.savingforcollege.com)

FastWeb Scholarship Search Engine: [www.fastweb.com](http://www.fastweb.com)

Free Application for Federal Student Aid:  
[www.fafsa.ed.gov](http://www.fafsa.ed.gov)

Lifelines Services Network: [www.lifelines.navy.mil](http://www.lifelines.navy.mil)

Military.com Education Tab: [www.military.com/  
education-home](http://www.military.com/education-home)

MilitaryOneSource: [www.militaryonesource.com](http://www.militaryonesource.com)

Navy College Web site: [www.navycollege.navy.mil](http://www.navycollege.navy.mil)

Navy Knowledge Online: [www.nko.navy.mil](http://www.nko.navy.mil)

The SmartStudent Guide to Financial Aid  
[www.finaid.org](http://www.finaid.org)

U.S. Savings Bonds Web site: [www.savingsbonds.gov](http://www.savingsbonds.gov)

## **Consumer Directories**

[www.consumerworld.org](http://www.consumerworld.org)

[www.consumer.gov](http://www.consumer.gov)

## **Credit Cards**

Consumer World Directory (Money Listing):  
[www.consumerworld.org](http://www.consumerworld.org)

## **Credit Problems**

Association of Independent Consumer Credit  
Counseling Agencies: [www.aiccca.com](http://www.aiccca.com)

Federal Trade Commission: [www.ftc.gov](http://www.ftc.gov)

National Consumer Law Center: [www.consumerlaw.org](http://www.consumerlaw.org)

National Foundation for Credit Counseling:  
[www.nfcc.org](http://www.nfcc.org) and [www.debtadvice.org](http://www.debtadvice.org)

Non-Profit Debt-Management Counseling:  
[www.myvesta.org](http://www.myvesta.org)

## **Credit Reports**

Annual Free Credit Report:  
[www.annualcreditreport.com](http://www.annualcreditreport.com)

Credit-Reporting Agencies: [www.equifax.com](http://www.equifax.com),  
[www.experian.com](http://www.experian.com), [www.transunion.com](http://www.transunion.com)

Credit Scores: [www.brightscore.com](http://www.brightscore.com) and  
[www.myfico.com](http://www.myfico.com)

## **Direct Marketing/Mailing Lists/ Telephone Solicitation Lists**

Complaints: [www.ftc.gov](http://www.ftc.gov)

Credit and Insurance Offers: [www.optoutprescreen.com](http://www.optoutprescreen.com)

Junk Mail, E-Mail and Spam: [www.DMAChoice.org](http://www.DMAChoice.org)

Telephone Solicitation: [www.donotcall.gov](http://www.donotcall.gov)

## **Emergency Financial Assistance**

American Red Cross: [www.redcross.org](http://www.redcross.org)

Navy-Marine Corps Relief Society: [www.nmcrs.org](http://www.nmcrs.org)

## Financial Planning and Education

Alliance for Investor Education: [www.investoreducation.org](http://www.investoreducation.org)

America Saves Program: [www.americasaves.org](http://www.americasaves.org)

Association for Financial Counseling and Planning Education: [www.afcpe.org](http://www.afcpe.org)

EBRI Financial Education Site: [www.choosetosave.org](http://www.choosetosave.org)

Financial Education Program for Military: [www.savandinvest.org](http://www.savandinvest.org)

Financial Industry Regulatory Authority: [www.finra.org](http://www.finra.org)

Financial Planning Association: [www.fpanet.org](http://www.fpanet.org)

U.S. Financial Literacy and Education Commission: [www.mymoney.gov](http://www.mymoney.gov)

## Government Agencies

Bureau of Labor and Statistics: [www.bls.gov](http://www.bls.gov)

Consumer Product Safety Commission: [www.cpsc.gov](http://www.cpsc.gov)

Department of Education: [www.ed.gov](http://www.ed.gov)

Federal Communications Commission: [www.fcc.gov](http://www.fcc.gov)

Federal Deposit Insurance Corp.: [www.fdic.gov](http://www.fdic.gov)

Federal Reserve System: [www.federalreserve.gov](http://www.federalreserve.gov)

Federal Statistics Site: [www.fedstats.gov](http://www.fedstats.gov)

Federal Trade Commission: [www.ftc.gov](http://www.ftc.gov)

Securities and Exchange Commission: [www.sec.gov](http://www.sec.gov)

U.S. Government Official Web portal: [www.usa.gov](http://www.usa.gov)

## Identity Theft

Identity Theft Resource Center: [www.idtheftcenter.org](http://www.idtheftcenter.org)

Federal Trade Commission: [www.ftc.gov](http://www.ftc.gov)

Privacy Rights Clearinghouse: [www.privacyrights.org](http://www.privacyrights.org)

## Insurance

Consumer World Directory, Money Tab: [www.consumerworld.org](http://www.consumerworld.org)

Social Security Administration: [www.ssa.gov](http://www.ssa.gov)

Coalition Against Insurance Fraud: [www.insurancefraud.org](http://www.insurancefraud.org)

Department of Veterans Affairs Insurance Home Page: [www.insurance.va.gov](http://www.insurance.va.gov)

Insure.com Insurance Quote Site: [www.insure.com](http://www.insure.com)

## Internet Fraud

Better Business Bureau: [www.bbb.org](http://www.bbb.org)

Federal Government and Technology Industry Internet Fraud Site: [www.onguardonline.gov](http://www.onguardonline.gov)

Federal Trade Commission: [www.ftc.gov](http://www.ftc.gov)

Internet Crime Complaint Center: [www.ic3.gov](http://www.ic3.gov)

National Consumer League's Fraud Center: [www.fraud.org](http://www.fraud.org)

## Investing

Alliance for Investor Education Help Site: [www.helpforinvestors.org](http://www.helpforinvestors.org)

American Savings Education Council: [www.asec.org](http://www.asec.org)

Company Research: [www.hoovers.com](http://www.hoovers.com)

Financial Engines Retirement Help for Life: [www.financialengines.com](http://www.financialengines.com)

Investing Information: [www.bloomberg.com](http://www.bloomberg.com)  
[www.businessweek.com](http://www.businessweek.com)  
[www.stocks.com](http://www.stocks.com)

Investment Research: [www.morningstar.com](http://www.morningstar.com)  
[www.valueline.com](http://www.valueline.com)  
[www.zacks.com](http://www.zacks.com)

Motley Fool Investor Education: [www.fool.com](http://www.fool.com)

SmartMoney Educational Web site: [www.smartmoney.com](http://www.smartmoney.com)

Social Security Administration: [www.ssa.gov](http://www.ssa.gov)

Thrift Savings Plan of the Uniformed Services: [www.tsp.gov](http://www.tsp.gov)

U.S. Savings Bonds: [www.savingsbonds.gov](http://www.savingsbonds.gov)

## Legal Information

American Bar Association: [www.abanet.org](http://www.abanet.org)

Child-Support Guidelines on the Web:  
[www.supportguidelines.com](http://www.supportguidelines.com)

Legal Information Institute of Cornell Law School:  
[www.law.cornell.edu](http://www.law.cornell.edu)

Legal Information Sites: [www.findlaw.com](http://www.findlaw.com),  
[www.divorcesource.com](http://www.divorcesource.com),  
[www.MilitaryOnesource.com](http://www.MilitaryOnesource.com)

Lifelines Services: [www.lifelines.navy.mil](http://www.lifelines.navy.mil)

Servicemembers Civil Relief Act:  
<http://usmilitary.about.com/cs/sscra/a/sscra1.htm>

## Mediation

Association of Conflict Resolution:  
[www.acresolution.org](http://www.acresolution.org)

Conflict Resolution Information Source:  
[www.crimfo.org](http://www.crimfo.org)

## Military

Lifelines Services Network: [www.lifelines.navy.mil](http://www.lifelines.navy.mil)

MilitaryOneSource: [www.navyonesource.com](http://www.navyonesource.com)

Military Community Site for Education, Career,  
Discounts and Benefits Information: [www.military.com](http://www.military.com)

TRICARE: [www.tricare.mil](http://www.tricare.mil)

Military Compensation:  
[www.defenselink.mil/militarypay](http://www.defenselink.mil/militarypay)

Navy Personnel Command: [www.npc.navy.mil](http://www.npc.navy.mil)

Defense Finance and Accounting Service: [www.dfas.mil](http://www.dfas.mil)

MyPay: [www.mypay.dfas.mil](http://www.mypay.dfas.mil)

## Moving

Automated Housing Referral Network: [www.ahrn.com](http://www.ahrn.com)

Department of Defense Defense Personal Property  
System: [www.move.mil](http://www.move.mil)

Department of Defense Education Activity:  
[www.dodea.edu/](http://www.dodea.edu/)

Department of Defense Per Diem, Travel and  
Transportation Allowance Committee:  
<http://perdiem.hqda.pentagon.mil/perdiem>

Department of Defense Relocation Cost Calculator:  
[www.militaryacclimate.com](http://www.militaryacclimate.com)

Military HOMEFRONT: [www.militaryhomefront.com](http://www.militaryhomefront.com)

Military Move Resources and Tips:  
[http://www.military.com/Resources/ResourceFileView?  
file=Relocation\\_Main.htm](http://www.military.com/Resources/ResourceFileView?file=Relocation_Main.htm)

Military OneSource: [www.militaryonesource.com](http://www.militaryonesource.com)

Navy Exchange Moving Center:  
[www.militarymovingcenter.com](http://www.militarymovingcenter.com)

Navy Housing: [www.housing.navy.mil](http://www.housing.navy.mil)

Navy Lodge: [www.navy-lodge.com](http://www.navy-lodge.com)

Plan My Move:  
[http://apps.mhf.dod.mil/pls/psgprod/  
f?p=107:1:4193531471189394](http://apps.mhf.dod.mil/pls/psgprod/f?p=107:1:4193531471189394)

Smart WebMove:  
<https://www.smartwebmove.navsup.navy.mil/swm/>

StayNAVY: [www.staynavy.navy.mil](http://www.staynavy.navy.mil)

## Taxes

Federal Taxes: [www.irs.gov](http://www.irs.gov)

## Utilities

National Association of Regulatory Utility  
Commissioners: [www.naruc.org](http://www.naruc.org)

National Association of State Utility Consumer  
Advocates: [www.nasuca.org](http://www.nasuca.org)

## Governing Directives

Web sites for source material:

DoD Directives: [www.dtic.mil/whs/directives](http://www.dtic.mil/whs/directives)

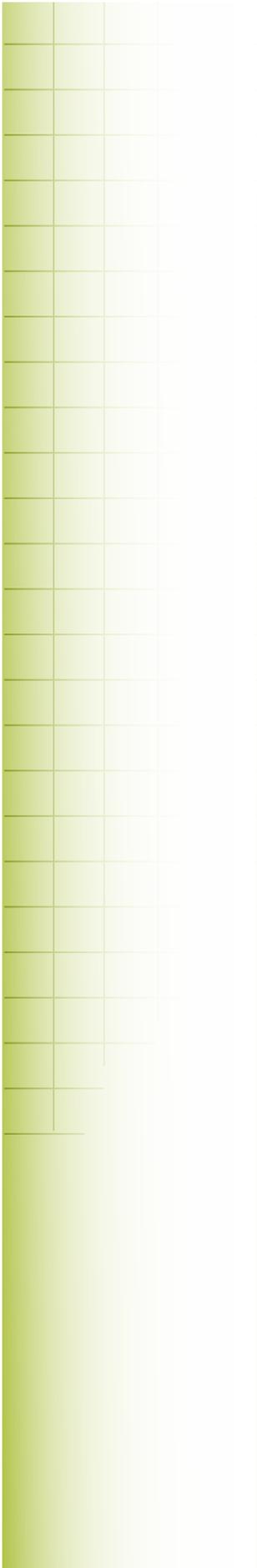
DON Directives: <http://doni.daps/dla.mil>

Instructions, Directives and Manuals:

Number	Date	Title
DoDDIR 5400.11 and 5400.11-R	8 May 07	DoD Privacy Program
DoD FMR, Vol 9, Ch 3	March 2005	Government Travel Card Regulations
DoDINST 1000.15	23 Oct 08	Private Organizations on DoD Installations
DoDINST 1341.11	4 Mar 08	Family Subsistence Supplemental Allowance (FSSA) Program
DoDINST 1342.27	12 Nov 04	Personal Financial Management for Service Members
DoDINST 1344.07	30 Mar 06	Personal Commercial Solicitation on DoD Installations
DoDINST 1344.09	8 Dec 08	Indebtedness of Military Personnel
DoDINST 1344.12	18 Nov 95 as updated	Indebtedness Processing Procedures for Military Personnel
MILPERSMAN 1741-020	29 Jan 03	SGLI
MILPERSMAN 1741-030	10 Mar 08	FSGLI
MILPERSMAN 1754-030	26 Apr 06	Support of Family Members
MILPERSMAN 1770 Series	Various	Casualties and Survivor Benefits
MILPERSMAN 5800-010	22 Aug 02	Paternity Complaints
MILPERSMAN 7000-010	9 Jun 05	Worthless Checks by Members and/or Their Families
MILPERSMAN 7000-020	4 Apr 06	Indebtedness and Financial Responsibility of Members
MILPERSMAN 7220 Series	Various	Disbursing
OPNAVINST 1500.22F	29 Dec 06	General Military Training (GMT) and Navy Military Training (NMT)
OPNAVINST 1510.10B	13 Apr 05	Corporate Enterprise Training Activity Resource System (CETARS) Catalog of Navy Training Courses and Student Reporting Requirements
OPNAVINST 1740.5B	7 May 07 (as amended 2 Jul 08)	Personal Financial Management (PFM) Education, Training and Counseling Program
SECNAV M-5510.30	June 2006	Department of the Navy Personnel Security Program Manual
SECNAVINST 1740.2E	12 Jul 08	Solicitation and Conduct of Personal Commercial Affairs on Department of the Navy Installations
SECNAVINST 1754.1B	27 Sep 05	Department of the Navy Family Support Programs
SECNAVINST 5211.5E	28 Dec 05	Department of the Navy Privacy Program
SECNAVINST M-5510.30	no date	Navy Security Manual Adjudicative Guidelines for Security Clearances
SECNAVINST 5510.30B	6 Oct 06	Department of the Navy Personnel Security Program Instruction

# Resource Case Studies

- 1** Petty Officer Jones' wife calls your command and reports that she and her husband were at a party last evening and that after they went home, he beat her. She says this happens whenever he drinks. She demands that the command take action.
- 2** You are Chief Petty Officer Brown's sponsor. The chief is due to relocate to this area soon. He has a mentally retarded child and is asking you about services for the disabled in this area.
- 3** Lance Corporal Hewett reports to your command with a new bride from the Far East. She speaks very little English, and he is asking for resources for her.
- 4** Lt. Greg and his wife have an 8-month-old infant. He is seeking educational resources to answer some questions on child development. Also, his wife would like to join a group to meet with other moms.
- 5** Petty Officer Third Class Garner and his family just have arrived at your command from Japan. You learn that their household goods have not arrived and they are expecting their second child.
- 6** Seaman Green is pregnant and looking for information on child care as well as any other financial resources that might be helpful.
- 7** Master Chief Parker will be retiring in one year after 20 years in the military. He has a mortgage, children in college and doesn't know the first thing about interviewing and writing a resume. Where should he go for help?
- 8** Lt. Cornell is a single parent at your command. His sister will be taking care of his children while the command is deployed for six months. How can she utilize medical, commissary and exchange facilities? Who should he see to get this arranged?
- 9** Cmdr. Smith's 20-year-old daughter is coming home from college for the summer. She'll be searching for jobs to help pay for next fall's tuition.
- 10** Senior Chief Elkins and his wife are considering adopting a child. They are seeking help with the adoption and a resource for child care.
- 11** Master Chief and Mrs. Dale are experiencing marital problems. They agree to counseling. What are their options?
- 12** Petty Officer Second Class Lane and his wife have four children and are finding it difficult to make ends meet, even though both spouses work. He also tells you he bought a new car and living room furniture from Rent-To-Own. Where can he get some help?
- 12** Crew member Greentree's ex-wife calls to tell you she has not received her court-ordered child-support payments for the past two months.
- 14** A service member comes to you and reveals that his buddy, from another command, leaves his 8-month-old home alone, all day, while he and his wife work. The service member believes there is something wrong with this practice but isn't sure what to do. What do you tell him?





# Activity: Group Case Studies

All groups are expected to complete the first six pages of the FPW which includes the “Action Plan” page and the “Spending Plan” page; come up with a workable solution(s); and make a clear, concise, sensible presentation to the class. The presentation can take any form as long as it covers the necessary information. The Group Case Study Presentation Guide at the end of this chapter gives guidance on what needs to be covered in the presentations.

## DAILY CASE STUDY ASSIGNMENTS

**Tuesday:** Thoroughly read your assigned case study and complete a Financial Planning Worksheet to assess the bottom line and begin to make recommendations.

**Wednesday:** Transfer your case study data to the eFPW to check numbers and continue developing solutions.

**Thursday:** Complete the case study and plan your presentation. Use the Case Study Presentation Guide.

**Friday:** Case study presentations and critiques.

# Case Study One—Seaman John Smith

Seaman John Smith reported aboard the USS Underway last month on PCS orders from a base on the opposite coast. He has been in the Navy for two years. This is his first sea-duty assignment, and they are scheduled to deploy in three months. His enlistment expires in 30 months. Seaman Smith is 22 years old. His wife, Susan, is 21. They have a son, John Jr., who is 1 year old. The family has moved to the area with SN Smith. His BAH is \$1,316.

Before leaving his old duty station, SN Smith took an advanced pay of one month's basic pay. He used the money to pay off some bills incurred at his last duty station. He and his family now are in the Navy Lodge and are paid up-to-date. They are paying \$70 a day to stay in the Navy Lodge. They have been apartment-hunting and found one for \$1,200 a month. The landlord requires \$1,800, which includes the security deposit and the first's month's rent before they can move. Electricity and gas deposits total \$500. Susan has found a part-time job to help with the bills; she will make \$400 per month. She plans to start next month after they get settled in their apartment. Child care will be an issue when SN Smith is at sea and on some duty days.

SN Smith and his wife have \$1,000 until next payday (from today's date). Half of this comes from a payday loan that he took right after he got here. He planned to use the loan (\$500) to make some credit payments, and he managed to pay the loan company on time.

SN Smith is slated for promotion to E-4 in three months. The advance pay repayment starts this month and will be deducted from his pay for the next 12 months. He pays federal income tax at the single and zero exemption rate. He pays no state income tax as a legal resident of Florida. He has the following deductions and allotments:

Allotment to his wife .....	\$350 each month
Allotment to Navy-Marine Corps Relief Society .....	\$10 each month
SGLI .....	full coverage
TRICARE dental coverage .....	one family member

The landlord has advised SN Smith that his electricity bill will average \$110 per month. The family vehicle is a four-year-old Ford Explorer that he estimates costs him \$150 per month for gas and maintenance. He bought the vehicle from his cousin for \$8,000. He pays the cousin \$350 per month. There is no interest charge on the loan, and he still owes \$3,500. He has no car insurance at this time. It was due last month, but he didn't have the money to pay it and decided to see if he could get lower rates once he relocated. He received estimates of \$110 per month for liability insurance.

SN Smith does not know how much his family is spending on food or clothing each month. He made an appointment to see the CFS for guidance in estimating these expenses. He and his wife each receive \$25 each pay period for their personal spending money. The following are their estimated monthly miscellaneous living expenses:

Laundry .....	\$50
Church contributions .....	\$250
Haircuts .....	\$40
Money orders/stamps/envelopes .....	\$30
Recreation/sports .....	\$120

Cigarettes .....	\$50
Newspaper .....	\$20
Soda/snacks at work .....	\$35
Entertainment .....	\$75

In addition to his advance pay and vehicle payment, SN Smith has the following bills:

1. EZ Credit for a HDTV he bought last year for \$1,900. Monthly payment is \$95. Outstanding balance is \$285. Due date is 15th of each month.
2. MasterCard, which he got shortly before he moved. He used it for most of his living expenses and vehicle repairs en route to this duty station. Average monthly payment is \$100. Outstanding balance is \$2,000 (credit limit). Due date is 20th of each month.
3. National Photographers for a photo club membership to receive a “free” picture of John Jr. on his birthday each year and unlimited film processing. Initial cost was \$1,900. Monthly payment is \$75. Outstanding balance is \$1,151. Due date is 25th of each month.

SN Smith has received all his travel allowances, Dislocation Allowance, and Temporary Lodging Expense. He is one month behind on his bills. His primary concern is not having enough money for the security deposits needed to move his family into the apartment. He does not have a current LES and is not sure what his pay should be, since he just transferred to the area. He wonders if he qualifies for food stamps or FSSA and if he should enroll in the TSP. At this point, he only can estimate his living expenses as stated above.

**Instructions:**

1. Help SN Smith construct a viable budget, both actual and projected.
2. Make any other appropriate recommendations.
3. Be prepared to defend your recommendations.

# Case Study Two—AT1 Cory Cloud

AT1 Cory Cloud, a qualified air crewman and a career enlisted flier, was directed to see the CFS after he submitted a special-request chit for an early SRB entitlement. The command's policy is that all personnel submitting such requests be interviewed by the CFS. This is the scenario:

Petty Officer Cloud, a 12-year veteran, had tried repeatedly to make petty officer first class. It seemed each time he would miss the final multiple by just a few points. Exasperated, he decided to get out of the Navy at his EAOS. His wife, Kathy, never liked it here anyway. She rented a U-Haul, packed up and left, taking their three children, ages 3, 6 and 14, out of government quarters and back to their home state. She used all the money in their savings account to pay for this spur-of-the-moment decision. Petty Officer Cloud decided to stay in the BEQ until he left the Navy.

Not long after his wife moved home, Petty Officer Cloud was selected for advancement to petty officer first class! Without hesitation, he visited the command career counselor to explore his options. Guess what? The "AT" rating was right at the top of the SRB entitlement list. He immediately called the detailer and struck a deal to re-enlist at his EAOS for four years with orders to a local squadron.

He called Kathy and told her the good news. While not exactly excited, she reluctantly agreed to come back to the area with their children. With all that SRB money, their financial picture looked brighter.

Petty Officer Cloud re-enlisted as planned — one day after getting advanced to first class. His total SRB was \$13,900, so he was all smiles when the skipper handed him an SRB check for \$6,950. Finally, he could get the truck of his dreams, a brand new Dodge Ram for \$28,000. He put \$4,000 down and signed a five-year contract. His monthly payment of \$525 was no dream, but he knew he easily could make the payments. Kathy drives a 5-year-old Ford Freestyle station wagon that they bought three years ago.

They are on the waiting list for government quarters and should move in within two months. He took one month's advance pay to move Kathy and the children back. He agreed to repay this over 12 months, starting next month.

When Kathy arrived, she vowed to start fresh and decided that new furniture was just what they needed. Petty Officer Cloud thought it was best to agree. After visiting several showrooms, she decided to buy on installment \$6,500 worth of furniture from Hankins Furniture Store, since that was the only merchant who would give her free delivery and agreed to hold the purchase until they got their assignment to quarters. The monthly payment would be only \$251, and after all, he got his truck, so she should get something, too. Meanwhile, they are renting a furnished apartment on a month-to-month lease and paying \$1,500 per month including utilities (exactly equal to their BAH).

Shortly after they got settled, Kathy started having some medical problems. She really didn't trust military doctors, so she opted to visit civilian clinics. Anyway, they had plenty of SRB money and TRICARE would cover most of the bills.

Petty Officer Cloud claims "M03" for federal income-tax purposes and pays no state income tax. Kathy currently is unemployed, and they prefer for her to remain so. Because she isn't working outside the home, a friendly insurance agent recommended that it would be a good idea to purchase a \$100,000 whole-life insurance policy on Kathy, with the premiums starting next month. Kathy also receives \$200 per month for child support from a previous marriage.

Petty Officer Cloud has the following allotments and deductions:

Allotment: Whole-life insurance policy .....\$150

Allotment: Navy-Marine Corps Relief Society .....	\$73 (ends in 10 months)
Allotment: XYZ Bank (collateral loan) .....	\$275 (ends in six months)
Advance pay .....	\$143 (ends in eight months)
SGLI .....	full coverage
FSGLI .....	\$100,000 coverage
TRICARE dental coverage .....	family coverage

Their monthly living expenses are as follows:

Barber/beauty shops .....	\$65	Insurance (auto) .....	\$75
Beer/soda .....	\$80	Insurance (renters) .....	\$35
Cable television/Internet service .....	\$125	Laundry/dry cleaning .....	\$30
Telephone (local/long distance plan) .....	\$75	Telephone (cell) .....	\$80
Cigarettes .....	\$70	Newspaper .....	\$20
Clothes .....	\$175	Lunches .....	\$50
Dining out .....	\$200	Entertainment .....	\$120
Gas (auto) .....	\$150	Baby sitters .....	\$80
Groceries .....	\$650	Recreation .....	\$125

Creditors include:	Monthly	Balance	APR (Owner)
Hankins Furniture .....	\$251	\$6,300	22% (joint)
Sears .....	\$57	\$2,330.25	21% (joint)
Visa Gold .....	\$36	\$1113	14% (joint)
Dr. R.U. Sick .....	\$45	\$857	(George)
Blood Bank (truck payment) .....	\$525	\$22,000	7.5% (George)
Nuther Bank (Freestyle payment) .....	\$230	\$13,000	8% (joint)

Having fulfilled only one month of his four-year reenlistment contract, Petty Officer Cloud now is requesting an early SRB installment of \$3,475 (less 27 percent taxes). The CFS will make the final recommendation to the commanding officer on whether Petty Officer Cloud receives the SRB installment early. He and his wife now realize they are living outside their means. If approved, they plan on using the SRB installment to pay off some of their creditors so they at least can break even each month. He mentions that the \$30,000 Career Status Bonus (REDUX) will come in handy in a few years. All they have at the moment is \$1,000 in the TSP which he contributed a few years ago but then stopped. Petty Officer Cloud would like to have two months of living expenses in an emergency fund again, but he does not see how to make it happen.

Other things to consider: Petty Officer Cloud has seven years of sea service and will deploy in five months for a three-month North Atlantic cruise aboard USS Neverdock (CVN 88). At the start of your meeting with Petty Officer Cloud, he discloses that he and his wife have been under a lot of stress due to the "money thing." They now have had a brief trial separation, and he asks for your advice on getting a divorce. He also tells you he cannot account for the remaining \$2,950 in SRB funds.

### Instructions:

1. Help Petty Officer Cloud construct a viable Financial Planning Worksheet
2. Note your SRB recommendation to the command.
3. Make any other appropriate recommendations.
4. Be prepared to defend your recommendations.

# Case Study Three—STS2 Patrick Dolphin

Petty Officer Dolphin has been aboard the USS Yellowtail (SSN-46) for two years. He has been in the Navy for seven years and accumulated three years of sea duty, two years of which have been consecutive. He is deployed and should return to his homeport in about four months. Petty Officer Dolphin is 26 years old and has been married to his wife, Sally, who is 25, for four years. They have three children: Holly, age 5; Heather, age 3; and Sarah, age 1. His BAH is \$1,410 (projected \$1,600 as E-6).

Last year, they bought a three-bedroom ranch house for \$250,000 with a 7 percent mortgage.

Petty Officer Dolphin received three months advance pay when the USS Yellowtail officially changed to this homeport nine months ago. He and his wife decided to use some of the money to take a long-needed family vacation to Disney World between deployments. Petty Officer Dolphin also used some of the advance pay to buy a diamond ring for Sally's 25th birthday. He used the remaining \$500 to buy a savings bond that he could use for the children's education. Other assets include \$6,000 cash value on their whole-life insurance policy, \$250 in checking, and six months worth of TSP contributions at 5 percent of base pay into the "G" fund. Their savings account balance is \$25.

Sally received a message stating that her husband was getting promoted to petty officer first class effective on the first of the month. She was overjoyed and proud of her husband's accomplishments. "How fortunate," she thought. "This advancement must be providential! Now I can tell him that I am three months pregnant and want to quit my job at Wal-Mart!"

Petty Officer Dolphin claims "married, with five exemptions" for federal income-tax purposes. Sally earns a net income of \$450 a month working part-time. In addition, Petty Officer Dolphin has the following allotments and deductions:

Allotment: Combined Federal Campaign .....	\$10
Allotment: savings account .....	\$100
Allotment: Anchors Aweigh Bank (mortgage/escrow) .....	\$ 1,763
Allotment: whole-life insurance (Sally and children) .....	\$ 78.75
Allotment: TSP .....	5 percent
SGLI .....	full coverage
TRICARE dental coverage .....	family coverage
Advance pay (ends in six months) .....	\$ 624

Their monthly living expenses are as follows:

Baby-sitting/day care .....	\$ 500
Cable TV .....	\$ 95
Telephone (local) .....	\$ 45
Garbage .....	\$ 25
Electric .....	\$ 125
Insurance (auto) .....	\$ 120

Telephone (long distance) .....	\$ 75
Sewage/water .....	\$ 85
Cell phone .....	\$ 80
Other expenses include:	
Internet .....	\$ 25
Church contributions .....	\$125
Newspaper .....	\$15
Lunches out .....	\$80
Video rentals .....	\$24
Clothing .....	\$150
Dining out .....	\$80
Gas .....	\$120
Groceries .....	\$550
Haircuts .....	\$40
Prescriptions .....	\$25
Stamps .....	\$10
Movies .....	\$40
Cigarettes .....	\$40

The Dolphins have one car payment. They own an 8-year-old Nissan Sentra that is not running and needs transmission repairs (estimated cost \$2,000).

They also have a 2-year old Dodge Caravan. They took out a five-year loan for \$18,000 at 6.5 percent, of which three years remain. Their monthly payment is \$350, and the balance is \$9,500.

Petty Officer Dolphin uses \$200 per month as spending money for personal items during deployment. In addition to his advance pay payment, he has a Navy Federal Credit Union Visa card with an \$800 limit and a 14 percent interest rate. His monthly payment is \$20, due on the first of each month. His current outstanding balance is \$622.

Petty Officer Dolphin recently received a class “E” message from Sally in which she stated she needed more money to help make ends meet. He was perplexed that Sally was having financial difficulties, since they make good money and their debt is reasonable. He also was concerned about how they would make ends meet once Sally quit her job at Wal-Mart. Petty Officer Dolphin sent a message asking her to make an appointment with the CFS from the squadron.

### Instructions:

1. Help Mrs. Dolphin construct a viable Financial Planning Worksheet, compensating for the loss of her job and estimating for her fourth child, and show how Petty Officer Dolphin’s advancement may offset the changes in income and living expenses.
2. Make any other appropriate recommendations.
3. Be prepared to defend your recommendations.

# Case Study Four—ET3 Adam Only Jr.

ET3 Adam Only Jr. has an EAOS in four months. He is stationed at a local shore command. At his EAOS, he will have four years in the Navy. He is an excellent Sailor but is considering getting out due to financial concerns with his father. He has made an appointment to see the CFS. He indicates the desire to remain in the service after his EAOS but can't see how he can afford to stay. The company for which he worked before his enlistment has offered his old job back at whatever the Navy is paying plus 8 percent. His concern is for long-range planning. His tax-filing status is single with one exemption. He pays no state income tax. His BAH is \$1,016 (single; projected \$1,316 with dependents rate).

Only's concerns are rooted in having to withdraw money from his savings account to pay many of his father's living expenses. Adam Only Sr. owned a small business for many years, but due to economic problems in the local area, the business has failed and he has been forced to declare bankruptcy. As a result, he has lost his home and no longer has medical insurance. He is 60 years old and to top it all off, stress has caused him to have heart problems, and his condition is expected to worsen.

Only Jr. was recruited 45 months ago with the promise that his schooling and experience in an electronics factory would ensure early promotion and "big bucks." His mother had passed away a few years ago, and he wanted to get out of his small hometown and see the world. Only has worked hard, saved carefully, and planned to go back to school to finish his degree in electrical engineering. However, with his father's misfortunes and recent medical issues, Only's savings for education are being depleted.

Only has tried to do all the right things in his Navy career and personal finances. He shares an apartment with a buddy who often is at sea. He almost has paid off his vehicle bought on a 48-month loan at 15 percent the month before he entered the service. He financed the car through Tennessee Trust. He has no expensive habits.

Only approached his CFS for help and was given a copy of the Financial Planning Worksheet to complete. He returned it early so the CFS could get a "feel" for his expenses. Only is ready to discuss the financial options available to him. He also wants to get some investment advice from the CFS.

He has the following allotments:

Allotment (Combined Federal Campaign)	\$50 ongoing
Allotment (savings allotment)	\$300 ongoing
Allotment (bond)	\$50 ongoing
Allotment (father)	\$500 ongoing
SGLI	full coverage

His monthly living expenses are as follows:

Additional savings	\$150
Rent	\$600
Food	\$200
Soda	\$10
Utilities	\$50
Insurance (auto)	\$55

Cell phone			\$60
Dry cleaning			\$10
Clothing			\$50
Church contributions			\$40
Newspaper			\$10
Cable and Internet			\$30
Barber			\$20
Dining out			\$95
Movies			\$20
Sports			\$45
Gas			\$50
<b>Creditor:</b>	<b>Monthly</b>	<b>Balance</b>	<b>APR</b>
Tennessee Trust (car)	\$ 250	\$750	15%

### Additional information:

ET3 Only has passed all requirements for promotion. He enjoys his job. He indicates he has sent an additional \$100 to \$500 per month for the past six months to help his father pay rent on an apartment. He has \$752.33 in checking; \$2,455 in savings; \$4,850 in an IRA (share certificate); \$4,400 in U.S. Savings Bonds; \$2,500 left to him by his mother in a CD (4.25 percent); a Nissan truck with a book value of \$4,550; \$3,900 worth of furniture; and \$3,100 worth of personal items, such as clothing, books and camping gear. He started contributing 10 percent of his base pay to the TSP last month.

### Instructions:

1. List considerations that ET3 Only must address that could affect his financial position after re-enlistment or separation from the service. If he takes a civilian job, he likely will pay medical, life and dental insurance. Discuss options that might be available.
2. Complete his Financial Planning Worksheet, actual and projected.
3. Make any other appropriate recommendations.
4. Be prepared to defend your recommendations.

# Case Study Five—MMCS Monica Looney

MMCS Monica Looney has exactly 20 years in the Navy. She loves the Navy and could not imagine doing anything else at this point in her life. She recently applied to refinance her mortgage and use some cash against the equity she has in the house to rebuild her savings account; she had noticed that during the past several months, she had been making many withdrawals to pay bills. To her surprise, she was denied by the credit union. Upon further investigation, she discovered that someone had been opening credit-card accounts in her name and running up big debts. Now, her credit score is terrible. She had no idea this was happening and was shocked to find she was a victim of identity theft. The credit union told her it would be at least four months before her credit was cleared of the fraudulent charges, so she needed to hurry and take the necessary steps. She has come to you for help with this situation.

Five years ago, she bought a town house and used the majority of her savings, \$15,000, as a down payment. The fair-market value of the town house is \$130,000. The mortgage balance is \$110,000. The interest rate on her mortgage is 9 percent.

She currently has \$250 in a savings account and \$4,500 in an IRA (government bond fund). Her car is valued at \$2,000; she has about \$6,000 in furniture and \$500 in jewelry. She does not mind driving an older car, but she spends a lot on maintenance and thinks it will quit soon, so she has been shopping and found a car she would like to buy once she gets her credit cleared up. It will cost about \$350 per month.

Her ex-husband currently has custody of their son, age 11. Luckily, they have stayed in the area and even though the husband has custody, when she is not deployed her son spends much of his time with her. She loves to bring him things from her trips to foreign shores. She is trying to save for a special vacation for the two of them to go overseas and explore together.

She has over eight years of sea duty. She currently is assigned to an area shore command but must be ready to deploy on short notice. She is claiming single with zero exemptions for tax-withholding purposes. Seven years ago, right after the divorce, she took out a debt-consolidation loan at Spave Bank.

She is taking college courses at night and will earn her bachelor's degree within a year. She uses tuition assistance to help pay for these courses.

The CFS gave her a copy of the monthly expense record and the Financial Planning Worksheet. The forms have been completed and contain the following information:

BAH .....	\$1,448 (single)
BAH Diff .....	\$238
Allotment: loan (12%) .....	\$228 (ends in 36 months)
Allotment: whole life .....	\$275 (started five months ago)
Allotment: child support .....	\$800 (ongoing)
SGLI .....	\$100,000 coverage
TSP: I Fund .....	.8% (started three months ago)

Her monthly living expenses are as follows:

Mortgage .....	\$1200
Groceries .....	\$400
Electricity .....	\$120

Water			\$45
Sewer			\$30
Gas for car			\$130
Maintenance on car			\$100
Gifts			\$115
College tuition/books			\$90
Telephone (home and cell)			\$120
Insurance (auto)			\$70
Dry cleaning			\$30
Savings			\$75
Dentist			\$25
Cable			\$45
Newspaper			\$25
Home repairs			\$60
Church donations			\$80
Property insurance			\$40
Vacation			\$120
Dining out			\$100
Entertainment			\$80
Beauty shop			\$75
Clothing			\$170
Internet access			\$30
YMCA membership			\$55
Creditors include:	<b>Monthly</b>	<b>Balance</b>	<b>APR</b>
Sears	\$25	\$1,090	21%
MasterCard	\$60	\$3,000	18%
Discover	\$56	\$2,200	19%
Visa	\$30	\$900	14%
Spave Bank (debt-consolidation loan)	\$375	\$16,290	12%

### Instructions:

1. List considerations and steps that MMCS Looney must address to clear her credit record.
2. Offer financial options to help Looney construct a viable Financial Planning Worksheet, actual and projected, that will allow her to rebuild her savings, plan for a new car, and possibly take that vacation with her son.
3. Make any other appropriate recommendations.
4. Be prepared to defend your recommendations.

# Case Study Six—HN Jane Start

HN Jane Start is stationed on the USS Comehome (AE-99). She has recently been frocked to Petty Officer Third Class. She is still receiving pay and benefits as an E-3 with less than two years of service. The ship currently is in port but deploys in one month for the Persian Gulf. HN Start expects to start receiving E-4 pay and entitlements in nine months and at that time will have 14 months of sea time. She was married when she entered the Navy but divorced six months ago. She has custody of her two sons, ages 2 and 3. Start claims single with no exemptions for tax-filing purposes and is enrolled in TRICARE dental coverage at the family rate. She has \$250,000 of SGLI coverage. She is receiving BAH at the "with dependents" rate of \$1,316, which will not change when she makes E-4. She pays \$1,200 in rent.

Start has an allotment set up to her credit union to pay for her car, a 3-year-old Hyundai Elantra. She bought the car for \$7,200 last year. Her interest rate is 19 percent, and her monthly payment is \$231. The balance due is about \$4,500. She is paying off the \$160 balance of an NMCRS loan that ends in four months. HN Start's mother lives with her and takes care of the children while she works. This will continue during Start's deployment. Her mother gets occasional part-time work to cover her own expenses. Start will plan on taking \$100 per month during deployment for her personal expenses.

Start has come to see you because she is concerned she may not be able to make ends meet during deployment. She has outstanding medical bills from three years ago, before her enlistment, and isn't sure she'll be able to pay them. She also has been recommended for an early rotation to Rota, Spain when the ship returns. She is asking for you to conduct an overseas screening on her and help her position herself financially to be able to take the OCONUS tour. During the course of the interview, the following is determined:

## Monthly living expenses:

Utilities .....	\$100
Gas for vehicles .....	\$80
Telephone (all) .....	\$150
Insurance (auto) .....	\$120
Food .....	\$300
Laundry/dry cleaning .....	\$60
Clothing .....	\$100
Personal care .....	\$20
Stamps/paper/supplies .....	\$15
Pet care .....	\$50
Fast food .....	\$75
Creditors (all prior to enlistment) include:	<b>Balance</b>
American Family Publishers .....	\$7.97
Parents magazine .....	\$21.95
North Shore Collections (16-month-old magazine bill) .....	\$100.94
Dr. James .....	\$120
Puget Sound Collections (for cable; missed one month) .....	\$38.42
Dr. Roberts .....	\$61

Dr. Vann .....	\$20
AT&T phone bill (two months overdue) .....	\$200
Dr. Health .....	\$150
Dr. Rollins .....	\$175
Wheels & Wings (10-month-old book bill) .....	\$14.90
Feelgood Emergency Medical Group .....	\$16
Feelgood Radiology .....	\$77
Field Publication (five-month-old magazine bill) .....	\$35
Superior Collections Bureau (collection agent for hospital) .....	\$355
Fingerhut (five-month-old bill) .....	\$72.76
William Pitt Jewelers (24-month-old bill) .....	\$63
Mark Account Systems (collection agency for anesthesiologist) .....	\$480
Visa    balance: \$877; monthly payment: \$51; APR 18 percent	

**Instructions:**

1. Help Start construct a viable Financial Planning Worksheet, actual and projected.
2. Work out a debt-management plan.
3. Conduct an overseas screening assessment based on the criteria in OPNAV 1740.5B and make a recommendation. Can you suggest a plan for HN Start that would position her for an OCONUS move at the end of her deployment?
4. Make any other appropriate recommendations.
5. Be prepared to defend your recommendations.

# Case Study Presentation Guide

## Technical Ability

1. Adequately summarize the client's presenting concerns.
2. State the client's real reasons/problems.
3. Say or show the following:

	Actual	Projected
Net worth		
Net monthly income		
Monthly savings		
Monthly living expenses		
Monthly debt payments		
Bottom line: surplus/deficit		
Debt-to-income ratio		

4. Review all options:
  - a. Increase income
  - b. Decrease living expenses
  - c. Decrease indebtedness
5. Make appropriate referrals.
6. Resolve the client's problems.
7. Say what comes next for the client.

## Presentation Techniques

1. Creativity of presentation
2. Clarity of presentation
3. Enthusiasm of group presenters
4. Expertise/grasp of knowledge of group
5. Empathy with client's situation
6. Timing of presentation

**Knowledge Application:** Incorporate all relevant course concepts into the case study.