



AAFMAA CAP FAQs

Overview:

AAFMAA has provided Career Assistance Program (“CAP”) loans as a benefit of membership for many years. We have compiled this list of Frequently Asked Questions for your convenience and to provide you with a better understanding of this program. If you are interested in this program, or have just signed up, please review the information below and let us know if there is any way we can further assist you.

General Questions:

Q: What is the CAP loan?

A: A benefit of AAFMAA membership for eligible Active Duty members with a minimum amount of insurance in force.

Q: What are the requirements for a CAP loan?

A: The following items are required to receive a CAP Loan:

- **Eligible military status:**
 - Active duty or guard/reserve earning retirement points and able to supply a LES or call to active duty orders.
 - Rank of E5, E6, E7, E8, E9, WO1, CW2, CW3, CW4, CW5, O1, O2, O3 or O4.
- **AAFMAA membership** - by purchasing a life insurance policy of at least \$250,000 term or \$50,000 whole life. You can use the coverage to supplement your SGLI.
- **Automatic monthly payment:**
 - **Active Duty and eligible Guard/Reserve** - Allotment through the Defense Finance and Accounting Service (DFAS) preferred. Requires deposit of two months insurance premium.
 - **Guard/Reserve** - Bank account withdrawal (EZ-Pay) if not allotment eligible. Requires deposit of one month insurance premium. Call 1-877-398-2263 for required forms.
- **Armed Forces Bank (AFB) checking account** - where we will deposit your loan. If you do not have an AFB account, we will open one for you at no cost.
- **Valid email address** – AAFMAA will send all communication regarding the CAP loan via email. Please ensure AAFMAA has the best email address for you on file and update when necessary.

Q: What happens after I return my CAP Application?

A: Returning your completed application and requirements to AAFMAA starts your CAP process. Once received, AAFMAA will complete the following:

- **Application review** - AAFMAA will review your application documents to ensure you have provided all required information. If medical documents were required, our underwriters will evaluate them. AAFMAA will issue your policy, subject to underwriting (if applicable) and approval.
- **AFB Setup** - AFB will set up your account and send a welcome package to you. AFB may include offers for additional services, which are unrelated to AAFMAA and your

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CAP loan. You are not required to send anything to AFB unless there is an issue with your account application. **Do not use any checks until AAFMAA notifies you that it deposited the loan and you have confirmed your account balance!** AFB may contact you if there is any problem setting up your account.

- **Payment processing** - AAFMAA must receive your first premium payments and setup your automatic premium and loan payment before the loan can be issued:
 - **Active Duty and eligible Guard/Reserve** – AAFMAA will send a confirmation email with instructions for starting your allotment. Any overpayment of premiums upon startup will be applied to reduce your CAP loan balance
 - **Guard/Reserve** - AAFMAA will contact your bank to start your automatic account withdrawal.
- **Loan deposit** - Your loan will be deposited in your AFB account by the second business day of the month that we receive your first payment by allotment, or by the 18th of the month your bank account was successfully drafted. AAFMAA will notify you by email when we wire the deposit to AFB.
- **Policy package** - AAFMAA will mail your membership and insurance documents. Policy and loan documents are viewable on AAFMAA's Member Center <https://connect.aafmaa.com/>.

Q: Can I make my first payment by check or credit card so that I can get the loan faster?

A: Unfortunately not; you must make your first payment by allotment or EZPay bank draft. The CAP loan is an unsecured loan that relies on a scheduled payment stream to keep our costs low. Our history has demonstrated a greater loan success rate with established allotments and EZPay bank drafts. Due to the volume of loans we disburse per month, exceptions to our process are not available.

Q: AAFMAA issued my policy but I can't wait until next month for the loan funds. Can AAFMAA send the money sooner?

A: Unfortunately not. The CAP loan is an unsecured loan that relies on a scheduled payment stream to keep our costs low. Our history has demonstrated a greater loan success rate with established allotments and EZPay bank drafts. Due to the volume of loans we disburse per month, exceptions to our process are not available.

Q: Why do you need my medical records for a financial loan?

A: The loan is a benefit of membership, and you'll become a member by obtaining an insurance policy with AAFMAA. Applying for life insurance sometimes requires a detailed review of your medical history.

Q: How does AAFMAA disburse the CAP loan funds?

A: Your loan will be deposited in your AFB account by the second business day of the month that we receive your first payment by allotment, or by the 18th of the month your bank account was drafted. AAFMAA will notify you by email when we wire the deposit to AFB.

Q: How will I know AAFMAA has wired my loan?

A: AAFMAA will send you an email once we issue your policy and fund your loan. Please ensure we have your best email address for contact.

Q: Who do I contact once AAFMAA issues the loan?

A: Please contact AAFMAA for any insurance related questions. You may reach us at 1-800-522-5221. Please contact AFB for any bank related questions, such as confirmation of your balance, status of checks/ Visa debit cards, establishing a savings plan or additional banking needs. Contact AFB directly at: 844-72SERVE or 888-929-BANK

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Q: My friend got his money quicker. What's taking so long for my loan?

A: The CAP process has deadlines throughout the month that may affect the timing of your loan. For allotments, the deadline for getting your allotment started is mid-month for the following month payout. Missing this may add 45 or more days to your CAP funding schedule. For EZPay, the deadline to enter bank drafts for the following month is the end of the prior month. Missing this may add 45 or more days to your CAP funding schedule.

Q: Can I take a second loan?

A: Please contact us once you have successfully paid off your first CAP Loan to determine whether AAFMAA is offering a second loan opportunity.

Q: Are any of the AAFMAA products available for my spouse and children?

A: Yes! Spouses are eligible for the same products as our members and can take advantage of the same low rates. Eligible children can take advantage of our term or whole life products, some designed specifically for children/grandchildren. Please contact us at 1-877-398-2263 to learn more.

Q: Can my spouse and children take out a CAP loan?

A: Unfortunately not. The CAP loan is a benefit of membership limited to the eligible active duty ranks listed above.

Allotment Questions:

Q: When will I get allotment instructions?

A: Once AAFMAA approves your application and issues a policy.

Q: Why can't I start my allotment via MyPay?

A: DFAS **does not** permit life insurance allotment starts (or changes possibly) to be done online by the service member using "MyPay". You must submit DD Form 2558 (Authorization to Start, Stop or Change an Allotment) through your Finance Office (FO)/Defense Accounting Office (DAO) to start your allotment. You must stress to your FO/DAO that this allotment is **NOT** for a financial institution; but is for **Life Insurance**. AAFMAA does not have a routing number.

Q: Did my allotment start?

A: We do not have access to see if your allotment has started. We only know when we receive your first month's allotment. If you have specific questions regarding your allotment amount, please contact your Finance Center.

Q: When does AAFMAA receive my allotment?

A: DFAS remits their allotments to AAFMAA on the first business day of every month.

Q: What happens if my Allotment does not start on time?

A: If this happens, we suggest you contact your Finance Office to ensure it will begin the following months. Unfortunately, AAFMAA cannot disburse your loan funds until your allotment starts and we receive your first month's payment.

Q: When will I receive the loan?

A: AAFMAA will deposit your loan in your AFB account by the second business day of the month that we receive your first payment. AAFMAA will notify you by email when we wire the deposit to AFB.

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Q: My allotment started, where is my loan?

A: Although you may see the allotment withheld on your LES, AAFMAA has not yet received the transfer. Only once AAFMAA receives your payment can we deposit your loan into your AFB account.

Q: My allotment didn't start, but I really need the money and need an exception to this process! What can I do?

A: Unfortunately you must wait until your allotment starts and AAFMAA receives it. The CAP loan is an unsecured loan that relies on a scheduled payment stream to keep our costs low. Our history has demonstrated a greater loan success rate with established allotments. Due to the volume of loans we disburse per month, exceptions to our process are not available.

EZPay Questions:

Q: What is EZPay?

A: EZ-Pay is a monthly automatic electronic funds transfer from your checking account for payment of premiums, dues and/or loan payments. AAFMAA will charge your bank account after the first business day of each month. The first payment will include all past due premiums and/or dues, if applicable. You may cancel this authorization by notifying AAFMAA with 30 days written notice, however, you cannot cancel it for the existing month.

Q: How do I setup an EZPay bank draft?

A: Complete the EZPay Pay Enrollment form provided to you or available on www.aafmaa.com. To setup EZPay, AAFMAA must first issue a policy and setup EZPay processing. Once AAFMAA issues your policy we will setup the EZPay for you.

Q: When does AAFMAA take EZPay Bank drafts from my account?

A: AAFMAA will draft your bank account for the premium and loan payment necessary after the first of each month. Please ensure you fund your account to cover this draft.

Q: Can I pick a specific date for my EZPay bank draft?

A: Unfortunately not, the EZPay process is a batch routine that requires all drafts to occur at the same time.

Q: AAFMAA drafted my account, where is my loan?

A: AAFMAA will fund your loan when we receive final confirmation from our bank that your EZPay draft was successful. You will see your deduction 1-2 weeks prior to AAFMAA receiving that final report.

Q: My draft failed, what happens now?

A: If this is your first draft failure, AAFMAA will try to redraft on the following month. If this happens, we suggest you contact your bank to see why the EZPay was not successful to ensure success on the next month when AAFMAA drafts your account. If this is your second draft failure, AAFMAA will require you to pay your loan by allotment or will cancel it for 60 days in order to provide you time to ensure your finances are set for future drafts. If AAFMAA cancels your loan, new loan documents will be required to consider you for a future loan. AAFMAA does not make exceptions to this process.

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Q: The money was in my bank account, why are you saying the draft rejected?

A: When we inform you that the funds were not available for draft, we are relaying the banks message to us to you. On the day that AAFMAA tried to take the draft, your bank has reported to us that funds were not available, regardless of how much money you have in your account now. AAFMAA cannot tell how much money is in your bank account.

Q: When will I receive the loan?

A: AAFMAA will deposit your loan in your AFB account by the 18th of the month that it drafted your bank account. AAFMAA will notify you by email when we wire the deposit to AFB.

Armed Forces Bank (AFB) Questions:

Q: Why do I need open an account with AFB?

A: AAFMAA partners with AFB to help us contain the overhead expenses associated with administrating this low-interest rate loan program. You do not need to contact AFB before you get loan approval from AAFMAA unless you have specific questions about the bank's services or the bank contacts you with regarding account setup. AFB recently enhanced its checking account with a more robust offering that includes **access to 30,000+ ATMs with no surcharge** and provides Military Early Pay.

Q: I don't have an AFB account. Can you send the loan to my bank?

A: Unfortunately not. AAFMAA partners with AFB to help us contain the overhead expenses associated with administrating this low-interest rate loan program. We only wire funds to AFB.

Q: AFB has been trying to reach me, why?

A: AFB has a dedicated department for the CAP Loan program. They will notify you once they have opened the account to assist you with any questions or concerns you may have regarding the checking account as well as to notify you when you should receive your new account information.

Q: I received my checks from Armed Forces Bank (AFB), so AAFMAA approved my loan, right? A: No, **AFB sends its welcome package out before AAFMAA funds your account.** We recommend you verify your account balance before you use your account.

Q: When will I receive my AFB bank information?

A: Typically you should receive your AFB welcome package within 10-14 days after your AAFMAA policy issues.

Q: What happens if I don't get the AFB bank information before AAFMAA funds my loan? A: When AAFMAA funds your loan we will provide you AFB's contact information in our email message to you. You may contact AFB by phone to work with them on different ways to access your funds. If you are near an AFB branch you may also go into the bank branch to work with a representative to access your funds.

Q: AAFMAA notified me that it wired my loan funds, but the bank states it has not.

A: If AAFMAA has communicated to you that it has funded your loan, it has. We do not send this communication out until we actually fund your loan. The AFB service rep you are talking

to cannot see the "wire." We recommend you call AFB back after 24 hours to check the status. If it is not there, please contact us.

Q: AFB has requested that I send them a completed application, why?

A: There may be a question regarding account application that is included in your CAP Loan application. Please contact AFB's CAP Loan Department at 844-72SERVE (73783).

Q: How can I transfer the loan funds to my regular bank account outside of AFB?

A: We encourage you to review the Welcome Package from AFB before making a decision not to keep your account with them. AFB has provided a special account just for CAP members.

If you do decide to withdraw your funds, you may transfer the funds by writing a check to yourself, withdrawing cash from an AFB branch, or contacting AFB by phone to complete a wire transfer (fees may apply) to your bank of choice. If you do transfer your funds out of AFB, please review the account terms and conditions provided in your new account packet or contact AFB to avoid account fees.

There is no requirement to close your account with AFB, you are welcome to keep the account open for use. AFB offers Military Early Pay, access to 30,000+ ATMs with no surcharge and mobile banking with free remote deposit capture to bank on your time. AFB also has a dedicated department for CAP Loan customers to provide you with a more personal experience.