

All About the Armed Forces Mutual CAP Loan

Could you use some additional financing funds to help cover the cost of some upcoming expenses? The CAP Loan is a benefit of being an Armed Forces Mutual Member that can provide you with \$5,000 at 2.5% interest for 5 years.

Look below for answers to our most frequently asked questions about the program. If you can't find the information you're looking for here, let us know. We'll be happy to assist you at [877-398-2263](tel:877-398-2263).

Understanding the Armed Forces Mutual CAP Loan

What is the Armed Forces Mutual CAP Loan?

The Armed Forces Mutual Career Assistance Program (CAP) Loan is a low-interest loan to help military members cover expenses related to professional development, career transition, or other financial needs — including using it to invest in your future. You'll benefit from affordable financing with flexible repayment terms, and it's easy to get.

What are the benefits of the CAP Loan?

The CAP Loan is an exclusive Armed Forces Mutual Member benefit that offers:

- » \$5,000 Personal Loan
- » Low Interest Rate: Fixed APR of 2.5%
- » Easy Payback Schedule: 60 months
- » No application fees, no origination fees, no prepayment penalties
- » Investment in the servicemember's career, credit history, and financial future

How can I use my CAP Loan funds?

The choice is yours, but you might use your CAP Loan to pay for:

- » Uniforms and accessories
- » PCS moves/relocation costs
- » Professional certification and licensing courses
- » Job search expenses (resume services, career coaching, etc.)
- » Continuing education and skills training
- » Emergency expenses
- » Starting a new business
- » Any other expenses that enable you to develop your career

Application Requirements

What are the requirements for securing an Armed Forces Mutual CAP Loan?

To receive a CAP Loan, you must meet the eligibility requirements below:

- » Your military status must be:
 - Active Duty in any U.S. military branch, or
 - National Guard or Reserve component earning retirement points and able to supply a LES or call to active-duty orders, or
 - A recently separated Veteran within the last 12 months
- » Currently you hold or at separation you held the rank of E4, E5, E6, E7, E8, E9, all Warrant Officer ranks, O1, O2, O3, O4, or O5.
- » You must be an Armed Forces Mutual Member in good standing, with a minimum amount of life insurance in force.
 - \$250,000 of Term, or
 - \$25,000 of Value-Added Whole Life, or
 - \$100,000 BeyondBasic®
- » You must set up automatic monthly payments:
 - **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 or Separated —** Bank account withdrawal (EZ-Pay) if not allotment eligible. Requires a deposit of one month insurance premium. Call **877-398-2263** for required forms.
- » You must have an Armed Forces Bank (AFB) checking account where we will deposit your loan. If you do not have an AFB account, we will help you open one for you at no cost.
- » You must have a valid email address. All CAP Loan communications will be sent to you via email. Please ensure we have your preferred email address on file and keep it updated in your Armed Forces Mutual **Member Center** account as necessary.
- » CAP Loans are subject to credit approval

Applying for and Receiving the Armed Forces Mutual CAP Loan

What happens after I submit my CAP Loan application?

Once you've submitted your completed application and ensured you have met the requirements cited above, Armed Forces Mutual will complete the following:

- » **Application Review:** We will review your application documents to ensure all required information has been provided. If medical documents were required, our underwriters will evaluate them. Subject to underwriting (if applicable) and approval, your life insurance policy will be issued. After that we will evaluate your CAP Loan application which is subject to eligibility requirements and credit approval.

- » **Armed Forces Bank (AFB) Setup:** Once you are approved for the CAP Loan, Armed Forces Mutual will email you a link to enroll in your AFB account. AFB will set up your account and send you a welcome package that may include offers for additional services that are unrelated to Armed Forces Mutual and your CAP Loan. You are not required to return any information or documents to AFB unless you are requested to do so due to an issue with your account application. AFB may contact you if there is any problem setting up your account.
- ***Do not use any checks from your account until Armed Forces Mutual notifies you that the loan was deposited into your bank account and you have confirmed your account balance.***
 - Please note that Armed Forces Mutual and Armed Forces Bank are two separate organizations and not related to one another.

Premium Payment Processing: Before your CAP Loan can be issued, Armed Forces Mutual must complete the processing of your first premium payment and set up your automatic premium and loan payments:

- **Active Duty and Eligible Guard/Reserve:** We will send you a confirmation email with instructions on starting your allotment to Armed Forces Mutual. Any overpayment of premiums upon startup will be applied to reduce your CAP Loan balance.
- **Guard/Reserve or Separated:** We will contact your bank to start your automatic account withdrawal.

Loan Deposit: Your CAP Loan will be deposited into your AFB account by the second business day of the month that we receive your first allotment payment, or by the 18th of the month that your bank account was successfully drafted. We will notify you by email when the deposit is wired to AFB. Please ensure the email in your Armed Forces Mutual account is up to date in the [Member Center](#).

Policy Package: We will deliver your Armed Forces Mutual Membership and insurance documents with information about your policy and loan. These documents will be viewable through your Armed Forces Mutual account in the [Member Center](#).

May I make my first loan payment by check or credit card so I can receive the loan payout faster?

We're sorry, but no. All payments must be made by allotment or EZ-Pay bank draft. The CAP Loan is an unsecured loan that relies on a scheduled payment stream to keep the costs of the program low, and our history has demonstrated a greater loan success rate with established allotments and EZ-Pay bank drafts.

Can Armed Forces Mutual deposit the loan money into my account any sooner? I have already been issued my Armed Forces Mutual life insurance policy and I can't wait until next month for the funds.

We're sorry, but no. The CAP Loan is an unsecured loan that relies on a scheduled payment stream to keep the costs of the program low. Our history has demonstrated a greater loan success rate with established allotments and EZ-Pay bank drafts.

Why does Armed Forces Mutual need my medical records for a financial loan?

The CAP Loan is a benefit of Armed Forces Mutual Membership. You become a Member by obtaining an Armed Forces Mutual life insurance policy, a process that sometimes requires a detailed review of your medical history. You can review Armed Forces Mutual's life insurance policies here: armedforcesmutual.com/life.

How will my CAP Loan funds be disbursed?

Your CAP Loan will be deposited into your AFB account by the second business day of the month that we receive your first allotment payment, or by the 18th of the month that your bank account was successfully drafted. We will notify you by email when the deposit is wired to AFB. Please ensure the email in your Armed Forces Mutual account is up to date in the Member Center.

How will I know my loan funds have been wired?

We will notify you by email when the deposit is wired to AFB. Please ensure the email in your Armed Forces Mutual account is up to date in the [Member Center](#).

Who should I contact for answers to my life insurance policy or CAP Loan questions once they have been issued?

Depending on your questions, you'll want to reach out either to Armed Forces Mutual or AFB.

- » **For insurance-related questions:** Call Armed Forces Mutual at [800-522-5221](tel:800-522-5221) to discuss your policy or any other account information and coverage options.
- » **For banking-related questions:** Contact AFB to discuss topics such as confirmation of your account balance, status of checks/ATM cards, establishing a savings plan or additional banking needs. AFB can be contacted directly at:
 - **AFB United States:** 888-929-2265
 - **AFB Germany Customer Service:** 0800 1813419
Telebanc: 0800 1814812 (automated service)
 - **AFB Korea Customer Service:** 00308 12 0268 — on post | 00798 14 800 4176 — off post
Telebanc: 00308 12 0267 — on post | 00798 14 800 4178 — off post (automated service)

My friend received his loan money quickly. Why is my loan taking so long?

Missing a deadline is likely the reason your loan is taking longer to process.

- » **Allotments:** The deadline for starting your allotment is mid-month for the following month's payout. Missing this deadline may add 45 or more days to your CAP funding schedule.
- » **EZ-Pay:** If you're using EZ-Pay, 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.

Can I take out a second CAP Loan with Armed Forces Mutual?

Once you have successfully paid off your first CAP Loan, please call us to determine whether you are eligible for a second Armed Forces Mutual CAP Loan opportunity. Note that even if you pay off your current CAP Loan early, you must wait 48 months before reapplying.

Are there any Armed Forces Mutual products available for my spouse and children?

Yes! Spouses are eligible for the same products as our Members at the same low rates. Your eligible children can also take advantage of our term or whole life products. Some of our policies are designed specifically for children and grandchildren. Please contact us at [877-398-2263](tel:877-398-2263) to learn more.

Can my spouse and children take out a CAP Loan?

Unfortunately not. The CAP Loan is a benefit of Membership limited to the eligibility criteria listed above.

Allotment

When will I receive the instructions for my allotments?

You will receive your allotment instructions once your application is approved, your Armed Forces Mutual policy is issued, and your first premium payment toward your CAP Loan is collected.

Why can't I start paying my allotment via MyPay?

The Defense Finance and Accounting Service (DFAS) does not permit servicemembers to start (or possibly change) life insurance allotments online through [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.

- » Be sure to inform your FO/DAO that this allotment is NOT for a financial institution; it is for life insurance.
- » Armed Forces Mutual does not have a routing number.

How can I tell if my allotment has started?

Armed Forces Mutual only knows when your allotment starts after we receive your first month's allotment. If you have specific questions regarding your allotment amount, please contact your Finance Center.

When does Armed Forces Mutual receive my allotment?

DFAS remits their allotments to Armed Forces Mutual on the first business day of every month.

What happens if my allotment does not start on time?

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

When will I receive the payout of my CAP Loan?

We will deposit your loan into your AFB account by the second business day of the month that we receive your first payment. We will notify you by email when the deposit is wired to AFB. Please ensure the email in your Armed Forces Mutual account is up to date in the Member Center.

My allotment started, where is my loan?

If your allotment has started and you have not yet received your loan, that means your allotment has not yet been transferred to Armed Forces Mutual. Only once your money has been transferred to Armed Forces Mutual will your loan be deposited into your AFB account.

My allotment hasn't started, but I really need the money. Can I get an exception to this process?

Unfortunately, you must wait until your allotment starts and Armed Forces Mutual receives it. The CAP Loan is an unsecured loan that relies on a scheduled payment stream to keep the costs of the program low.

EZ-Pay

What is EZ-Pay?

EZ-Pay is a monthly automatic electronic funds transfer from your checking account for payment of premiums, dues and/or loan payments. Your bank account will be charged after the 1st business day of each month for the repayment of your CAP Loan. The first payment will include all past-due premiums and/or dues, if applicable. You may cancel this authorization by notifying Armed Forces Mutual with 30 days' written notice.

How do I setup an EZ-Pay bank draft?

Complete Armed Forces Mutual's [EZ-Pay Enrollment form](#). To set up your EZ-Pay payments, we must first issue you a life insurance policy and set up processing in EZ-Pay. Once we have issued your policy to you, we will set up the EZ-Pay account for you.

When are EZ-Pay bank payments drafted from my account?

We will draft your bank account for the premium and loan payment necessary typically a couple of days after the 1st of the month. Please ensure your bank account is funded in time to cover this draft.

May I pick a specific date for my EZ-Pay bank draft?

No. The EZ-Pay process is a batch routine that requires all bank drafts to occur at the same time.

My EZ-Pay account has been drafted. Where is my loan?

Your CAP Loan will be funded when Armed Forces Mutual receives final confirmation from our bank that your EZ-Pay draft was successful. You will see your deduction in your account 1-2 weeks prior to us receiving that final report.

My bank draft failed. What happens now?

There are a few of scenarios that may occur:

- » If this is your **first bank draft failure**, we will try to redraft your payment on the following month. We suggest you contact your bank to see why the EZ-Pay was not successful to ensure success on the next month when we draft your account.
- » If this is your **second bank draft failure**, you will need to pay your loan by allotment, or it will be cancelled for 60 days in order to provide you time to ensure your finances are set for future drafts.
- » If your **CAP Loan is cancelled**, new loan documents will be required to consider you for a future Armed Forces Mutual loan. Unfortunately, we cannot make exceptions to this process.

There was money in my bank account to make my loan payment. Why are you saying the draft was rejected?

When we inform you that the funds were not available for draft from your account, we are relaying to you what the bank informed us. Typically, on the day that we tried to extract the draft, your bank reported to us that funds were not available, regardless of how much money you had in your account. Armed Forces Mutual does not know how much money is in your bank account.

When will I receive the CAP Loan?

Your loan will be deposited in your AFB account by the 18th of the month your bank account was drafted. We will notify you by email when the deposit is wired to AFB. Please ensure the email in your Armed Forces Mutual account is up to date in the [Member Center](#).

Armed Forces Bank (AFB)

Why do I need to open an account with AFB?

Armed Forces Mutual partners with AFB to help us contain the overhead expenses associated with administrating our low-interest-rate CAP Loan program. You do not need to contact AFB until you receive loan approval from Armed Forces Mutual, unless you have specific questions about the bank's services or the bank contacts you regarding your account setup. AFB offers a robust checking account option that includes access to 24,000+ ATMs with no surcharge and provides Military Early Pay.

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

Unfortunately not. Armed Forces Mutual partners with AFB to help us contain the overhead expenses associated with administrating our low-interest-rate CAP Loan program. We only wire funds to AFB.

AFB has been trying to reach me. Why?

AFB has a department dedicated to servicing Armed Forces Mutual's CAP Loan program. The bank will notify you once your account has been opened to assist you with any questions or concerns you may have regarding your checking account, as well as to notify you about when you can expect to receive your new account information.

I received my checks from AFB. Does that mean my Armed Forces Mutual CAP Loan is approved?

No. You will receive AFB's welcome package prior to any CAP Loan funds being deposited into your account. We recommend you verify your account balance before you attempt to make any payments from your account.

When will I receive my AFB bank information?

Typically, you will receive your AFB welcome package within 10-14 days after your Armed Forces Mutual policy is issued.

What happens if I don't receive the AFB bank information prior to my CAP Loan being funded?

When we fund your CAP Loan, we will provide you with AFB's contact information via email. You may contact AFB by phone (see above: [Who should I contact for answers to my life insurance policy or CAP Loan questions once they have been issued?](#)) to work with them on different ways to access your funds. If you are near an AFB branch, you may also visit the branch in person to work with a representative who can help you access your funds.

I was informed by Armed Forces Mutual that my loan funds have been wired, but the bank states they have not been received.

If we at Armed Forces Mutual have communicated to you that your loan has been funded, it has. We do not communicate that to you until we confirm the funding of your loan. The AFB service representative you are working with cannot see the “wire.” We recommend you wait 24 hours and then call AFB to check the status. If the funds are still not there, please contact us at [800-366-4538](tel:800-366-4538).

AFB has requested that I send them a copy of my completed CAP Loan application. Why?

AFB may have an account-related question regarding information in your CAP Loan application. For details, contact AFB’s CAP Loan Department at 844-72SERVE (844-727-3783).

I’d like to transfer the loan funds from my AFB account to my regular bank account? Can I do this, and how?

For details about your bank account, please review the welcome package AFB sends you before making any decisions about keeping or changing your account with them. AFB has provided a special account just for Armed Forces Mutual Members with CAP Loans.

If you do decide to withdraw your funds from AFB, you may transfer them by writing yourself a check, withdrawing cash from an AFB branch, or contacting AFB by phone (see above: [Who should I contact for answers to my life insurance policy or CAP Loan questions once they have been issued?](#)) to complete a wire transfer to your bank of choice. Fees may apply. Once you have transferred 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 for you to close your account with AFB even if you withdraw funds; you are welcome to keep the account open for your continued personal use. The benefits of keeping your AFB account include:

- » AFB offers Military Early Pay.
- » Access to 24,000+ ATMs with no surcharge.
- » Mobile banking with free remote deposit capture to bank on your time.
- » AFB also has a dedicated department for Armed Forces Mutual Members with CAP Loans to provide you with a more personal experience.

Credit Check

What is a credit report?

A credit report is a detailed record of your credit history, prepared by a credit bureau. It includes information such as your personal details, credit accounts, payment history, and any public records like bankruptcies or liens.

Why does Armed Forces Mutual need my credit report?

Armed Forces Mutual will use your credit report to evaluate your financial responsibility and determine your creditworthiness. This helps us decide if we can approve your CAP Loan.

Which credit bureaus do you use?

Armed Forces Mutual uses Experian. Generally, lenders use credit reports from one or a combination of the three major credit bureaus: Experian, Equifax, and TransUnion. These agencies collect and maintain credit data.

Will checking my credit report affect my credit score?

When we check your credit report as part of your CAP Loan application, it's considered a "hard inquiry," which may slightly affect your credit score. However, checking your own credit report is considered a "soft inquiry" and does not impact your score.

What information is included in my credit report?

Your credit report generally includes:

- » **Personal Information:** Name, address, Social Security number, etc.
- » **Credit Accounts:** Credit cards, loans, mortgages, and their status.
- » **Payment History:** On-time or late payments.
- » **Public Records:** Bankruptcies, judgments, or tax liens.
- » **Inquiries:** A record of companies that have accessed your credit report.

Armed Forces Mutual will primarily use your Experian credit score to determine your qualification for the CAP Loan.

What is a credit score?

Your credit score may be different at each of the credit bureaus depending on formulas they use to calculate your score. It is a numerical summation of your financial responsibility and creditworthiness.

Can I get a copy of my credit report?

Yes, you may request a free credit report annually from each of the three major credit bureaus through AnnualCreditReport.com. Additional copies may be purchased directly from the credit bureaus.

What should I do if I find an error on my credit report?

If you identify an error, you should:

1. **Notify the credit bureau:** File a dispute directly with the bureau reporting the error.
2. **Provide documentation:** Submit supporting evidence to the credit bureau to correct the mistake.
3. **Inform the organization:** Notify the organization that has reported incorrect information.

How long does negative information stay on my credit report?

- » **Late Payments:** 7 years.
- » **Bankruptcies:** 7-10 years, depending on the type.
- » **Inquiries:** 2 years.
- » **Unpaid Debts/Defaults:** Typically 7 years.

Can I improve my credit report?

Yes, you can generally improve the credit score indicated in your credit report by:

- » Paying bills on time.
- » Reducing outstanding debts.
- » Avoiding opening too many new accounts at once.
- » Regularly reviewing your credit report for accuracy.

Read more about managing your finances in the Armed Forces Mutual Learning Hub, where you'll find action steps you can take to improve your credit report, increase your credit score and develop new habits around budgeting, saving and the use of debt.

Who can access my credit report?

Your credit report can be reviewed by organizations that you authorize such as lenders, landlords, employers and insurance companies.

What should I do if my CAP Loan application is denied based on my credit report?

If your application is denied due to your credit report, you have the right to:

- » Receive an **adverse action notice**, which includes the reason for denial.
- » Obtain a free copy of the credit report used in the decision, if requested within 60 days.
- » Dispute any inaccuracies with the credit bureau.

Does Armed Forces Mutual report my payment history to the credit bureaus?

Yes. Armed Forces Mutual will report your CAP Loan repayment performance to Experian. The other credit bureaus will often be able to see the credit information as well. CAP Loans and other personal loans that perform as agreed help improve your credit report and can increase your credit score.

Is my credit information secure?

Yes, we handle your credit information with strict confidentiality and in compliance with data protection regulations. However, it's also important to monitor your own credit activity to protect against identity theft.

If you have additional questions, please contact the Armed Forces Mutual Member Benefits or Policy Services team at **800-522-5221**.

Glossary

AFB = Armed Forces Bank

CAP Loan = Career Assistance Program Loan

DAO = Defense Accounting Office

DFAS = Defense Finance Accounting System

Experian, Equifax, TransUnion = the 3 major national credit bureaus

EZ-Pay = automated method of making bank drafts

FO = Finance Office

MyPay = DFAS payment system