

**CFS**

COMMAND FINANCIAL  
SPECIALIST

# CFS Student Manual

First Edition

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**CFS**

COMMAND FINANCIAL  
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# CFS 1 Welcome, Introduction and Administration

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Student Manual

## I. INTRODUCTION

Welcome to the Command Financial Specialist Training Course! In this first training chapter, we will have participant introductions; review course administration, the purpose of the training and the course agenda; and complete the course pretest. As we proceed through today's topics, you will become familiar with the Command Financial Specialist Program and understand more fully why you are here and why your command has chosen you to be one of its representatives.

### Chapter Correlation to Common CFS Task Areas:

- 1. Education and Training:** Introduces you to major topic areas via agenda review. Training techniques include active participation, chapter review, lecture, and student introductions.
- 2. Information and Referral:** Introduces you to major topic areas via agenda review and the pretest. Introduces students to each other as possible referral resources.
- 3. Counseling/Coaching:** Introduces you to major topic areas via agenda review. Counseling/coaching technique practice begins with introductions.



## II. LEARNING OBJECTIVES

N/A (this is an administrative chapter)

## III. REFERENCES

Navy OPNAVINST 1740.5D

Marine Corps MCO 1700.37

Army DoDI 1342.22-D

Coast Guard COMDTINST 1740.8 (series)

*Kirkpatrick, D.L. (2007). Implementing the Four Levels: A Practical Guide for Effective Evaluation of Training Programs. San Francisco: Berrett-Koehler Publishers Inc.*

*McCain, D.V. (2005). Evaluation Basics. Alexandria, VA: ASTD Press*

## IV. CONTENT

### Course Terminal Objectives

Upon completion of this course, learners should be able to:

- Construct, organize and/or manage a comprehensive, proactive PFM program at the command level (which may be measured by quarterly reporting requirements).
- Conduct effective PFM education and training using the PFM Standardized Curriculum and Touchpoint Training materials.
- Provide appropriate information and referral resources for clients evidenced by participation in class role-play and case studies.
- Conduct effective one-on-one counseling/coaching for clients using Solution-Focused Financial Counseling tools and techniques.

### Financial Training Topics

The course will provide training designed to teach you how to be a CFS and training designed to teach you how to use the Touchpoint Training materials.

Specific topics covered during the Command Financial Specialist Training are:

#### Core Curriculum:

CFS 1 Welcome, Introduction and Administration  
CFS 2 The Need for PFM  
CFS 3 Introduction to CFS  
CFS 4 Introduction to Managing Finances  
CFS 5 Introduction to Financial Counseling  
CFS 6 Financial Counseling Application (Jordan Dough)  
CFS 7 Introduction to the Financial Planning Worksheet (FPW)  
CFS 8 Morgan Wayne Case Studies  
CFS 9 Personal Financial Recordkeeping  
CFS 10 Legal Issues of PFM  
CFS 11 Your Credit and Your Clearance  
CFS 12 Financial Referral Resources  
CFS 13 Instructional Techniques  
CFS 14 Survivor Benefit Plan  
CFS 15 Developing Your Program

#### Touchpoint Curriculum:

TC 1 Introduction to Touchpoint Curriculum  
TC 2 First Duty Station  
TC 3 Permanent Change of Station (PCS)  
TC 4 Promotion  
TC 5 Vesting in the TSP  
TC 6 Entitlement to Continuation Pay (CP)  
TC 7 Marriage  
TC 8 Welcoming Your First Child  
TC 9 Preparing for Divorce  
TC 10 Disabling Sickness or Condition  
TC 11 Leadership Training  
TC 12A Pre-Deployment  
TC 12B Post-Deployment

Financial topics not covered in the CFS Course are:

Banking and Financial Services  
Car Buying  
Consumer Awareness  
Credit Management  
Gambling Awareness  
Home Buying/Renting  
How to Survive the Holidays Financially  
Military Pay Issues  
Paying for College  
Paying off Your Student Loans

Planning for Your Retirement  
Raising Financially Fit Kids  
Renting  
Saving and Investing  
Smart Transition Planning  
Your Insurance Needs  
Vacation Planning  
First Duty Station  
Post-Deployment  
Thrift Savings Plan

# Meet Your Classmates

Pair up with another class member and interview them for answers to the following questions:

1. Name:
2. Command:
3. Job or position at command:
4. What do you hope to learn in CFS training?
5. How will you use what you learn during the course?
6. What non-military financial experience do you bring to the classroom?

# CFS Course Materials

## Student Manual

Your manual is separated into two sections. The first section includes the CFS chapters that provide information on how to be a CFS. These chapters are numbered as CFS 1, CFS 2, etc. The order follows course topics except CFS 6 which is presented later in the course, but conveniently located in this Student Manual next to CFS 5 for ease of use during the counseling role-play. The second section includes the Touchpoint chapters that introduce learners to the Touchpoint Training materials. These chapters are numbered as TC 1, TC 2, etc. The order follows the roadmap to financial success (as discussed later in the course). This Student Manual is your workbook for the class, and it is yours to keep. We will be actively using the pages in this workbook to complete both in-class activities and after-class homework. Please make notes as we proceed through the information on each topic so that you can refer to them later as needed.

### Each CFS chapter will be structured as follows:

- I. Introduction
- II. Learning Objectives
- III. References
- VI. Content

### Each TC chapter will be organized as follows:

- I. Introduction
- II. Learning Objectives
- III. References
- IV. Acronyms and Abbreviations
- V. Touchpoint Toolbox
- VI. Additional Learning and Activities

The Student Manual has been developed as a standardized workbook and companion to the CFS training class. Some of the material is generic in nature. You should use this workbook to make notes on your military branch, local information, and any updated information provided to you during the course.

### To facilitate the use of these instructional materials, the following terms and acronyms will be used:

Command Financial Specialist Training .....	<b>CFST</b>
Command Financial Specialist .....	<b>CFS</b>
Command Financial Specialist Instructor Guide.....	<b>IG</b>
Command Financial Specialist Training Instructor .....	<b>Instructor</b>
Command Financial Specialist Training Participants.....	<b>Learners</b>
Command Financial Specialist Training Student Manual .....	<b>SM</b>
Financial Planning Worksheet .....	<b>FPW</b>
Personal Financial Management Standardized Curriculum .....	<b>PFMSC</b>
Personal Financial Management .....	<b>PFM</b>
Touchpoint Curriculum.....	<b>TC</b>

## Common CFS Task Areas

The Personal Financial Management program has three common CFS task areas across military branches: education and training, information and referral, and counseling/coaching. These are woven throughout the course:

### Chapter Correlation to Common CFS Task Areas:

- 1. Education and Training:** This topic is covered both through modeling and direct training on the topic. PFM Touchpoint Curriculum modules are used directly throughout the course and both the PFM Standard Curriculum (PFMSC) and Touchpoint Training material will be provided to you to use both as a resource for content and for program development. Although training techniques and Touchpoint Training materials are modeled, the PFMSC modules are not modeled. However, you are provided with all the training materials you need to conduct successful PFM education and training in accordance with your branch of service's policy. Instructional techniques will be reviewed to reinforce further the techniques that have been modeled.
- 2. Information and Referral:** This topic is woven throughout the course and most topics will include sources of help. Guest speakers are invited from common referral resources such as the Navy-Marine Corps Relief Society (NMCRS), Army Emergency Relief (AER), Coast Guard Mutual Assistance (CGMA), Fleet and Family Support Center (FFSC), Marine-Corps Community Services (MCCS) Marine & Family Programs, Army Community Service (ACS), and Coast Guard Office of Work-Life. The topic is supplemented with dedicated resource training where students are given mini-case studies. Other resources presented during the course can include speakers from the local disbursing or admin office, Legal Services Office, nonprofit debt-management counseling agencies, exchange, credit-reporting agencies, TRICARE, base housing, the Exceptional Family Member or Special Needs program, and experienced Command Financial Specialists. You will have been exposed to a wide variety of referral resources either in person or through case study by the end of the course.
- 3. Counseling/Coaching:** You will be exposed to counseling/coaching tools and techniques throughout the course and during counseling role-plays. Solution-Focused Financial Counseling and an 8-Step counseling cycle are introduced early in the training, and specific skills in Solution-Focused Financial Counseling are practiced via lecture and role-plays.

The introduction for each CFS chapter includes a "Chapter Correlation to Common CFS Task Areas" section. To locate this section, look for this symbol at the beginning of each chapter (see the CFS 1 *Welcome, Introduction and Administration* example on page 1-1).





## **DVDs or DoD Website**

All of the Personal Financial Management Standardized Curriculum (PFMSC) materials and Touchpoint Training materials will be provided to you for your future use. You will also be provided a variety of materials to assist you in your job as a CFS. These items are yours to keep at your command. They will provide you with additional reference information and training materials, as well as forms used for the CFS Program. In addition to these materials being available on your PFMSC DVD, you can also find them on the DoD website or via your Installation Family Support Center's CFS Instructor.

## **Learner-Centered Activities**

Command Financial Specialist Training is conducted using many different training techniques. As adult learners, you are expected to participate in all aspects of the training. You are encouraged to speak openly and to respect each other's opinions. Your full participation in all class activities, including practical applications to be done after class, is vital to the success of this training.

## **Dot-com Disclaimer**

During the course, you will hear references to a variety of websites. These sites are for educational purposes only. No warranty is made regarding their accuracy or quality, nor does using the information on these sites constitute an endorsement of the site, its products or its services. Other sites with similar information may be available and may prove equally useful.

# CFS Course Evaluation

## CFS Training — Monday: “Personal Financial Management”

(Dates: \_\_\_\_\_ )

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Somewhat Agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
<b>Welcome, Introduction and Admin (CFS 1)</b>					
Instructor was knowledgeable – Instructor Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>The Need for Personal Financial Management (CFS 2)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Introduction to Command Financial Specialist (CFS 3)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Introduction to Managing Finances (CFS 4)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Financial Counseling (CFS 5)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Introduction to the Financial Planning Worksheet (CFS 7)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>eFPW Walk-Through of Morgan Wayne Case Study One (CFS 8)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What was most impactful from today’s modules?

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Please list any suggestions on how best to improve the content or organization of the material presented:

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*Thank you for your feedback so we can provide the best course possible.*

# CFS Course Evaluation

## CFS Training — Tuesday: “Referral Resources”

(Dates: \_\_\_\_\_ )

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Somewhat Agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
<b>Personal Financial Recordkeeping (CFS 9)</b>					
Instructor was knowledgeable – Instructor Name _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Legal Issues of Personal Financial Management (CFS 10)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Your Credit and Your Clearance (CFS 11)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Financial Referral Resources with Case Studies (CFS 12)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Referral Resources Guest Speakers</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Instructional Techniques (CFS 13)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Morgan Wayne Case Study Two (CFS 8)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What was most impactful from today's modules?

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Please list any suggestions on how best to improve the content or organization of the material presented:

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*Thank you for your feedback so we can provide the best course possible.*

# CFS Course Evaluation

## CFS Training — Wednesday: “Touchpoint Day 1”

(Dates: \_\_\_\_\_ )

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Somewhat Agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
<b>Touchpoint Tools (TC 1)</b>					
Instructor was knowledgeable – Instructor Name _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Presentation 1: Vesting in the TSP (TC 5)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Presentation 2: Entitlement to Continuation Pay (TC 6)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Presentation 3: Permanent Change of Station (TC 3)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Presentation 4: Promotion (TC 4)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Morgan Wayne Case Study Three (CFS 8)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What was most impactful from today’s modules?

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Please list any suggestions on how best to improve the content or organization of the material presented:

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*Thank you for your feedback so we can provide the best course possible.*

# CFS Course Evaluation

## CFS Training — Thursday: “Touchpoint Day 2”

(Dates: \_\_\_\_\_ )

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Somewhat Agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
<b>Morgan Wayne Case Study Four (CFS 8)</b>					
Instructor was knowledgeable – Instructor Name _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Presentation 5: Leadership Training (TC 11)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Presentation 6: Pre-Deployment (TC 12A)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Presentation 7: Major Life Event (TC 7-10)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Presentation 8: Major Life Event (TC 7-10)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Financial Counseling Application (CFS 6)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What was most impactful from today’s modules?

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Please list any suggestions on how best to improve the content or organization of the material presented:

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*Thank you for your feedback so we can provide the best course possible.*

# CFS Course Evaluation

## CFS Training — Friday: “Program Development”

(Dates: \_\_\_\_\_ )

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Somewhat Agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
<b>Survivor Benefit Plan (CFS 14)</b>					
Instructor was knowledgeable – Instructor Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Developing Your Program (CFS 15)</b>					
Instructor was knowledgeable _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content was clear and understandable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<i>Excellent</i>	<i>Very Good</i>	<i>Good</i>	<i>Fair</i>	<i>Poor</i>
<b>Effectiveness of this course in preparing me to be a CFS</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>My level of knowledge before this course</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>My level of knowledge after this course</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What was most impactful from today’s modules?

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What are 1-3 things about the CFS course that could be improved to better support learning?

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Please indicate if/how your outlook toward personal finance has changed because of this course:

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What parts of this course have best prepared you for providing CFS duties at your command?  
(consider both pre-work and course work)

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*Thank you for your feedback so we can provide the best course possible.*

# Daily Homework

## Pre-Work (completed prior to the course)

- a. Completely read your Service-Specific PFM Program Policy (in Appendix A).
- b. Completely read your Service-Specific Indebtedness Policy (in Appendix B).

## Day One

- a. Complete *How Do You Rate as a Money Manager?* and the *Financial Values Clarification* sheets on pages 5-12 and 5-13 of the Student Manual.
- b. Print your personal credit report and bring it to class on Tuesday morning.
- c. Answer questions in CFS 13 *Instructional Techniques* and read chapter.
- d. Begin your *Personal Financial Planning Worksheet*, to be handed in Wednesday morning.
- e. If you have a laptop with Microsoft Excel available, please bring it to class the rest of the week.

## Day Two

- a. FPW: Complete your *Financial Planning Worksheet*, to be handed in first thing in the morning.

## Day Three

- a. Read CFS 5 *Financial Counseling* and CFS 6 *Financial Counseling Application* (pay special attention to Role-Play: Jordan Dough Student Manual Instructions on page 6-10 in preparation for the counseling Role-Play).

## Day Four

- a. Complete the Plan of Action and Milestones on page 15-9 of your Student Manual. This should reflect your plans for functioning as a CFS when you return to your command.
- b. Reminder: Completed Course Evaluations are your ticket out of class at the end of training, so ensure you have completed evaluations for Day One through Four tonight (pages 1-7 through 1-10 of your Student Manual).

# CFS Course Agenda

## Monday

### Introduction to Personal Financial Management

Welcome, Introduction and Administration with Pretest (CFS 1)  
The Need for Personal Financial Management (CFS 2)  
Introduction to Command Financial Specialist (CFS 3)  
Introduction to Managing Finances and What Are My Options? Exercise (CFS 4)  
Financial Counseling (CFS 5)  
Introduction to the Financial Planning Worksheet (CFS 7)  
eFPW Walk-Through of Morgan Wayne Case Study One (CFS 8)  
Daily Debrief and Evaluation

## Tuesday

### Referral Resources

Personal Financial Recordkeeping (CFS 9)  
Legal Issues of Personal Financial Management (CFS 10)  
Your Credit and Your Clearance (CFS 11)  
Financial Referral Resources with Resource Case Studies and Guest Speakers (CFS 12)  
Instructional Techniques (CFS 13)  
Morgan Wayne Case Study Two (CFS 8)  
Daily Debrief and Evaluation

## Wednesday

### Touchpoint Day 1

Touchpoint Tools (TC 1)  
Presentation 1: Instructor Example of Vesting in the TSP (TC 5)  
Team Assignments  
Team Work Time  
Presentation 2: Team A – Entitlement to Continuation Pay (TC 6)  
Presentation 3: Team B – Permanent Change of Station (TC 3)  
Presentation 4: Team C – Promotion (TC 4)  
Morgan Wayne Case Study Three (CFS 8)  
Daily Debrief and Evaluation

## Thursday

### Touchpoint Day 2

Morgan Wayne Case Study Four (CFS 8)  
Presentation 5: Team D – Leadership Training (TC 11)  
Presentation 6: Team E – Pre-Deployment (TC 12A)  
Presentations 7 and 8: Teams F & G – Major Life Events –  
Marriage (TC 7); Welcoming Your First Child (TC 8); Preparing for Divorce (TC 9);  
Disabling Sickness or Condition (TC 10)  
Financial Counseling Application (CFS 6)  
Daily Debrief and Evaluation

## Friday

### Program Development

Survivor Benefit Plan (CFS 14)  
Developing Your Program (CFS 15)  
Post-test  
Course Debrief and Evaluation  
Presentation of Certificates



# Navy & Marine Corps CFS Student Data Card

Name: \_\_\_\_\_ Rate/Rank: \_\_\_\_\_

DoD#: \_\_\_\_\_ Branch of Service: \_\_\_\_\_

Command (do not abbreviate): \_\_\_\_\_

Installation or Duty Station: \_\_\_\_\_

Work email: \_\_\_\_\_

Work Phone: \_\_\_\_\_ Rotation Date (PRD): \_\_\_\_\_

Present Position: \_\_\_\_\_

Date Attended Training: \_\_\_\_\_ Location: \_\_\_\_\_

## DATA REQUIRED BY THE PRIVACY ACT OF 1974

*AUTHORITY: 5 U.S.C. Sec 301, which allows the Secretary of the Navy to make regulations for the Department of the Navy. One of these regulations, SECNAVINST 1754.1B, establishes the Navy Family Services Center Program. 5 U.S.C. Sec 552a, safeguards individual privacy from the misuse of federal records.*

*PRINCIPAL PURPOSE: To enable the Chief of Naval Education and Training to record and track graduates of the Command Financial Specialist Training Course. DOD ID Number will be used to provide positive identification.*

*ROUTINE USES: The information obtained will become part of the Corporate enterprise Training Activity Resource System (CeTARS) and may be disclosed to routine users of such system. Unauthorized users will not have access to this protected information.*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*This form is only required for Marines and Sailors attending the course to facilitate entry into their training records. It needs to be filled out completely and signed.*



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# CFS 2 The Need for PFM

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Student Manual

## I. INTRODUCTION

The goal of this training topic is to provide an introduction to the importance of all Americans managing their finances and an overview of typical financial problems and concerns experienced by Service members. We will discuss the “presenting” financial concerns that may bring Service members to see you, as well as the real reasons, emotional fallout, and implications of various financial issues.

### Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** Models lecture, class participation, and training techniques
2. **Information and Referral:** No direct correlation
3. **Counseling/Coaching:** Introduces learners to the types of presenting financial problems they will encounter while working with clients, the real reasons financial problems occur, and typical emotional fallout from financial problems



## II. LEARNING OBJECTIVES

Learners will use a group activity to distinguish among and list at least four presenting problems, real reasons, emotional fallout, and implications of financial problems.

## III. REFERENCES

*Institute, M.F. (1997). Scope and Impact of Personal Financial Management Difficulties of Service Members*

*P. Tiemeyer, C.W. (1999). Financial Management Problems Among Enlisted Personnel*

*Personal Financial Management Standardized Curriculum. (2016). CNIC Family Readiness Program*

*Manager Phuong, R.B. (2002). Assessing the Personal Financial Problems of Junior Enlisted Personnel Santa Monica: RAND Corporation*

*(2003). Report on Personal and Family Financial Management Problems. RAND Corporation*

## IV. CONTENT

# Financial Problems and Concerns



“**Presenting Financial Concerns**” are the types of issues that will motivate a client to come and see you as the Command Financial Specialist.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

“**Real Reasons**” the client might be coming to see you. This is some of the meat of your job as a CFS — listening to the Presenting Financial Concerns while trying to discern the Real Reasons for the problems.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_

# Financial Problems and Concerns



“**Emotional Fallout**” a client may be experiencing. These are the personal issues that can be linked directly to the client’s financial problems. Your job as a CFS is to recognize that there is emotional fallout and make a referral to the proper resource.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

“**Implications**” of financial problems. These are detrimental impacts of personal financial problems for the Service member, the command, and the military.

## Civilian Implications

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

## Military Implications

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

# Financial Risk Factors for Military Members



- Youth/immaturity
- Early independence
- Earlier family responsibilities
- Unemployed or underemployed spouse
- Having children earlier
- Deployments
- Frequent moves
- Separation from extended family
- High cost of living
- Stability of employment
- Availability of easy credit
- National savings rate

## Notes





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# CFS 3 Introduction to CFS

★  
Student Manual

## I. INTRODUCTION

The goal of this training topic is to provide an introduction to the military's PFM Program and a review of your branch of service's PFM Program Policy (which details your roles and responsibilities as a CFS). This topic will begin the discussion of how you as the CFS can use your skills to help fellow Service members.

### Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** Introduces tasks. Introduces you to specific topic areas of training via review of the PFM Policy, models lecture, class participation, and training techniques.
2. **Information and Referral:** Introduces tasks.
3. **Counseling/Coaching:** Introduces tasks.



## II. LEARNING OBJECTIVES

Using the PFM Program Policy from their branch of service, learners will locate the key areas directly impacting their role as a CFS.

## III. REFERENCES

*DoD Instruction (DoDI) 1342.22 policy, assigns responsibilities, and establishes procedures for the provision of military family readiness services*

*OPNAV 1740.5D. (n.d.). United States Navy Personal Financial Management (PFM)*

*MCO 1700.37 United States Marine Corps Personal Financial Management Program (PFMP)*

*Army Regulation 608–1 Army Community Service*

*COMDTINST 1740.8 (series) United States Coast Guard Financial Management Program (PFMP)*

## IV. CONTENT



# Policy Review Form

**DIRECTIONS:** Use your Service-Specific PFM Program Policy in Appendix A to locate the answers to the questions for your branch of service. Highlight the answers in the policy and list the location where you found each answer below.

## NAVY

What are the four major elements of the Navy's PFM Program?

What is the responsibility of the Wardroom and Chief Petty Officers' Mess?

What are the responsibilities of individual Sailors?

What are the minimum requirements to be reviewed in an ISIC's inspection?

# Policy Review Form



## **MARINE CORPS**

Which preventative and intervention services are included in the Marine Corps' PFM Program?

List two of the responsibilities of the Commanding Officers (CO), Officer(s)-in-Charge (OICs), Inspectors-Instructors (I&Is), and Detachment Commanders?

What is the Extended Absence Financial Plan that a CFS assists Marines in developing?

What are the responsibilities of the Inspector General of the Marine Corps?

# Policy Review Form

## COAST GUARD

What are the seven elements of the Coast Guard's PFM Program?

How often must the CFS provide updates to the HSWL Regional Practice (HSWL-RP) PFM?

What are the responsibilities of individual Coast Guard Service members and civilians?

How often should the CFS report to the CO/XO the CFS activity (referrals and training) conducted at their command/unit?

# CFS Roles and Responsibilities

To support mission readiness, and in accordance with DoD INST 1342.27 (12 Nov 04), Personal Financial Management (PFM) policies across the services, mandate that each installation provide a PFM program.

## Components of PFM Program by Military Branch

	NAVY	MARINE CORPS	ARMY	COAST GUARD
Education and Training	✓	✓	✓	✓
Information and Referral	✓	✓	✓	✓
Financial Counseling	✓	✓	✓	✓
Financial Coaching		✓		
Consumer Advocacy	✓		✓	
CFS Program				✓
Outreach			✓	✓
Collaboration and Coordinating			✓	✓
CG SUPRT Financial Wellness Program				✓

The PFM program emphasizes a proactive, military career life-cycle approach to personal financial responsibility.

The Command Financial Specialist (CFS), as the officially designated command unit-level representative, is the core of the PFM program.

## Responsibilities of a CFS by Military Branch

	NAVY	MARINE CORPS	ARMY	COAST GUARD
Education and Training	✓	✓		✓
Information and Referral	✓	✓		✓
Financial Counseling	✓			
Initial Financial Coaching/Counseling		✓		
Basic Budgeting				✓
Consumer Advocacy	✓			

**Note:** At the time of this publication, the U.S. Army does not have an Army Regulation for the Command Financial Specialist program, however local regulations may apply.



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# CFS 4 Introduction to Managing Finances

★  
Student Manual

## I. INTRODUCTION

As a Command Financial Specialist, you are expected to assist members in your command in their efforts to help themselves. You will become capable of guiding Service members in developing a plan for earnings, spending, saving and achieving their goals. This is a financial plan and is the foundation of your CFS efforts. This chapter provides an overview of the financial planning process and the Financial Planning Pyramid. This overview functions as a road map, showing you where this topic fits into the whole of financial planning. The Financial Planning Pyramid is used throughout the course and the PFMSC. It is introduced and used as early as possible so you can become thoroughly familiar with it.

### Chapter Correlation to Common CFS Task Areas:

- 1. Education and Training:** Several training techniques are used in this chapter, including active lecture and group brainstorming activities.
- 2. Information and Referral:** Learners become familiar with an important referral tool and are exposed to information and referral aspects of reducing living expenses.
- 3. Counseling/Coaching:** Learners get hands-on experience with the goal-setting process, which puts clients in a “future” orientation, a key element of Solution-Focused financial counseling.



## II. LEARNING OBJECTIVES

The learner will write one short-term, one medium-term, and one long-term goal using the SMART criteria.

The learner will gain an understanding of how compound interest and inflation will affect their saving and investing goals.

Working in small groups, the learners will identify various ways to reduce living expenses in the Housing/Utilities, Transportation, Food, Entertainment, Communication, Children and Child Care, Clothing, Digital Spending, Vacations, and Holiday Spending categories.

## III. REFERENCES

*Personal Financial Management Standardized Curriculum: Developing Your Spending Plan, Military Pay Issues, and Credit Management Modules*

Waddell, Fred. *Solution Focused Financial Counseling in the New Millennium*.  
Auburn, Ala.: Genesis Press, 2001

Garman, E. Thomas, and Forgue, Raymond E. *Personal Finance, 5th Ed.* Boston, Mass.:  
Houghton Mifflin Co., 1997

<https://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-Human-Resources-CG-1/Pay-and-Personnel-Center-PPC/> (Pay and Personnel Center)

[www.bls.gov](http://www.bls.gov) (Department of Labor Consumer Expenditure Survey)

[www.fns.usda.gov/wic](http://www.fns.usda.gov/wic) (Women, Infants and Children)

<https://login.milsuite.mil/?goto=https%3A%2F%2Fwww.milsuite.mil%3A443%2Fbook%2Fgroups%2Fcnic-personal-financial-management-program-wfl> (milSuite)

[https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm)

## IV. CONTENT

# SMART Goals

**Specific**

**Measurable**

**Achievable**

**Realistic**

**Time-Bound**

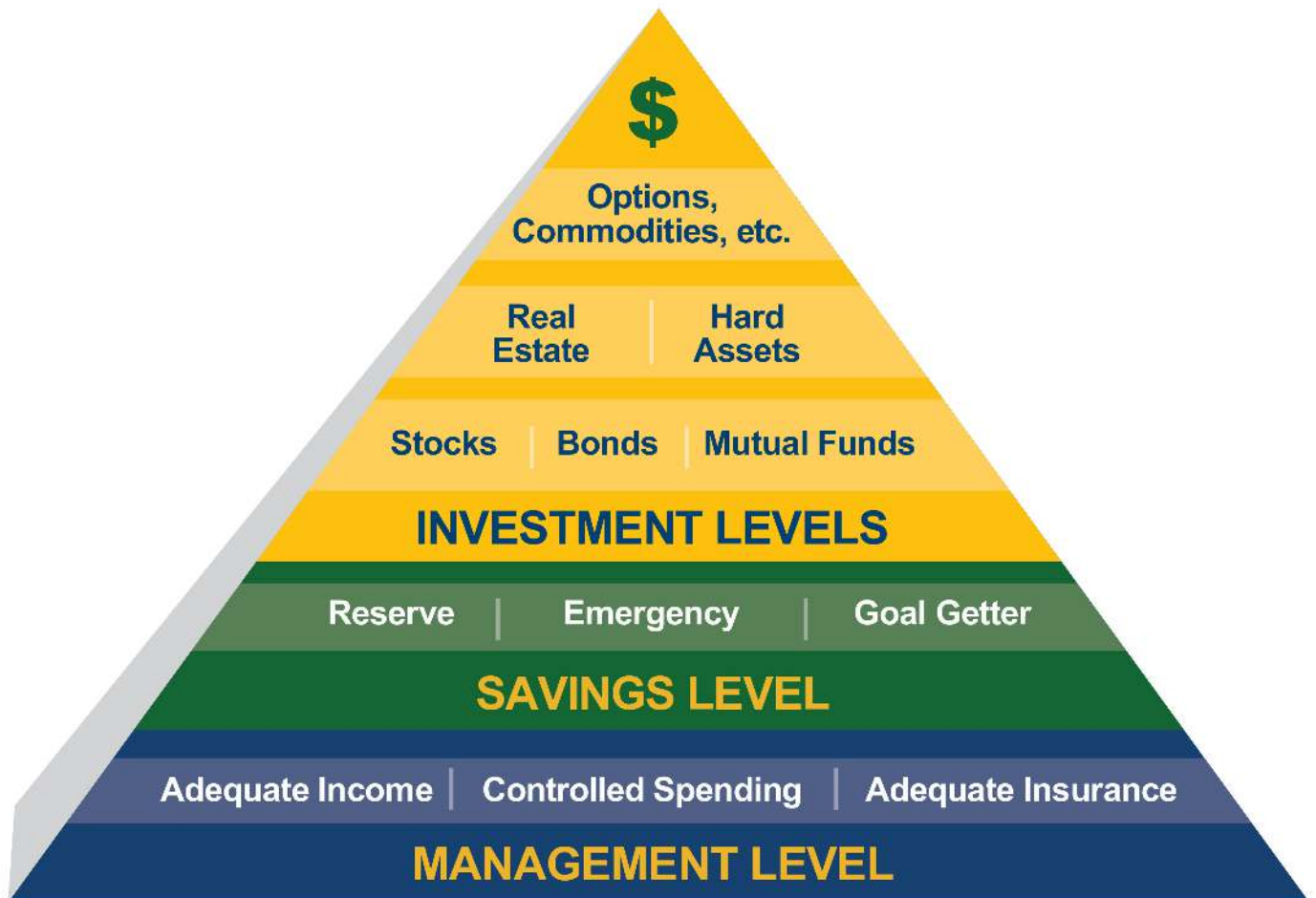
**Short-Term Goal (1 month – 1 year)**

**Medium-Term Goal (1 – 5 years)**

**Long-Term Goal (5 – 10 years)**



# Financial Planning Pyramid



# Activity: What Are My Options?



**What Are My Options? A group activity in ways to reduce living expenses.**

You will be assigned one of the following 10 categories of expenses. Brainstorm with your group to determine ways in which your future clients could reduce their living expenses to free up dollars for use elsewhere in their spending plan.

## **Expenses Categories:**

- |                      |                            |
|----------------------|----------------------------|
| 1. Housing/Utilities | 6. Children and Child Care |
| 2. Transportation    | 7. Clothing                |
| 3. Food              | 8. Digital Spending        |
| 4. Entertainment     | 9. Vacations               |
| 5. Communication     | 10. Holiday Spending       |

Use this space to record responses on ways to reduce living expenses.

---

## **HOUSING/UTILITIES:**

Referral Resources:

---

## **TRANSPORTATION:**

Referral Resources:

---

# Activity: What Are My Options? (continued)



**FOOD:**

Referral Resources:

---

**ENTERTAINMENT:**

Referral Resources:

---

**COMMUNICATION:**

Referral Resources:

# Activity: What Are My Options? (continued)



## CHILDREN AND CHILD CARE:

Referral Resources:

---

## CLOTHING:

Referral Resources:

---

## DIGITAL SPENDING:

Referral Resources:

# Activity: What Are My Options? (continued)



## VACATIONS:

Referral Resources:

---

## HOLIDAY SPENDING:

Referral Resources:

---



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# CFS 5 Financial Counseling

★  
Student Manual

## I. INTRODUCTION

As a CFS, you will be called upon to provide financial counseling to Service members and possibly their family members. This chapter provides an overview to a specific type of counseling called Solution-Focused Financial Counseling and to an 8-Step Counseling Cycle. This is an introductory segment that will be explored in further detail during the week and put into practice through practical application during counseling role-play. Communication skills and the art of listening are important CFS abilities that will be demonstrated and discussed here and throughout the week.

### Chapter Correlation to Common CFS Task Areas:

- 1. Education and Training:** This chapter has no direct correlation to Education and Training. Some of the forms (tools) introduced have educational application.
- 2. Information and Referral:** The process of making referrals is presented in the context of the counseling cycle.
- 3. Counseling/Coaching:** Solution-Focused Financial Counseling is introduced. A practical 8-Step Counseling Cycle is introduced. Counseling tools are introduced. Counseling session structure and procedures are discussed.



## II. LEARNING OBJECTIVES

Using a multiple-choice exercise, learners will identify correctly the appropriate application of Solution-Focused Financial Counseling principles.

Learners will demonstrate a basic understanding of the 8-Step Counseling Cycle by developing at least one appropriate question for each stage.

Working in pairs, learners will demonstrate appropriate counseling communication skills.

Learners will demonstrate knowledge and appropriate uses of key counseling tools by completing them for homework.

### **III. REFERENCES**

*Waddel, Fred. Solution Focused Financial Counseling in the New Millennium. Auburn, Ala.: Genesis Press, 2001.*

*Pulvino, Charles, and Lee, James. Financial Counseling: A Strategic Approach. Madison, Wis.: Instructional Enterprises, 1991.*

*Credit Counseling Centers Inc. Credit Counselor Training Handbook. Southfield, Mich.: Credit Counseling Centers Inc., 1990.*

### **IV. CONTENT**



# Applying SFFC: The Best Response

Circle the response that you think best fits the client statement. Consider the principles of Solution-Focused Financial Counseling when choosing the best response, and be prepared to justify your choice.

Client Statement	The Best Response
<p>1. <i>My debit card gets rejected between paydays. I can't manage my money.</i></p>	<p>a. That sounds tough.            b. Are you spending all the money or is your partner?            c. Can you think of a time when this doesn't happen?            d. How long has this been going on?</p> <p><i>* Best response helps client find exception to problem.</i></p>
<p>2. <i>I can't track my spending.</i></p>	<p>a. What would happen if you did track your spending?            b. Why can't you track it?            c. Most people find that hard to do.            d. It isn't that critical at this time.</p> <p><i>* Best response has a future orientation.</i></p>
<p>3. <i>I've never been able to budget my money.</i></p>	<p>a. Is that a common problem?            b. Have you ever stuck to a diet?            c. Maybe you don't have the right help.            d. What do you need in order to begin budgeting?</p> <p><i>* Best response helps client find exception to</i></p>
<p>4. <i>I worry about money and my financial future.</i></p>	<p>a. Yes, worrying will cause you significant stress.            b. When do you not worry?            c. Do you know anyone who doesn't worry about that?</p> <p><i>* Best response helps client find exception to problem.</i></p>
<p>5. <i>I always screw up with my money.</i></p>	<p>a. You're in good company.            b. What typically happens when you screw up?            c. What is one good thing you've done for your situation?            d. Most people feel the way you do.</p> <p><i>* Best response looks for something positive on which to build.</i></p>

# The 8-Step Counseling Cycle



# Two-Minute Brainstorming Activity



Write down at least one question you would use for each step in the 8-Step Counseling Cycle

1. Prepare for the Counseling Session

---

---

---

2. Build the Relationship

---

---

---

3. Gather Data

---

---

---

4. Prioritize Concerns

---

---

---

5. Explore Options

---

---

---

6. Construct Solutions

---

---

---

7. Implement the Plan

---

---

---

8. Monitor and Follow Up

---

---

---

# Financial Counseling Checklist

Your next meeting is \_\_\_\_\_ (day/date)  
at \_\_\_\_\_ hrs,  
at \_\_\_\_\_ (location)

Please bring the following items to assist in our meeting:

Item	Remarks
_____ Most recent LES/Payslip	_____
_____ Bills (past/anticipated)	_____
_____ Correspondence from creditors	_____
_____ Contracts	_____
_____ Your personal budget	_____
_____ Completed Financial Planning Worksheet (FPW)	_____
_____ Checking account and/or credit card statement(s)	_____
_____ Creditor complaints received by command	_____
_____ Statement of Reasons/Letter of Intent	_____
_____ Most recent credit report from <i>www.annualcreditreport.com</i>	_____
_____ Others	_____

Financial Counselor \_\_\_\_\_  
Telephone \_\_\_\_\_  
Email \_\_\_\_\_

# Sample Appointment Email

Dear (Client Name),

Your financial appointment is scheduled for \_\_\_\_\_ (date) at \_\_\_\_\_ (time) at \_\_\_\_\_ (location).

Please bring the following items to your appointment:

- 1. Most recent LES/Payslip**
- 2. Other pay statements**
- 3. Record of any other monthly income**
- 4. Monthly bills and payments**
  - a. Cellphone
  - b. Cable
  - c. Internet
  - d. Insurance
  - e. All other monthly bills
- 5. Monthly miscellaneous spending (use your statements to categorize)**
  - a. Food
  - b. Gasoline
  - c. Clothing
  - d. Entertainment
  - e. Personal care
  - f. Alcohol and tobacco
  - g. All other monthly expenses
- 6. Debt payments (include minimum monthly payment, balance, and APR\*)**
  - a. Car loans
  - b. Personal loans
  - c. Student loans
  - d. Credit cards
  - e. Military relief society loans
  - f. TSP loan
  - g. All other debts
- 7. Balances of accounts**
  - a. Checking
  - b. Savings
  - c. Investments
  - d. TSP

*\*APR is your annual percentage rate. APR will not show on your credit report. If your account shows an interest rate and no APR, bring the interest rate instead.*

**Very respectfully,**  
(CFS name)

# Your Financial Counseling Book

Compiling a financial counseling notebook with just the essential forms and reference materials you will need for most counseling sessions will help you be better prepared and organized for the interview. Materials to include in your financial counseling notebook.

Privacy Act Statement (if applicable for your branch of Service)

Financial Planning Worksheets

Debt-to-Income Ratio Sheet

Pay Tables (or link to Pay Tables saved on computer)

Tax Tables (or link to Tax Calculator saved on computer)

IRS Form W-4 (or link to IRS Tax Withholding Estimator saved on computer)

State Income Tax Tables (or link to State Tax Calculator saved on computer)

Sample Letter to a Creditor

Indebtedness Instruction from your branch of Service (see Appendix B for your branch of Service's policy)

Guide for Writing a Case Narrative

Financial Referral Resources

# Navy & Marine Corps Privacy Act Statement



- LEGAL AUTHORITY:** The authority for soliciting and maintaining this information is found in 5 U.S.C. Sect. 301 and 5 U.S.C. Sec 552a, in addition to 10 U.S.C. 6161 and 10 U.S.C. 2774 as added by Public Law 92-453.
- PRINCIPAL PURPOSE:** The Information you provide will help the Command Financial Specialist assist you and your dependents in planning your personal financial affairs.
- ROUTINE USES:** The information collected on this form by the Command Financial Specialist will be used as a chronological consultation sheet to provide aid and insight for future financial counseling sessions, to monitor the progress achieved, and to prepare periodic statistical reports on the financial case load of the Command Financial Education Program. In addition to using the information you provide for the “principal purpose” given above, the blanket routine uses of all Navy Privacy Act systems of records are applicable.
- OTHER DISCLOSURE OF YOUR INFORMATION:** In addition to using the information you give the Command Financial Specialist for the “principal purpose” and “routine uses” given above, your information may be disclosed in certain other situations, as permitted by exceptions to the Privacy Act. These could include disclosures to a commanding officer and other DoD officials in connection with certain security clearances, personnel reliability programs, and family-abuse situations.
- DISCLOSURE IS VOLUNTARY:** The information you provide is strictly voluntary; however, failure to provide this information may result in inadequate facts and hinder or prevent the Command Financial Specialist from being able to assist you.

**I have read and understand the above important information and Privacy Act statement.  
My Command Financial Specialist has explained the contents of the Privacy Act statement to me.**

Date \_\_\_\_\_

Signature \_\_\_\_\_

Spouse \_\_\_\_\_

Witness/Counselor \_\_\_\_\_

# Hierarchy of Concerns

## Immediate critical financial concern

Emergency issues that must be addressed right away.

- Housing: immediate eviction or no housing
- No food
- No transportation
- Clothing: inappropriate for current weather
- Immediate medical attention
- Utility disconnects: shut-offs

## Pressing financial concern

Concerns that are imminent but not an emergency, address within the 10 days

- Involuntary allotments
- Threat of legal actions, repossession or bankruptcy
- Loans placed for collections by creditors
- Creditor complaints received by the command
- Utility disconnects
- Security Clearance reviews/appeals
- Repairs on an essential automobile
- Eviction notices
- Lack of food
- No gasoline for the car
- No diapers for infants
- Pay problems resulting in reduced paycheck
- Emergency leave
- Credit/debit card denials
- Using overdraft protection every month

## Long-term concerns

Issues that are neither immediate and critical, nor pressing, but require assistance.

- Developing a savings plan
- Investment options
- College savings
- Tax issues
- Debt-management plans
- TSP options
- Military retirement
- Buying a home



# Guide to Writing a Case Narrative



1. If the client was referred to the Command Financial Specialist Program, who made the referral (name of person, organization, etc.)?
2. Who attended the counseling session (Service member, spouse or both)?
3. What are the main concerns of the client regarding his/her financial situation (having problems between paydays, establishing a spending plan, delinquent accounts, creditor complaints to the command, etc.)?
4. What circumstances in the past have contributed to the present financial situation (transfer, emergency, loss of income, etc.)?
5. Does the client have any emergency needs (food, eviction, loss of electricity, summons to appear in court for judgment, etc.)?
6. What is the “bottom line” after working up the monthly budget (surplus or deficit)?
7. Was a “breakdown” by paydays and projected budget prepared?
8. What options and/or assistance were given to the client (how to economize on living expenses, how to establish a budget and recordkeeping system, how to contact creditors and make repayment arrangements, etc.)?
9. What referrals were made?
10. Were other people or agencies contacted in regard to the client’s case (name, agency, address, phone number, information shared, agreements made, etc.)?
11. What tasks were assigned to the client (keep record of all spending, contact creditors to establish a repayment plan, etc.)?
12. Was a follow-up session scheduled (date and time)?
13. What was discussed and accomplished at the follow-up session (what has happened since last session, what tasks were accomplished and assigned, what still needs to be addressed, etc.)?
14. When is/was case closed (date and status of the client)?

# How Do You Rate as a Money Manager?

Answer the questions according to your PRESENT financial experiences

	A.	B.	C.
1. I have managed the bulk of my own expenses since I was:	16 to 18	18 to 21	over 21
2. I have my own checking account.	now	at one time	never
3. I have my own savings account.	now	at one time	never
4. I have trouble balancing my checkbook.	never	sometimes	usually
5. I run out of money before the end of the month.	never	sometimes	usually
6. I am bothered by a creditor demanding payment on an overdue bill.	never	sometimes	usually
7. I worry about money.	never	sometimes	usually
8. I have been refused credit.	never	once	more than once
9. I have consumer debt.	never	sometimes	usually
10. I spend more than I planned.	never	sometimes	usually
11. I can afford what I want.	usually	sometimes	never
12. I regret what I buy.	never	sometimes	usually
13. I save regularly.	usually	sometimes	never
14. I enjoy spending money.	never	sometimes	usually
15. I feel as if I've thrown my money away.	never	sometimes	usually
16. My wife/husband thinks I'm a _____	penny pincher	prudent spender	spendthrift
17. I think I'm a _____	penny pincher	prudent spender	spendthrift
18. I like extravagances.	never	sometimes	usually
19. Lack of money is my biggest problem.	never	sometimes	usually
20. I buy on impulse.	never	sometimes	usually
21. I buy ahead.	never	sometimes	usually
22. I have to juggle my creditors.	never	sometimes	usually
23. There are important things I want that I will ____ get.	probably	possibly	never
24. I would go into debt to take a vacation.	never	sometimes	usually
25. I review my net worth.	each year	sometimes	never
26. I count on future raises or bonuses to pay some of my bills.	never	sometimes	always
27. A large portion of my pay goes to online subscriptions.	never	sometimes	usually
28. I overdraft my checking account.	never	sometimes	often
29. I estimate my expenses well.	usually	sometimes	never
30. My monthly rent or mortgage payments are ____ of my monthly after-tax income.	less than 25%	25%	more than 25%

**SCORING:**

A = 1 point

B = 3 points

C = 5 points

**TOTAL:**

**INTERPRETATION:**

110 and above – Spender

70-109 – Balanced

69 and below – Saver

# Financial Values Clarification

This exercise is designed to start you thinking and talking about your financial values in terms of goods and services that are important to you. Spending your money is a very personal thing — what you consider to be a luxury, your spouse or “significant other” may consider a necessity. If necessary, what items could you eliminate from your possessions or goals? Do your work individually — do not consult with your partner.

Respond in accordance with your feelings and not as you “think” you should respond. Beside each of the items listed below, indicate how you would rate each one:

Necessary	Very Useful	Merely Desirable	Luxury	Not Desirable
1. Annual vacation _____		22. Health club membership		
2. Eating out weekly _____		for spouse _____		
3. Washer/dryer _____		23. College education for children _____		
4. Uber/Lyft _____		24. Extra money for liberty		
5. Savings account _____		while deployed _____		
6. Own a home _____		25. Meal delivery services _____		
7. Surround-sound system _____		26. Investments (stocks, bonds) _____		
8. Health club membership		27. Department store credit cards _____		
for yourself _____		28. VISA and Mastercard credit cards _____		
9. Hair and nails _____		29. Health insurance for family _____		
10. Motorcycle _____		30. Second car _____		
11. Movie theater weekly/monthly _____		31. Additional education for yourself _____		
12. Life insurance _____		32. TSP _____		
13. Latest luxury or sports car _____		33. Latest smartphone _____		
14. Online music or movie		34. Online gaming services _____		
streaming services _____		35. Visits with your family _____		
15. Additional education for spouse _____		36. Extra babysitting money		
16. Visits to spouse’s family _____		when spouse is deployed _____		
17. Air conditioning in home _____		37. Sporting events tickets _____		
18. Exchange credit card _____		38. TV sports and cable packages _____		
19. Spend \$100 monthly		39. Base housing _____		
on clothing and/or shoes _____		40. Swim club membership for family _____		
20. Swimming pool in backyard _____		41. Name-brand clothing _____		
21. Checking account _____		42. Boat _____		



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# CFS 6 Financial Counseling Application

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Student Manual

## I. INTRODUCTION

This chapter focuses on counseling skills and assists you in developing a counseling strategy. The session will build on the information learned during the Financial Counseling session provided at the beginning of the week by providing a review of the 8-Step Counseling Cycle and Solution-Focused Financial Counseling. You will further explore Financial Counseling by discussing Counseling Fundamentals, Open-Ended Questions, Common Client Comments, and Measuring Success in Counseling. Lastly, you will receive hands-on experience using role-play.

### Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** This chapter has no direct correlation to Education and Training. Training techniques used include active lecturing, group activity, and role-play.
2. **Information and Referral:** Referrals to appropriate resources should be provided by the CFS during the role-play portion of this session.
3. **Counseling/Coaching:** Learners have the opportunity to practice financial counseling skills via counseling role-play practical application.



## II. LEARNING OBJECTIVES

Participating in a role-play activity, learners will demonstrate effective Solution-Focused Financial Counseling techniques.

## III. REFERENCES

Waddell, Fred. *Solution-Focused Financial Counseling in the New Millennium*. Monetta, VA: Genesis Press, 2001.

Pulvino, Charles, and Lee, James. *Financial Counseling: A Strategic Approach*. Madison, Wis.: Instructional Enterprises, 1991.

All Solution-Focused Financial Counseling components are adapted from Dr. Fred Waddell's manual, *Solution-Focused Financial Counseling in the New Millennium*.

## IV. CONTENT

# The 8-Step Counseling Cycle



# Solution-Focused Financial Counseling Facts to Remember

Solution-Focused Counseling is a way of thinking, a way of conversing with clients, and a way of constructing solutions interactively.

The Solution-Focused Counseling session structure is:

1. Short-term
2. Goal-oriented
3. Task-centered
4. Positive
5. Encouraging

SFFC builds on basic techniques such as eye contact, reflective listening, attentive posture, nodding to indicate understanding, positive attitude, mutual respect, empathy versus sympathy, self-disclosure, genuineness, sincerity, honesty, remaining non-judgmental, and asking open-ended versus closed-ended questions. SFFC instructs counselors to do the following in their sessions with clients:

- Ask questions rather than “sell” answers;
- Notice and reinforce evidence of the client’s positive qualities, strengths, resources, and general competence to solve their own problems;
- Work with what people can do rather than focusing on what they can’t do;
- Pinpoint the behaviors a client is already engaging in that are helpful and effective and find new ways to facilitate problem-solving through these behaviors;
- Focus on the details of the solution instead of the problem;
- Develop action plans that work for the client.

## Counseling Fundamentals

1. Normal People, Normal Problems: remember that clients are normal people with normal problems. Initially, most clients will be experiencing one or more of the full range of normal human emotions and feelings such as anxiety, sadness, anger, mild depression, failure, or frustration.
2. Situation will get better or worse without your help: realize that whatever the client’s financial situation, it will either get better or worse even without any intervention by a CFS. Recognize that regardless of what you do, things will change, and with the help of a trained CFS, we increase the likelihood of change in a positive direction.
3. Client has the ability to solve their problem: they just need help in discovering what options and solutions exist. The CFSs can help clients better understand their present situation and motivate them to explore various options that will improve their situation.
4. Clients feel vulnerable: this is why building trust and confidence is so important to the SFFC process.
5. Couples have unique needs: by the time couples seek or are referred for financial counseling, they have already had a number of “intense discussions” about spending money and who played what role in their present financial situation. There is a tendency to blame each other for their present difficulties. It’s important for a CFS to remember that couples have different values regarding the use of money. Avoid playing the role of referee. It is extremely important to get both spouses involved in being part of the solution. In cases where a CFS can work with only one spouse, recognize that whatever plan is developed, it must be “sold” to the spouse who is not present. Joint ownership and joint commitment are essential for any financial plan to succeed.

# Open-Ended Questions

Open-ended questions allow your client to have a voice and allow you to receive more information about the situation versus closed-ended questions that limit or influence the client with a “YES” or “NO” answer. Here are examples to use in your counseling sessions:

*“What would you like to accomplish in the (short) time we have available?  
In other words, what would you like to leave here with?”*

*“I’m wondering, what [problem] has cost you already, not just in terms of dollars, but also in terms of your ability to concentrate on your work, your job performance, your relationship with other key people in your life (e.g. your family), in terms of self-confidence and self-respect, or in terms of peace of mind?”*

*“What specifically do you want to change?”*

*Once you have calculated the surplus or deficit:*

*“Does a \$200 a month deficit sound about right to you?”*

*Once you have calculated the debt-to-income ratio:*

*“Do you feel this is really accurate, or is it too high or low?”*

*“If a miracle were to happen tonight and [the problem] went away, what would your life be like?  
What would be different in the morning?”*

*“When does [the problem] not occur? What is happening when [the problem] doesn’t occur?  
When was the last time [the problem] wasn’t occurring? What was different about that time?”*

*“So, what have you done about this already?” (and what else, and what else)*

*“So, what have you thought about doing?” (and what else, and what else)*

*“What do you see yourself doing first after you leave here today?”*

*“What options will you implement immediately?”*

*“How will you know when they have been implemented?”*

*“What difficulties do you foresee in implementing these options?”*



# Common Client Comments Activity



Clients often have the same concerns and thus CFSs will hear a lot of the same comments from clients. Take the time to discuss the possible responses you could provide to common client comments. The best responses will show empathy, be future focused, and/or utilize open-ended questions.

**I don't want my unit to find out about my financial problem**

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**My finances are a mess. I'm sure I'm the worst you've seen**

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**I'm terrible at managing my money!**

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**I don't want to put money in TSP. I want to be able to get at my money any time I want.**

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**I don't need an emergency fund. I can use a credit card.**

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**I like getting a big tax refund. It's like a forced savings plan.**

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**Building good credit is impossible. If I do just one thing wrong, my credit score drops like a rock.**

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**I'm getting promoted next month. I can't wait to get the new truck I've been dreaming about!**

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**I don't need to make car payments while I'm deployed. Companies have to cut me a break on payments since I'm active duty.**

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**I got my security clearance. Now I don't have to worry about my finances for five year**

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**My paycheck was \$500 short, but I never look at my LES/Payslip. Someone needs to fix this**

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**It is a good thing we looked at my credit report. I forgot about that credit card.**

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**I don't know why I'm here. My chain of command told me I needed to come see you. I don't have any financial problems**

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**I want to buy a house. I don't have any savings, but I heard that you don't need a down payment if you use the VA Loan.**

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**I want to trade in my car to get something with a smaller payment. I should be able to get \$25,000 for it since that's what I paid for it last year.**

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**I can't wait to move out of the barracks and get all that BAH money and no more eating at the galley/mess.**

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**I don't really spend money. I can't figure out why I'm always broke**

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**My finances are so stressful**

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**Will this financial issue impact my career**

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# Financial Counseling Planning Sheet



**1. Prepare for the Counseling Session**

Case background research

**2. Build the relationship**

Smile and warm greeting

Compliment

Privacy Act Statement

Normalize feelings

**3. Gather Data**

What is the presenting problem? \_\_\_\_\_

Expectations \_\_\_\_\_

What steps has client taken? \_\_\_\_\_

Financial Planning Worksheet (pp. 1-5, current column only)

**4. Prioritize Concerns**

Immediate/Critical \_\_\_\_\_

Pressing \_\_\_\_\_

Long term \_\_\_\_\_

**5. Explore Options**

FPW pg. 6 — Action Plan

Increase Income & Savings \_\_\_\_\_

Decrease Living Expenses \_\_\_\_\_

Decrease Indebtedness \_\_\_\_\_

Referrals & Recommended Trainings \_\_\_\_\_

\_\_\_\_\_

**6. Construct Solutions**

FPW pg. 6 — Action Plan \_\_\_\_\_

Projected column \_\_\_\_\_

New “bottom line” \_\_\_\_\_

Compliment the client \_\_\_\_\_

**7. Implement the Plan**

Tracking expenditures – provide options for tracking \_\_\_\_\_

Bring closure to session \_\_\_\_\_

Visualize implementing options \_\_\_\_\_

Can-do mind set \_\_\_\_\_

**8. Monitor and Follow Up**

Day and time \_\_\_\_\_

# Interviewing Checklist

- Are you ready for the session? Right frame of mind? Counseling materials at hand?
- Is the client ready for the session? Appointment? LES/Payslip? Expenses? Supporting documentation?
- Cordial greeting
- Explain your role
- Remain objective
- Privacy Act Statement
- What does the client want to achieve? What does the client perceive as the problem?
- What has the client identified as immediate concerns/needs?
- Are there any immediate needs (i.e., basic security, food, housing, transportation, clothing, medical attention, child care, safety issues?) These must be addressed before attempting any further rehabilitative counseling.
- Long-term concerns/needs? Referrals?
- Are there situations requiring change or crisis intervention?
- Evaluate needs vs. wants
- Eye contact
- Active listening skills
- Who is talking more, you or the client?
- Tell me...
- Pay attention to what the client is saying and what the client is NOT saying. Is there a big gap in the story?
- What action has the client already taken?
- What are possible options/solutions? Benefits and risks of each? Ramification of action and/or inaction?
- Develop a plan — client must choose the options that are right for his/her family/life.
- Spending log/record or end-of-month statements for credit/debit cards.
- Is monitoring/follow-up an option? Internal? External?
- Referrals?
- Leading questions/lead-ins:
  - ▶ How can I help you today?
  - ▶ What do you see going on financially in your life?
  - ▶ What do you see as the cause of the situation?
  - ▶ How do you want to handle this?
  - ▶ What options have you considered?
  - ▶ What have you done so far?
  - ▶ How did that work?

**Reminder:** These are cues/clues to you. The client should be providing the information and solutions. Your job is to guide them into solving their own problems.

# Role-Play: Jordan Dough

## Student Manual Instructions

1. In your group, you will select one person to act as a Command Financial Specialist (CFS).
2. Background information for the CFS:
  - a. Jordan Dough received an email directing them to consult with their Command Financial Specialist to obtain required Touchpoint training for their particular Touchpoint. Dough contacted you to make an appointment and you directed them to bring their LES/Payslip and a list of monthly living expenses and indebtedness.
3. Jordan Dough will receive a role-play profile, with background information, from the instructor. The person acting as Jordan Dough is the client.
4. In your group, arrange the chairs appropriately for a counseling session and clean off the area where Dough will sit. The CFS will counsel Dough on the section of the scenario given to your group. Remaining members of the group will act collectively as advisors to the CFS and may observe, but should not speak to the client (as far as the CFS and Dough are concerned, they are not present). If the advisors have suggestions or the CFS needs advice, someone calls “freeze,” at which time the CFS and advisors have a conference to discuss strategy. Dough may remain for the discussion if the student acting as Dough will benefit as a future CFS from hearing the discussion. After the discussion, call “unfreeze,” and resume the role-play. At any point, the group can decide to designate another CFS to provide opportunities for everyone to practice counseling skills.
5. Allow about five minutes for the CFS and advisors to plan their strategy for the counseling session.
6. Once the counseling encounter is over, the class will discuss ways in which the CFS and the advisors applied financial counseling and communication techniques by discussing each Touchpoint from the scenario.



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# CFS 7 Introduction to the Financial Planning Worksheet

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## I. INTRODUCTION

As a Command Financial Specialist, you are expected to assist Service members in your command in their efforts to help themselves. You will become capable of guiding Service members in developing a plan for earnings, spending, saving, and achieving their goals. This financial plan is the foundation of your CFS efforts. This chapter introduces the *Financial Planning Worksheet*, the main tool used by Command Financial Specialists in counseling/coaching.

You will get hands-on intensive instruction on the *Financial Planning Worksheet*. The five components of the *Financial Planning Worksheet* are: Net Worth Statement, Income, Budget or Spending Plan, Financial Health Assessment with Action Plan, Debt Destroyer, and Financial Links. Hands-on practical application of the FPW is part of the case study assignments. A computer demonstration of the electronic *Financial Planning Worksheet* (eFPW) will also be provided.

The importance of understanding all aspects of the FPW cannot be overstated. After completing chapters CFS 7 and CFS 8, you will be prepared to complete your own *Financial Planning Worksheet*, which is to be handed in for homework.

### Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** The Developing Your Spending Plan Module of the PFMSC is incorporated into this segment of CFST. Although the PFMSC module is not strictly modeled, students have adequate exposure to the topic to allow them to present this segment. Several training techniques are used in this chapter including active lecture, case studies, and group brainstorming activities.
2. **Information and Referral:** Through learning about and using the Action Plan (within the Financial Health Assessment) in the FPW, learners become familiar with an important tool and are exposed to information and referral aspects of increasing income and savings, decreasing living expenses, and decreasing indebtedness.
3. **Counseling/Coaching:** Learners are introduced to the the major tool used in financial counseling/coaching in the PFM program, the *Financial Planning Worksheet*, and thus the planning and budgeting process, which are major counseling/coaching tasks. Training on using the projected column puts learners in a future orientation, a key element of Solution-Focused Financial Counseling.



## II. LEARNING OBJECTIVES

Using the criteria in the *Financial Planning Worksheet* Checklist, the learner will accurately complete a personal *Financial Planning Worksheet*.



### III. REFERENCES

*Personal Financial Management Standardized Curriculum: Developing Your Spending Plan, Military Pay Issues, and Credit Management Modules.*

Waddell, Fred. *Solution Focused Financial Counseling in the New Millennium*. Auburn, Ala.: Genesis Press, 2001.

Garman, E. Thomas, and Forgue, Raymond E. *Personal Finance, 5th Ed.* Boston, Mass.: Houghton Mifflin Co., 1997.

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

[www.bls.gov](http://www.bls.gov) (Department of Labor Consumer Expenditure Survey)

[www.irs.gov](http://www.irs.gov) (Earned Income Tax Credit)

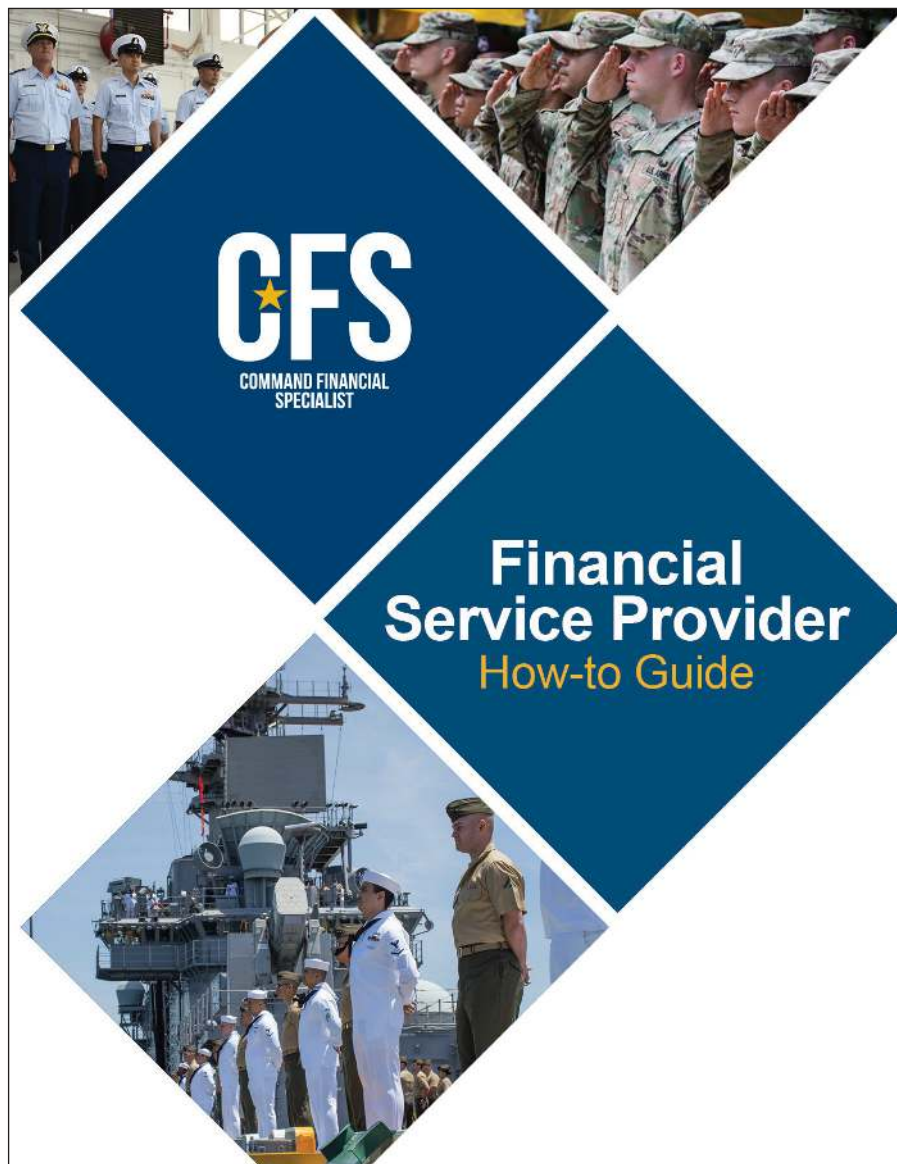
### IV. CONTENT

The electronic and PDF versions of the *Financial Planning Worksheet* (FPW) can be obtained from your Installation Family Support Center Financial Counselor or Educator. See Appendix E for a blank copy of the FPW. Updated versions of the electronic *Financial Planning Worksheet* (eFPW) and PDF FPW can be found on the PFM milSuite site.

# Financial Service Provider How-to Guide

Refer to the eFPW Instructions from the How-to Guide (this portion of the How-to Guide is found in Appendix E). The entire How-to Guide can be downloaded from the following resources:

- Navy Resource Page: <https://finred.usalearning.gov/NavyResource>
- PFM milSuite Site: <https://www.milsuite.mil/personal-financial-management-program-wfl/>
- CNIC website: [https://www.cnic.navy.mil/ffr/family\\_readiness/fleet\\_and\\_family\\_support\\_program/work-and-family-life/personal\\_finances/pfm-touchpoint-checklists.html](https://www.cnic.navy.mil/ffr/family_readiness/fleet_and_family_support_program/work-and-family-life/personal_finances/pfm-touchpoint-checklists.html)



# Budgeting Tip Sheet



## 1. General Budgeting Guidelines:

- Living Expenses = 70% or less of net monthly income
- Indebtedness as measured by the debt-to-income (D/I) ratio (minimum monthly credit payments, not including mortgage) = 20% or less of net monthly income
- Saving and Investing = 10% or more of net monthly income

For Navy and Marine Corps Service members, overseas screening debt-to-income ratios need to be less than 30% to be eligible for overseas assignments and certain special duties.

Note that when you go through the transition course to separate or retire from the military, you will see different ratios allowed for your debt-to-income (D/I) ratio. This is normal because civilian employment benefits rarely include housing and your mortgage is included in the calculations. D/I for transition includes any mortgages. Because of this, a D/I less than or equal to 33% is acceptable; 34% to 49%, be cautious about taking on more debt; more than or equal to 50%, seek financial assistance.

## 2. Debt-to-Income Ratio: Total of monthly debt payments divided by net income x 100. (Net income is calculated by taking all of your gross income minus the four taxes: federal taxes, state taxes, FICA Medicare, and FICA Social Security.)

Debt-to-Income Ratio Example: Total Monthly Debt Payment = \$300; Total Net Income = \$1,500  
 $\$300 / \$1,500 = .20$ ;  $.20 \times 100 = 20\%$

- Less than 15% – Proceed with caution; use caution when taking on more debt to avoid going over 20%.
- 15% to 20% – Full extended; refrain from taking on more debt, work with your CFS or your Installation Family Support Center Financial Counselor or Educator to keep debt within recommended limits.
- 21% to 30% – Overextended; do not take on more debt; pay down existing debt, strongly encouraged to work with your CFS or your Installation Family Support Center Financial Counselor or Educator.
- More than 30% – Seriously overextended; seek help from professional debt-management experts or your Installation Family Support Center Financial Counselor or Educator.

## 3. Change Federal Income Tax Withholding (FITW): Help the client check their LES or Payslip and verify how much income tax is being withheld from their paycheck. Many Service members overpay taxes, when they could use the money on a monthly basis. If they are over-withholding, suggest they change their W-4 FITW with their accounting or finance office, or via the myPay or Direct Access system. Ask the client what their income tax refund was last year. Refer clients to [www.irs.gov](http://www.irs.gov). Calculators on the IRS website can be used to determine withholdings, exemptions, and the impact of changes on cash flow. There is also more information in the How-to Guide for Financial Service Providers on withholding and the new tax laws.

4. **State Income Tax Withholding (SITW):** Must be changed separately from the change in FITW.
5. **Earned Income Tax Credit (EITC):** Is your client eligible for this refundable federal income tax credit for low-income and working individuals and families? The credit reduces the amount of federal tax owed. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. Income and family size determine the amount of the EITC. For more detailed information, see the IRS website, [www.irs.gov](http://www.irs.gov), or IRS Publication 596, The Earned Income Tax Credit and/or IRS Publication 3, Tax Issues for the Armed Forces.
6. **Food Stamps/FSSA:** Depending on your client's income and family size, they may qualify for food stamps, which would tie in with the military's Family Subsistence Supplemental Allowance.

# Financial Planning Worksheet Checklist



## NET WORTH

- Is cash value listed for insurance (not to include term policy or SGLI)?
- Did they use fair-market value of personal property (not what it cost originally)?
- Are debts owed to the government listed (advance/overpayments)?
- Is their net worth calculated?
- Do total liabilities match the total debt balances on the Indebtedness page (except for the mortgage balance)?
- Is the counselor information section filled out?
- Does the worksheet require a signature (financial Touchpoint, screening, required by command)?
- Is the worksheet dated?

## INCOME

- Are the entitlement amounts correct? Verify with LES/Payslip or pay table.
- Check federal tax filing status (M/S) and state claimed are entered.
- Are federal and state taxes manually entered?
- What are allotments/advance/overpayments for? When will they end? (Enter in Remarks)
- Is the spouse working and their income included?
- Are other income sources listed as after-tax figures?
- For Coast Guard members, is the Payslip entered correctly (double their numbers to get monthly totals)?

## SAVINGS AND LIVING EXPENSES

- Are there any monthly savings or investments listed? Pay yourself first and aim for 10% or more.
- Is there a cushion?

## INDEBTEDNESS

- Do the total debt balances on this page match the total liabilities on the Net Worth page (except for the mortgage balance)?
- Are the APRs, minimum monthly payments, and balances listed on the Indebtedness page?
- Has the debt-to-income ratio been calculated?
- Is there a surplus or deficit? Has the Cash Flow Summary been completed correctly?

## GENERAL

- Is any information counted twice?
- How do savings, expenses and indebtedness totals compare to 70-20-10 guidelines?
- Is there enough planned for insurance (auto, life, health, personal property)?
- Is money being set aside for holidays, anniversaries and birthdays?
- For those with children, even in public school, are any expenses listed under education?
- Are deduction and allotment items from the Income page carried forward as savings, living expenses, and debts?
- Are allotments used to contribute to savings and investments staying in those accounts, or, are they being pulled back out to pay for living expenses and debts?
- Are food expenses realistic? Check USDA estimates.
- Are personal expenses realistic? Have expenditures for all family members been included?
- Are the Remarks columns utilized?

## FINANCIAL HEALTH ASSESSMENT

- Does the Financial Summary match the Cash Flow Summary from the Indebtedness tab?
- Does Net Worth match the Net Worth tab?
- Are options listed on the Action Plan?
- Has the Projected column been used to include options listed on the Action Plan?
- Is there at least one short-term, one medium-term, and one long-term goal listed along with the plan for achieving their goals?

# Debt-to-Income Ratio Worksheet

Use this Worksheet to calculate your debt-to-income ratio.

- Write down your net income (gross income less taxes). 1. \_\_\_\_\_  
Net Income
- List your minimum monthly debt payments (include credit cards, car loans, signatures loans, etc. Do not include mortgage, rent, utilities, etc.). Determine the total of all minimum monthly debt payments.

## Minimum Monthly Debt Payments

- |    |       |    |       |                            |
|----|-------|----|-------|----------------------------|
| A. | _____ | \$ | _____ |                            |
| B. | _____ | \$ | _____ |                            |
| C. | _____ | \$ | _____ |                            |
| D. | _____ | \$ | _____ |                            |
| E. | _____ | \$ | _____ |                            |
| F. | _____ | \$ | _____ |                            |
| G. | _____ | \$ | _____ |                            |
| H. | _____ | \$ | _____ |                            |
| I. | _____ | \$ | _____ |                            |
| J. | _____ | \$ | _____ | 2. _____<br>Total Payments |

Divide total payments from Step 2 by the net income from Step 1 and multiply by 100

$$(2) \div (1) \times 100 = \text{Total} \%$$

### D/I Ratio

### Is it a "safe level" of debt?

Less than 15%  
15% – 20%

**Proceed with caution;** use caution when taking on more debt to avoid going over 20%  
**Fully extended;** refrain from taking on more debt, work with your CFS or your Installation Family Support Center Financial Counselor or Educator to keep debt within recommended limits.

21% – 30%

**Overextended;** do not take on more debt; pay down existing debt, strongly encouraged to work with your CFS or your Installation Family Support Center Financial Counselor or Educator

More than 30%

**Seriously overextended;** seek help from professional debt-management experts or your Installation Family Support Center Financial Counselor or Educator

# Debt-to-Income Ratio Activity

## Example:

<b>Total Net Income:</b>	<b>\$3,750</b>
<b>Monthly Debt Payments:</b>	<b>\$680</b>
<b>D/I Ratio:</b>	<b>18.13%</b>
<b>Calculation:</b>	<b><math>\\$680 \div \\$3,750 \times 100 = 18.13\%</math></b>

- |                        |         |
|------------------------|---------|
| Total Net Income:      | \$2,000 |
| Monthly Debt Payments: | \$200   |
| D/I Ratio:             | _____   |
| Level of Debt:         | _____   |
  
- |                        |         |
|------------------------|---------|
| Total Net Income:      | \$6,460 |
| Monthly Debt Payments: | \$2,800 |
| D/I Ratio:             | _____   |
| Level of Debt:         | _____   |
  
- |                        |         |
|------------------------|---------|
| Total Net Income:      | \$3,230 |
| Monthly Debt Payments: | \$555   |
| D/I Ratio:             | _____   |
| Level of Debt:         | _____   |
  
- |                        |         |
|------------------------|---------|
| Total Net Income:      | \$5,290 |
| Monthly Debt Payments: | \$1,112 |
| D/I Ratio:             | _____   |
| Level of Debt:         | _____   |



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# CFS 8 Morgan Wayne Case Studies

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## I. INTRODUCTION

This chapter will allow the class to practice core CFS functions either individually or in teams through various scenarios. Each module of instruction builds from the learner's basic financial education foundation with ways to approach and resolve each scenario. The four group case studies provide the capstone for course learning application. A group case study template is provided to allow the instructor latitude for a scenario based on common situations that are prevalent to the local installation/area.

### Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** Learners are able to incorporate and execute all appropriate theory and concepts presented up to this point in training.
2. **Information and Referral:** Learners assign proper financial information and referrals based on needs.
3. **Counseling/Coaching:** Learners utilize practical application to formulate appropriate counseling.



## II. LEARNING OBJECTIVES

The learner will complete *Financial Planning Worksheet* (including projections) and determine appropriate referrals.

## III. REFERENCES

Not Applicable

## IV. CONTENT

Groups/individuals will review the case study materials and:

- Produce a completed *Financial Planning Worksheet* (including projections)
- Complete the Action Plan with appropriate referrals
- Answer questions on Case Study Budget

A class debrief will be held after each case study. The instructor, one learner or one group may be asked to present the case study to the rest of the class.

The debrief should take **5 – 10 minutes**. The debrief should focus on the suggested action plan items, referrals made, and answers to the questions on the Case Study Budget.

# Case Study One: *Vesting in the TSP*

Morgan Wayne is a 20-year-old Service member at your command. Morgan is an E-3 and is about to go over two years of active service next month. Morgan is currently married to Dana Kent who is also 20 years old. Dana is a civilian who works full time at a local credit union. Dana's monthly net Income (after taxes) is \$1,757.15 based on \$12 an hour. Morgan lives off base and is receiving Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) with dependents. The couple is renting a two-bedroom apartment. Morgan has a 2-year-old rescue boxer named Ozzie.

Morgan and Dana know that they are supposed to save for their future, but don't really understand the ins and outs of it all. With both of them working, they live comfortably and don't think about money too much. They have never completed a household budget, they just check their account and if there is money there, they spend it on the things they want. They have not formally tracked their monthly expenses, but were able to provide good estimates of what they spend each month.

Morgan is part of the Blended Retirement System (BRS) and is contributing 3% of base pay to the Traditional TSP.

Morgan has the account number and password for the TSP account, but doesn't log in. They are saving for retirement and that feels good. They think they could contribute more, but are not sure how that works and how it would change their household finances. Morgan received a notification regarding TSP Vesting and wants to know more about this milestone.

## **Assets:**

Savings – \$1,100

Checking – \$1,300

TSP – \$1,900

They have two cars:

- 3-year-old Honda CRV: owes \$16,978, standard features, approximate mileage 45,000
- 7-year-old Hyundai Elantra: paid off, standard features, approximate mileage 110,000

The value of their furniture and personal possessions is approximately \$3,000 and their wedding set is worth approximately \$1,500.

## **Taxes:**

FITW – S

SITW – Florida

## **Allotments:**

\$20 a month to Combined Federal Campaign

\$300 to savings account

### **Additional Deductions:**

SGLI – full coverage  
FSGLI – full coverage  
AFRH – \$0.50  
Traditional TSP 3%  
TRICARE Dental – Single rate

### **Monthly Living Expenses:**

Rent – \$1,800	Renters insurance – \$15
Cellphone – \$120	Clothing purchases – \$75
Internet – \$80	Hair – \$40
Electricity – \$75	Personal care products – \$30
Groceries – \$300	Online streaming services – \$60
Dining out – \$200	Computer gaming – \$5
Coffee/snacks – \$35	Recreation/sports/entertainment – \$250
Gas for car – \$120	Energy drinks – \$35
Car washes – \$20	Dog food, treats and toys – \$50
Car insurance – \$120	Church contributions – \$40

### **Debts**

1. Car loan – Buckeye Credit Union – \$325 a month, balance \$16,978, original amount borrowed \$25,000, APR 3.2%
2. Credit card – Buckeye Credit Union – minimum monthly payment \$76, balance \$2,626, credit limit \$3,000, APR 17%  
Morgan actually pays \$500 a month
3. Student loan (federal) – \$250 a month, balance \$4,700, original amount borrowed \$4,700, APR 5%  
Morgan has a bachelor's degree
4. PayPal Bill Me Later – paid off, credit limit \$1,500, APR 25.49%
5. Computer Loan – Dell – minimum monthly payment \$55, balance \$352.80, original amount borrowed \$750, APR 4.65%

### **Questions to answer**

- What steps can Morgan Wayne take to better understand Vesting in the TSP?
- What two things happen for a Service member when they reach the point of vesting in the TSP and have reached two years of service?

### **At the end of this exercise:**

1. Use the FPW to help Morgan Wayne construct a household budget (both actual and projected). Have they missed any regular recurring expenses that would be helpful for them to track? How about expenses that do not occur monthly?
2. Explain what happens with their TSP at two years of service.
3. Review what changes Morgan Wayne can make to maximize the TSP matching contributions.
4. Make appropriate recommendations using the Action Plan on the FPW. What are the recommended courses, information, and actions for Morgan Wayne to better understand saving for retirement using the TSP?

## Case Study Two: *Pre-Deployment*

Morgan Wayne is a 22-year-old Service member at your command. Morgan is an E-4 and has three years of active service. Morgan is planning on reenlisting and serving at least 20 years, depending on how the next few years go.

Morgan is currently married to Dana who is also 22 years old. Dana is a civilian who works full time at the local credit union. Dana's monthly net income (after taxes) is \$1,866.81.

Morgan is receiving Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) with dependents. They recently moved to base housing with their 4-year-old rescue boxer named Ozzie, who was designated as an emotional support animal for Dana.

Morgan and Dana have recently started working on a household budget and they track their spending. They plan their spending to allow for a good lifestyle, while at the same time saving money for the future. They also try to minimize debt and are working on paying off their credit card.

Morgan and Dana are both saving for retirement and that feels good. Morgan is part of the Blended Retirement System (BRS) and is contributing 5% of base pay to the Roth TSP L-2065 fund. Both Morgan and Dana are considering opening Roth IRAs, as additional retirement savings.

Morgan and Dana would like to talk to a CFS about what they need to do prior to deployment. They are contemplating replacing the Elantra after Morgan returns from deployment.

### **Assets:**

Savings – \$1,600

Checking – \$1,800

TSP – \$2,700

Dana's 401(k) – \$900

They have two cars:

- 5-year-old Honda CRV: owes \$9,800, standard features, approximate mileage 61,000
- 9-year-old Hyundai Elantra: paid off, standard features, approximate mileage 122,000

The value of their furniture and personal possessions is approximately \$5,000 and their wedding set is worth approximately \$1,500.

### **Taxes:**

FITW – M-1

SITW – Florida

### **Allotments:**

\$20 a month to Combined Federal Campaign

\$300 to savings account

### **Additional Deductions:**

SGLI – full coverage  
FSGLI – full coverage  
AFRH – \$0.50  
Roth TSP 5%  
TRICARE Dental – Single rate

### **Monthly Living Expenses:**

Rent – Full BAH	Clothing purchases – \$75
Cellphone – \$130	Skin, hair, nails – \$40
Internet – \$80	Personal care products – \$35
Electricity – Included in housing	Online streaming services – \$60
Groceries – \$300	Amazon Prime – \$10
Dining out – \$200	Computer gaming – \$5
Coffee/snacks – \$40	Recreation/sports/entertainment – \$250
Gas for car – \$120	Energy drinks – \$35
Car washes – \$20	Pet food, treats and toys – \$50
Car and renters insurance (bundled) – \$138	Church contributions – \$40

### **Debts**

1. Car loan – Buckeye Credit Union – \$325 a month, balance \$9,800, original amount borrowed \$25,000, APR 3.2%
2. Credit card – Buckeye Credit Union – minimum monthly payment \$82, balance \$4,100, credit limit \$5,000, APR 17%  
Morgan actually pays \$400 per month
3. Student loan (federal) \$250 per month, balance \$2,200, original amount borrowed \$4,700, APR 5%
4. PayPal Bill Me Later – paid off, credit limit \$1,500, APR 25.49%

### **Questions to answer**

- What steps can Morgan Wayne take prior to deployment?
- What two things should a Service member consider with pay before and during deployment?

### **At the end of this exercise:**

1. Use the FPW to help Morgan Wayne revise and update a spending plan.
2. Ensure Morgan Wayne understands the changes to expenses and budget.
3. Calculate how much additional or less pay Morgan Wayne will receive during deployment.
4. Ensure Morgan Wayne is aware of possible tax implications of additional pay during deployment.
5. Review consumer protection with Morgan Wayne to prevent financial fraud and identity theft.

# Case Study Three: *Welcoming Your First Child*

Morgan Wayne is a 23-year-old Service member at your command. Morgan is an E-5 and has 4 years of active service. Morgan is currently married to Dana who is also 23 years old. Morgan is planning on reenlisting and serving at least 20 years, depending on how the next few years go. Morgan returned from deployment 10 months ago. Both are expecting a baby boy in the next two months. They are very excited and plan to visit their families in Florida before the baby's arrival. Dana is planning to work after the birth of the baby, but that may change if the cost of day care is too high.

Dana is a civilian who works full time at the local credit union. Dana's monthly net income (after taxes) is \$2,050.14.

Morgan is receiving Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) with dependents. They recently moved to base housing with their 5-year-old rescue boxer named Ozzie, who was designated as an emotional support animal for Dana.

Morgan and Dana have been working on a household budget and they track their spending. They plan their spending to allow for a good lifestyle, while at the same time saving money for the future. They also try to minimize debt and are working on paying off their credit card.

Morgan and Dana are both saving for retirement and that feels good. Morgan is part of the Blended Retirement System (BRS) and is contributing 7% of base pay to the Roth TSP L-2065 fund. Both Morgan and Dana are considering opening Roth IRAs, as additional retirement savings.

Morgan and Dana would like to talk to a CFS about what they need to do prior to the birth of their son, Nathan.

## **Assets:**

Savings – \$2,800

Checking – \$2,100

TSP – \$9,000

Dana's 401(k) – \$1,900

They have two cars:

- 6-year-old Honda CRV: owes \$6,400, standard features, approximate mileage 72,000
- 10-year-old Hyundai Elantra: paid off, standard features, approximate mileage 130,000

The value of their furniture and personal possessions is approximately \$9,000 and their wedding set is worth approximately \$1,500.

## **Taxes:**

FITW – M-1

SITW – Florida

**Allotments:**

\$20 a month to Combined Federal Campaign

\$300 to savings account

**Additional Deductions:**

SGLI – full coverage

FSGLI – full coverage

AFRH – \$0.50

Roth TSP 7%

TRICARE Dental – Single rate

**Monthly Living Expenses:**

Rent – Full BAH

Cellphone – \$130

Internet – \$80

Electricity – Included in Housing

Groceries – \$350

Dining out – \$220

Coffee/snacks – \$50

Gas for car – \$140

Car washes – \$20

Car and renters insurance (bundled) – \$138

Clothing purchases – \$75

Skin, hair, nails – \$60

Personal care products – \$50

Online streaming services – \$60

Amazon Prime – \$10

Computer gaming – \$5

Recreation/sports/entertainment – \$250

Energy drinks – \$20

Pet food, treats and toys – \$50

Church contributions – \$50

CDC – Norfolk \$600/month

**Debts:**

1. Car loan – Buckeye Credit Union – \$325 a month, balance \$6,400, original amount borrowed \$25,000, APR 3.2%
2. Credit card – Buckeye Credit Union – minimum monthly payment \$82, balance \$1,100, credit limit \$6,500, APR 17%  
Morgan actually pays \$400 per month
3. Student loan (federal) – paid off
4. PayPal Bill Me Later – paid off, credit limit \$1,500, APR 25.49%

**Questions to answer:**

- What steps can Morgan Wayne take prior to welcoming their first child?
- What **two** things concerning military and personal planning must a member do before a baby is born?

**At the end of this exercise:**

1. Use the FPW to help Morgan Wayne revise and update a spending plan.
2. Ensure Morgan Wayne understands the changes to expenses and budget.
3. Ensure Morgan Wayne understands the process to make sure the baby is added into DEERS.
4. Ensure Morgan Wayne understands the car-buying process.
5. Review home buying/renting options for the family.
6. Review consumer protection with Morgan Wayne to prevent financial fraud and identity theft.

# Case Study Four: *Entitlement to Continuation Pay*

Morgan Wayne is a 29-year-old Service member at your command. Morgan is an E-6 with 11 years and 6 months of active-duty service. Morgan has two years remaining for current enlistment. Morgan's goal is to serve 20 years.

Morgan is currently married to Dana, a 29-year-old civilian who works full-time at the local credit union. Dana's monthly net income (after taxes) is \$3,400.

Morgan is receiving Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) with dependents. They currently live in base housing with their children Nathan (6) and Tammie (4). They also have a corgi named Rocket and a tabby cat named Tiger.

Morgan and Dana have a household budget and they track their spending. Their budget allows for a good lifestyle, while at the same time saving money for the future. They also try to minimize debt and try to pay off credit cards every month. Morgan and Dana want to buy a house for their growing family.

Morgan and Dana are both saving for retirement. Morgan is part of the Blended Retirement System (BRS) and is contributing 15% of base pay to the Roth TSP L-2065 fund. Both Morgan and Dana have Roth IRAs and they each contribute \$400 a month. They also add \$400 a month in savings. Over the years, Morgan placed a portion of reenlistment bonuses in CDs.

Morgan received a notification regarding the Entitlement to Continuation Pay and wants to know more about this milestone. Morgan is unsure of the requirements, amounts, and tax implications for Continuation Pay.

## **Assets:**

Cash – \$200

Savings – \$16,400

Checking – \$4,500

CDs – \$11,000

TSP – \$76,000

IRAs (both) – \$42,000

They have two cars:

- 3-year-old Subaru Crosstrek: owes \$9,800, standard features, approximate mileage 45,000
- 5-year-old Subaru Forrester: paid off, standard features, approximate mileage 98,000

The value of their furniture and personal possessions is approximately \$9,000

## **Taxes:**

FITW – M-4

SITW – Florida

## **Allotments:**

\$20 a month to Combined Federal Campaign

\$400 to savings account



### Additional Deductions:

SGLI – full coverage  
FSGLI – full coverage  
AFRH – \$0.50  
Roth TSP 15%  
TRICARE Dental – Family rate

### Monthly Living Expenses:

Rent – Full BAH	Online streaming services – \$60
Cellphone – \$150 (family plan)	Music – \$10
Internet – \$80	Amazon Prime – \$10
Electricity – Included in Housing	Computer gaming – \$5
Groceries – \$700	Recreation/sports/entertainment – \$250
Dining out – \$200	Energy drinks – \$60
Coffee/snacks – \$100	Pet food, treats and toys – \$60
Gas for car – \$200	Church contributions – \$80
Car washes – \$20	Sports fees for kids – \$200
Car and renters insurance (bundled) – \$160	Family entertainment – \$200
Clothing purchases – \$200	Averaged for costs for
Dry cleaning – \$40	Holidays/Birthdays – \$100
Skin, hair, nails – \$120	Averaged for costs for
Personal care products – \$50	Anniversary/Birthdays – \$50
Big box purchases – \$100	Allowances – \$80

### Debts:

1. Car loan – Buckeye Credit Union – \$525 a month, balance \$9,800, original amount borrowed \$16,275, APR 2.4%
2. Credit card – Buckeye Credit Union – minimum monthly payment \$45, balance \$1,670, credit limit \$8,200, APR 17%  
Morgan tries to pay off card in full each month. The card earns them airline miles for annual vacation.
3. Credit card – Buckeye Credit Union – minimum monthly payment \$49, balance \$900, credit limit \$11,000, APR 19%  
Morgan tries to pay off card in full each month. The card has a cash back program used for vacation spending.

### Questions to answer:

- What steps can Morgan Wayne take to better understand *Entitlement to Continuation Pay*?
- What **two** things must a member complete to receive Continuation Pay?

### At the end of this exercise:

1. Use the FPW to help Morgan Wayne revise and update a spending plan.
2. Ensure Morgan Wayne understands the requirements for Continuation Pay.
3. Calculate how much Continuation Pay Morgan Wayne will receive.
4. Ensure Morgan Wayne understands the tax implications when receiving Continuation Pay installments.
5. Review consumer protection with Morgan Wayne to prevent financial fraud and identity theft.
6. Review options for Morgan's use of Continuation Pay.



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# CFS 9 Personal Financial Recordkeeping

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Student Manual

## I. INTRODUCTION

In this this chapter we will have a brief review of recordkeeping systems. The best recordkeeping system is simple and one that actually will be used and kept up to date. For our purposes, we will focus on what clients should keep, where they should keep it, and how long they should keep it.

### Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** No direct correlation
2. **Education and Training:** No direct correlation
3. **Counseling/Coaching:** This chapter will prepare the CFS to work with clients with no recordkeeping system in place, helping them to set up an appropriate system to assist in efficiently developing and maintaining a financial plan.



## II. LEARNING OBJECTIVES

We will discuss the importance of tracking bills and due dates via a calendar. We will also learn various ways to assist Service members develop a simple recordkeeping system that fits their current needs.

## III. REFERENCES

IRS Pub 552

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

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

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

<https://www.irs.gov/newsroom/tax-preparedness-series-tax-records-what-to-keep>

<https://www.irs.gov/businesses/small-businesses-self-employed/how-long-should-i-keep-records>

<https://www.consumer.ftc.gov/articles/0527-shredding-infographic>

<https://www.consumer.ftc.gov/blog/2015/08/back-school-back-protecting-your-childs-information>

<https://www.consumer.ftc.gov/articles/0272-how-keep-your-personal-information-secure>

<https://www.consumer.ftc.gov/articles/how-protect-your-phone-and-data-it>

## IV. CONTENT

# Bill Payment Calendar



Use this Bill Payment Calendar to see all your bills and plan when they are due

**BILLS:**

1. List the month and label the calendar with the dates of the month you want to plan for. \_\_\_\_\_
2. Make a list of all your bills. \_\_\_\_\_
3. For each bill, mark the payment date:  
7 days before the due date for mail,  
2 days before the due date for online. \_\_\_\_\_
4. Enter into the calendar when you receive income. \_\_\_\_\_



**MONTH OF:** \_\_\_\_\_

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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# Personal Financial Recordkeeping Organizer



## Six Simple Steps to Better Paper Recordkeeping

1. Get some file folders, hanging folders, or large envelopes, and a file box or cabinet.
2. Gather and organize your financial information.
3. Determine where each type of paper record should be kept – in a file cabinet or a fireproof/waterproof safe.
4. Place the “file cabinet” records in labeled file folders in a logical order.
5. Place appropriate records in a fireproof/waterproof safe.
6. Once a year, review and discard unneeded records.

## Six Simple Steps to Better Electronic Recordkeeping

1. Create folders in logical hierarchy and nest folders within folders.
2. Give electronic files logical and specific names with dates included if applicable.
3. File the document as soon as you create it or receive it.
4. Back up your files regularly.
5. Restrict user access to certain files or folders on any shared computers.
6. Once a year, review and delete unneeded electronic files.

## Items for Storage in Fireproof/Waterproof Safe

### Personal Documents

Family birth certificates  
Family death certificates  
Marriage certificate  
Divorce decree(s)  
Baptismal certificates  
Citizenship/naturalization papers  
Adoption papers  
Military discharge papers  
Social Security cards  
Social Security benefit verification letters  
Passports

### Estate-planning Documents

Wills  
Living wills  
Durable power of attorney  
Health care proxies  
Trusts  
Letters of last instruction  
Guardianship arrangements

### Obligations/Contracts

Contracts  
Life insurance policies  
IOUs

### Ownership Documents

Retirement and pension plan documents  
Bonds and stock certificates  
Deeds  
Automobile titles  
Copy of household inventories  
Home ownership records  
Home sale records  
Copies of trust document

(Create labels for file folders for each of the above categories to keep your fireproof/waterproof safe organized.)

### Record Retention

Three Years for Most Files

Tax Files and Information: SEVEN Years\*

Homeownership Documents: As Long as You Own the Property

Fireproof/Waterproof Safe Contents: Indefinitely for Most Items

*\*see IRS Pub 552 or [www.irs.gov](http://www.irs.gov) for record retention relating to federal income taxes*

# Personal Financial Recordkeeping Organizer

## Labels for Physical or Electronic File Folders

### 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  
Loan or grant documents from military aid societies

### Financial Planning

Financial planning worksheet  
Insurance policies

- Automobile
- Health and medical
- Home
- Copies of life
- Other
- Personal liability
- Property

Annuity policies

### Children

Important information for each child  
529 or ESA account information  
School information  
Scholarship information  
Copies of annual FAFSA completion

### Household

Appliance manuals and warranty/guarantee information  
Compliant letters  
Household inventory  
(send copies to family and keep copies at work also)  
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 fireproof/waterproof safe)  
TSP information

### Job

Command information  
Current resumes  
Employment records/information  
LES/Payslip and other pay information  
Points of contact for emergency (military)

- Command leadership
- Ombudsman

### Medical

Family dental records  
Family health records  
Insurance statements

### Personal

Certifications/licenses  
Church information  
Frequent flyer mileage statements  
Legal papers  
Names and Addresses of financial professionals  
General and special powers of attorney

### Taxes

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

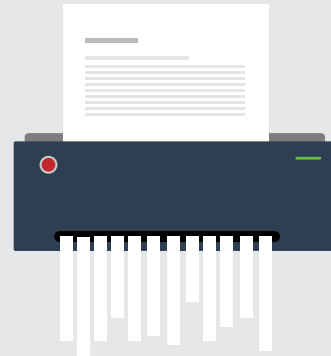
### Vehicles

Buy/sell documents  
Lease information  
Maintenance and repair records  
Registration

# When to Shred

## Shredding

Are you wondering what to keep and what to shred?  
We looked at experts' advice and compiled this summary of how long they recommend keeping certain documents.



### When should I shred it?

#### Immediately

- Sales receipts
- ATM receipts
- Paid credit card statements
- Paid utility bills
- Credit offers
- Canceled checks (that are not tax-related)
- Expired warranties

#### Up to 1 year

- Pay stubs
- Bank statements
- Paid, undisputed medical bills

#### After 7 years

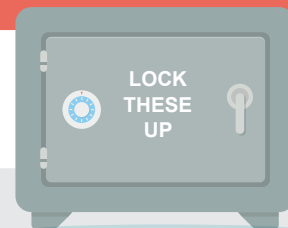
- Tax-related receipts
- Tax-related canceled checks
- W-2s
- Records for tax deductions taken

#### It depends...

- Auto titles  
Keep as long as you own the vehicle
- Home deeds  
Keep as long as you own the property
- Disputed medical bills  
Keep until the issue is resolved
- Home improvement receipts  
Keep until you sell your home and pay any capital gains taxes

#### Keep forever

- Birth certificates
- Social Security cards
- Marriage or divorce decrees
- Citizenship papers
- Adoption papers
- Death certificates
- Tax returns



Federal Trade Commission | FTC.gov  
April 2015



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# CFS 10 Legal Issues of PFM

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## I. INTRODUCTION

A variety of legal issues often are coupled with personal financial affairs. Service members are bound by both civilian law and military law. It is important for you to understand what resources are available to a client who might be facing legal difficulties. This chapter is meant as an overview of general 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 Common CFS Task Areas:

- 1. Education and Training:** There is no corresponding legal-issues module in the CFS Course. The information provided here is for the CFSs' 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:** Military Legal Assistance offices are a major referral resource for the CFS.
- 3. Counseling/Coaching:** This chapter will help 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 OBJECTIVES

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

### III. REFERENCES

*DoD Instruction 1344.9 Indebtedness of Military Personnel MILPERSMAN 1754-030, Support of Family Members Marine Corps Order 5800.16-V9, Legal Support and Administration Manual Volume 9*

*DoD Financial Management Regulations (FMR) Vol 7A ch 26 Section 260303*

*U.S. Army, AR 608-99, Family Support, Child Custody, and Paternity  
(Section II-Obligations to Provide Financial Support to Family Members)*

*Army Directive 2020-04 (Enhanced Interim Financial Support)*

*USCG COMDTINST M1600.2(series), Discipline and Conduct Manual*

*U.S. Navy Judge Advocate General's Corps — [https://www.jag.navy.mil/legal\\_services.htm](https://www.jag.navy.mil/legal_services.htm)*

*U.S. Army Legal Assistance —  
<https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Legal-Assistance-Services>*

*U.S. Coast Guard Legal Assistance — [https://www.uscg.mil/Resources/legal/LMA/Legal\\_Assistance/](https://www.uscg.mil/Resources/legal/LMA/Legal_Assistance/)*

*U.S. Air Force Legal Assistance — <https://aflegalassistance.law.af.mil/lass/lass.html>*

*[www.consumerfinance.gov](http://www.consumerfinance.gov)*

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

*State and Tribal Child Support Agency Contacts, Office of Child Support Enforcement, Administration for Children & Families, U.S. Department of Health and Human Services —  
<https://www.acf.hhs.gov/css/resource/state-and-tribal-child-support-agency-contacts>*

*Debt Collection FAQs, Federal Trade Commission, March 2018 —  
<https://www.consumer.ftc.gov/articles/debt-collection-faqs>*

*Credit and Your Consumer Rights, Federal Trade Commission, June 2017 —  
<https://www.consumer.ftc.gov/articles/0070-credit-and-your-consumer-rights>*

*“A Summary of Your Rights Under the Fair Credit Reporting Act,” Consumer Financial Protection Bureau, [consumerfinance.gov](http://consumerfinance.gov) on 27 March 2020. May not be necessary to include as the FTC Credit and Consumer Rights article covers this in part. [https://files.consumerfinance.gov/f/201504\\_cfpb\\_summary\\_your-rights-under-fcra.pdf](https://files.consumerfinance.gov/f/201504_cfpb_summary_your-rights-under-fcra.pdf)*

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

*“Find a Lawyer and Affordable Legal Aid” — <https://www.usa.gov/legal-aid>*

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

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

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

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

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

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

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

“The Servicemembers Civil Relief Act (SCRA),” The United States Department of Justice, October 1, 2019 —  
<https://www.justice.gov/servicemembers/servicemembers-civil-relief-act-scra>

<https://www.justice.gov/servicemembers/page/file/1245331/download>

<https://www.consumerfinance.gov/ask-cfpb/when-am-i-covered-by-the-servicemembers-civil-relief-act-scra-en-2086/>

[https://files.consumerfinance.gov/f/documents/cfpb\\_servicemembers-civil-relief-act\\_factsheet.pdf](https://files.consumerfinance.gov/f/documents/cfpb_servicemembers-civil-relief-act_factsheet.pdf)

<https://www.militaryonesource.mil/family-relationships/relationships/relationship-challenges-and-divorce/servicemembers-civil-relief-act>

Military Spouses Residency Relief Act (MSRRA) (2018 Amendment to the SCRA) —

[https://home.army.mil/apg/application/files/7815/4834/1658/Military\\_Spouses\\_Residency\\_Disclaimer\\_2018\\_Amd.pdf](https://home.army.mil/apg/application/files/7815/4834/1658/Military_Spouses_Residency_Disclaimer_2018_Amd.pdf)

Department of Defense Servicemembers Civil Relief Act (SCRA website) — <https://scra-w.dmdc.osd.mil/scra/#/home>

<https://www.consumerfinance.gov/ask-cfpb/what-are-my-rights-under-the-military-lending-act-en-1783/>

State Consumer Protection Offices directory at [usa.gov](http://usa.gov) — <https://www.usa.gov/state-consumer>

“Uniformed Services Former Spouses’ Protection Act and Survivor Benefits Plan, 9th Edition”, USCG Pay & Personnel Center, 2016.  
Document link —

[https://www.dcms.uscg.mil/Portals/10/CG-1/PPC/Docs/Legal/Uniformed%20Services%20Former%20Spouse%20Protection%20Act%20\(FSPA\).pdf?ver=2018-08-22-092451-183](https://www.dcms.uscg.mil/Portals/10/CG-1/PPC/Docs/Legal/Uniformed%20Services%20Former%20Spouse%20Protection%20Act%20(FSPA).pdf?ver=2018-08-22-092451-183)  
Department link — <https://www.dcms.uscg.mil/ppc/legal/>

<https://www.annualcreditreport.com/index.action>

<https://www.consumer.ftc.gov/blog/2018/09/free-credit-freezes-are-here>

<https://ecfr.federalregister.gov/>

<https://www.consumerfinance.gov/ask-cfpb/what-types-of-loans-are-covered-under-the-military-lending-act-en-1785/>

<https://www.consumerfinance.gov/ask-cfpb/what-are-my-rights-under-the-military-lending-act-en-1783/>

## IV. CONTENT

# Top Tips to Avoid Legal Tangles



## Separation or Divorce

- Seek legal assistance in drafting a separation agreement.
- Organize your documents.
- Review your credit report for discrepancies and/or unknown trade lines.
- Review bank statements and bills for unexpected charges.
- 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 and establish new accounts in your own name.
- Create a new financial plan.
- Get a court order to enforce any agreement.
- Destroy and revoke any powers of attorney.
- Change passwords to bank, email and social media accounts.

## Dependent Support

- If you are responsible for 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 Legal.
- An involuntary allotment for back child support will take priority over all other debts except those owed to the government.
- Retain copies of all documents (including checks) in case they are needed in the future.
- Get a court order to document the support agreement.

## 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 Legal 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 clause, then you will still have the protections of the Servicemembers Civil Relief Act (SCRA) as it applies to residential real property.
- Never waive your SCRA rights.
- Get renters 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 Legal with concerns about your lease.

# Top Tips to Avoid Legal Tangles



## Warranties and Service Contracts

- Read any warranty or service contract and know what is covered.
- Understand that the consumer may have expenses to claim warranty benefits.
- 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 — "limited" means only as specified by the seller, and "full" means completely guaranteed for a period of time.
- A product sold "as is" has no implied or expressed warranty. The seller has no liability for faulty goods.

## Servicemembers Civil Relief Act (SCRA)

- If you think you have a defense under the SCRA, consult your installation's Legal Unit.
- 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% on pre-service loans and obligations. **See page 10-15.**
- You and your family are protected from eviction if the monthly rent does not exceed a specified amount (amount adjusted annually). **See Appendix G for current amount.**
- 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 OCONUS or deploy overseas.
- **Refer to pages 10-12 to 10-15 for additional information on SCRA.**

## Credit, Collection and Bankruptcy

- Read all documents and keep a copy of all contracts and payments.
- Seek legal assistance and financial counseling early in the debt process when negotiation and settlement are more likely.
- 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 in writing to stop calling you. Seek debt management counseling.
- Get debt management counseling before talking to a bankruptcy attorney and after filing for bankruptcy.

# Reference Information

## Domestic Relations

### 1. USN: 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 ..... 1/3 gross pay
- Spouse and one minor child..... 1/2 gross pay
- Spouse and two or more children ..... 3/5 gross pay
- One minor child ..... 1/6 gross pay
- Two minor children ..... 1/4 gross pay
- Three minor children ..... 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. USMC: Marine Corps Order 5800.16 w CH 1, Volume 9 – Relevant Excerpts

010403. In cases where the amount of support has not been fixed by court order or written support agreement signed by both parties, and upon a complaint of nonsupport to a commanding officer, each family member entitled to support under this Volume shall receive, at a minimum, a pro-rata share of the applicable Basic Allowance for Housing or Overseas Housing Allowance to which the Marine is entitled, as reflected below.

Total Number of Family Members Entitled to Support (not including the Marine)	Share of Monthly BAH/OHA per Requesting Family Member
1	1/2
2	1/3
3	1/4
4	1/5
5	1/6
6 or more	1/7, or etc.

010404. The number of family members entitled to support under this Volume does not include (1) a Marine’s former spouse, regardless of whether the Marine is providing financial support to the former spouse; (2) a Marine’s present spouse who is on active duty in one of the military services; or (3) a family member for whom the Marine is not required to provide financial support under this Volume, or for whom the Marine has been released by his or her commanding officer from the regulatory requirement to provide financial support under this Volume.

010405. Commanding officers should refer to the JTR, Chapter 10, which details various types of Marine and family member living arrangements that will affect BAH/OHA eligibility. The intent of this Volume is to ensure that Marines provide, at a minimum, support consistent with their BAH/OHA eligibility.

010406. Under no circumstances shall the total amount of support paid to all family members entitled to support exceed 1/3 of the Marine's gross military pay per month. Gross military pay is defined as the total of all military pay and allowances before taxes and other deductions.

010407. The Marine may request the commanding officer deviate from the amount of interim support required under this Volume. If the facts of the particular case are consistent with one of the reasons for modification as set forth in paragraph 0105, the commanding officer may decrease or terminate the amount of interim support to be paid, but only after consulting with the appropriate Staff Judge Advocate.

010408. Financial support established by a commanding officer under this Volume shall continue until such time as a written support agreement signed by both parties is reached, a court order is obtained, or the commanding officer modifies or terminates the interim support order in accordance with paragraph 0105.

### **3. USA: AR 608-99, Family Support, Child Custody, and Paternity — Section II-Obligations to Provide Financial Support to Family Members (see para 2-3 Thru 2-9) and Army Directive 2020-04**

Regardless of separation, Soldiers are responsible for managing their personal affairs in a manner consistent with the Army's core values. The Soldier's responsibilities include: (1) maintaining reasonable contact with family members so that their needs and welfare do not become a matter of concern for the Army; (2) conducting themselves in an honorable manner with regard to parental and spousal commitments and responsibilities; (3) providing adequate financial support to family members; and (4) complying with any court orders or written financial agreements. In an effort to ensure each Soldier fulfills his or her responsibilities, the Army created Army Regulation (AR) 608-99, Family Support, Child Custody, and Paternity.

#### **Calculation of the amount determined:**

Absent an oral or written agreement or court order expressly addressing financial support, AR 608-99 requires the Soldier to pay a pro rata share of the Basic Allowance for Housing (BAH) II-WITH amount. This amount is the BAH allowance without consideration of the geographic duty location. The pro rata share looks like this:

$$\text{Pro Rata Share} = \frac{1}{\text{Total \# of supported family members}} \times \text{Applicable BAH II - WITH Rate}$$

For example, if a Specialist (E-4) has a child from a previous marriage living with the other biological parent and still has to support the current spouse, the formula would be as follows (BAH Rate: \$732.30):

$$\text{Pro Rata Share} = \frac{1}{2} \times \$732.30 = \$366.15/\text{month}$$

#### **Exceptions or rules may apply under AR 608-99 to eliminate or reduce support:**

AR 608-99 only "kicks in" if there is no oral or written agreement or court order specifically addressing financial spousal support. Additionally, under certain scenarios, the amount of support the Soldier is required to pay is less than the amount established by AR 608-99 (BAH II-WITH).

These include the following:

Family in government housing: No additional support is required. However, when the spouse/family moves out, the Soldier will pay BAH II – WITH regardless whether or not the Soldier is receiving BAH.

Other family is residing in DIFFERENT locations:

Each family member NOT residing in government housing receives a pro-rata share of the Soldier's BAH II – WITH (as discussed above regarding pro rata shares). In-Kind payments:

AR 608-99 allows the Soldier to deduct certain non-government housing expenses on behalf of family members if the family members are living in that residence. Paying for any of the following may reduce or eliminate the total amount due under AR 608-99: (1) rent; (2) principal and interest due on any outstanding loan secured (i.e. mortgage), and any associated property taxes and home insurance for that property; (3) essential utilities such as gas, electricity and water.

In-kind payments do NOT include: telephone/cellular bills, cable/satellite television, car payments, or any other insurance not related to the property where the family resides.

My spouse is also on active duty: The Soldier is not required to provide financial support if there is no support agreement. With regard to children, in the absence of an agreement or order, the Soldier will provide the following:

NO Custody & Children NOT in government housing: the Soldier provides BAH – DIFF (BAH II-WITH minus BAH II – WITHOUT) to the military family member with custody.

NO Custody & Children IN government housing: no support required to the military member with custody.

Soldier has Custody: No support required.

### **Enhanced Interim Financial Support:**

Army Directive 2020-04 supplemented Army policy on requirements for spousal financial support. The directive established an additional requirement for Soldiers to make enhanced interim financial support payments to non-active-duty spouses when a Soldier initially becomes required to provide interim support pursuant to AR 608-99, paragraphs 2-6 and 27a(3). Enhanced interim financial support is temporary and designed to provide for sustenance and additional necessary expenses that initially arrives when a Soldier and spouse separate, or when the time to obtain a court order is prolonged because of a lack of access to appropriate courts of competent jurisdiction. Enhanced interim financial support payments will be made in an amount equal to the Basic Allowance for Housing-Differential (BAH-DIFF) and applies to all separated Soldiers, including those with families residing in government-owned or leased housing as well as those who may be providing “in-kind” support by paying rent or utilities directly to their landlord or other vendors.

Amount may increase under AR 608-99:

### **A support obligation under 608-99 may increase for two common reasons:**

- (1) BAH II charts are updated each year. Just like regular BAH amounts, BAH II amounts often rise and adjust due to inflation, or
- (2) If promoted, the Soldier must increase support with the new pay grade.

### **Support Expires:**

You will need to comply with any court orders or financial support agreements if either exists. Support requirements will also end when another financial support agreement is made, once the marriage is terminated, or the Soldier's commander relieves the Soldier of the support obligation.



## Commander's Responsibilities:

The commander is responsible for enforcing 608-99. Although the commander cannot order you to pay arrears (the past due amounts), he or she can order you to pay once he or she becomes aware of valid support obligations. If the Soldier refuses to pay after he or she has been ordered, the commander may take the following action(s):

- (1) Counseling
- (2) Admonition
- (3) Memorandum of Reprimand
- (4) Bar reenlistment
- (5) Administrative separation
- (6) Nonjudicial punishment under UCMJ, Art. 15
- (7) Court-martial; charged with violating UCMJ, Art. 92

## 4. USCG: USCG COMDTINST M1600.2, 2.E. – Relevant Excerpts

“The Coast Guard will not be a haven or refuge for personnel who disregard or evade their obligations to their families. All members of the Coast Guard are expected to conduct their personal affairs honorably and lawfully. This obligation specifically includes the responsibility to provide adequate and continuous support for lawful dependents, and to comply with the terms of support clauses which may be contained in separation agreements and divorce decrees.”

### Guidelines

**Support while Legally Separated** is the court-ordered amount or:

- Spouse only: BAH difference plus 20% of basic pay
- Spouse and 1 child: BAH difference plus 25% of basic pay
- Spouse and 2+ children: BAH difference plus 30% of basic pay

(BAH difference is defined as the difference between BAH with dependents and BAH without dependents.)

### Support after Divorce:

Spouse: Court-ordered amount or \$0 if the divorce decree is silent on the matter of spousal support

Children: Court-ordered amount; \$0 if the divorce decree refers to the existence of children, but is silent on the matter of obligation to provide support for such children; or the below guidelines if the divorce decree makes no reference to existing minor dependent children of the dissolved marriage:

- 1 child: 16.7% of basic pay
- 2 children: 25% of basic pay
- 3+ children: 33% of basic pay

## 5. Marital Debts

Marital debt is subject to division by mutual agreement or court order. Before such an agreement or court decree, both parties are equally responsible for joint debts and individually responsible for debts solely in one spouse's name. Each party can protect themselves to some extent by closing any joint credit or checking accounts and notifying all creditors of their wishes regarding future charges. Note: if a debt is under the name of Spouse A, and the mutual agreement or court order says Spouse B must pay the debt, if Spouse B does not pay the debt, Spouse A still is liable for the debt according to the creditor. Creditors always will seek repayment from the party who contracted for and agreed to legal liability for the debt (not the court order). Because the creditors are not named or involved in the divorce the court has no authority over the debt a spouse owes to it. If both names are on the credit contract, creditors can and will go after either or both, regardless of court order or mutual agreement.

## 6. Children

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

Service members seeking to adopt a child should be referred to the military Legal Assistance office. The legal issues of adoption include citizenship, documentation, wills, reimbursements, adoption tax credit, adding child to military systems, and DEERS enrollment. Refer to the *Welcoming Your First Child* Touchpoint Checklist for additional assistance.

## Contracts

A contract is a written or oral agreement between two or more parties to do, or refrain from doing, some action. It essentially consists of three elements: offer, acceptance and exchange.

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 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.

# Servicemembers Civil Relief Act (SCRA)



## **What Is the Servicemembers Civil Relief Act?**

In 2003, the Soldiers' and Sailors' Civil Relief Act of 1940 (SSCRA) was rewritten and renamed 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. Since 2003, additional laws have extended and modified the protections under the SCRA.

## **Who Is Covered?**

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). Reservists and members of the National Guard (when in active federal service) also are protected under the law. 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.

# Guide to the Servicemembers Civil Relief Act



## Overview

- The Servicemembers Civil Relief Act, also referred to as the “SCRA” is a federal law that provides financial and housing protections and benefits to Service members as they enter the military service.
- The SCRA revised and expanded the Soldiers’ and Sailors’ Civil Relief Act of 1940, a law designed to ease financial burdens on Service members.
- The legal citation for the SCRA is 50 U.S.C. §§ 3901.4043.
- This guide summarizes some of the most common protections and benefits under the SCRA and how to contact the Department of Justice to file a complaint.

## Who Is Covered?

- Those in the military service. This includes the following: (1) full-time active-duty members or the five military branches; (2) reservists on federal active duty (3) members of the National Guard on federal orders for more than 30 days; (4) Service members absent from duty for a lawful cause or because of sickness, wounds, or leave; and (5) commissioned officers in active service of the Public Health Service of the National Oceanic and Atmospheric Administration. 50 U.S.C. §§ 3911(2).
- Dependents of Service members are eligible for some of the benefits as well. Some dependent benefits, like terminating a lease, are available upon application to a court. 50 U.S.C. §§ 3959.
- The term “dependent” includes a Service member’s spouse, children, and any other person for whom the Service member provided more than half of their financial support for the past 180 days. 50 U.S.C. §§ 3911(4).
- For most, SCRA protections begin on the date they enter active-duty military service.
- For Reservists, protections begin upon the receipt orders. 50 U.S.C. §§ 3917.

## A Cautionary Note on Waivers: Section 3918

- Any of the rights and protections provided for in the SCRA may be waived. 50 U.S.C. §§ 3918(a). But written waivers must be in at least 12-point font. 50 U.S.C. §§ 3918(c).
- For contracts, leases (including apartment leases), and mortgages, all modifications, terminations, and cancellations require a written waiver of rights. 50 U.S.C. §§ 3918(b).
- Written waivers are effective only if executed during or after the relevant period of military service. 50 U.S.C. §§ 3918(a).
- In order to be effective, the written waiver must be its own document. 50 U.S.C. § 3918(a).

To learn more, visit [servicemembers.gov](http://servicemembers.gov)

# Five Key Provisions of the SCRA



## SEC. 3937: The 6% Interest Rate Cap

- The SCRA limits the amount of interest that may be charged on certain obligations, such as credit cards, vehicle loans, and mortgages, that were incurred prior to military service to no more than 6% per year, including most fees. 50 U.S.C. §§ 3937(a)(1). & (d)(1)
- In order to receive this interest rate cap, a Service member shall provide the creditor with a written notice and either a copy of his or her military orders, or “any other appropriate indicator of military service, including a certified letter from a commanding officer.” 50 U.S.C. §§ 3937(b)(1)(A).
- These documents must be provided to the creditor within 180 days of the end of the Service member’s military service, 50 U.S.C. § 3937(b)(1)(A), and once a creditor receives them, the creditor must forgive, not defer, interest at a rate greater than 6% per year. Id. at § 3937(a)(2).
- The creditor must forgive this interest retroactively and is prohibited from accelerating the payment of principal. 50 U.S.C. §§ 3937(a)(1) & (b)(2).
- For mortgagees, interest is capped at 6% during the entire period of military service and for one year after the period of military service. 50 U.S.C. §§ 3937(a)(1)(A). For all other obligations, interest is capped at 6% only for the duration of the period of military service. Id. at § 3937(a)(1)(B).
- A creditor may independently verify the active-duty military status of borrowers with the Defense Manpower Data Center and rely on that information if the Service member has not provided contradictory proof of military service. 50 U.S.C. § 3937(b)(1)(B).

## SEC. 3955: Residential and Vehicle Leases

- Service members may terminate residential or vehicle leases acquired prior to military service at any time after the Service member’s entry into military service; or if the leases are acquired while in military service, after the date of the Service member’s military unit, or as an individual in support of a military operation, for a period of not less than 90 days. 50 U.S.C. §§ 3955(a) & (b).
- To terminate a lease, a Service member must submit a written notice and a copy of his or her military orders – or a letter from a commanding officer – to the lessor or lessor’s agent. 50 U.S.C. § 3955(c).
- If a Service member pays rent on a monthly basis, once he or she gives proper notice and a copy of his or her military orders, then the lease will terminate 30 days after the next rent payment is due. 50 U.S.C. § 3955(d)(1).
- In the case of a lease of a motor vehicle, the Service member must return the motor vehicle to the lessor or the lessor’s agent, not later than 15 days after the date of the delivery of written notice. 50 U.S.C. § 3955(c).

## Foreclosures: SEC. 3953 & 3931

- Foreclosures can proceed in one of two ways, either judicially (through a court process), or non-judicially (without a court’s involvement).
- The SCRA treats the two types of foreclosure proceedings very differently, and states typically dictate which way foreclosures will proceed within their borders. 50 U.S.C. §§ 3931, 32 & 53.

## SEC. 3953: Non-Judicial Foreclosures

- During a period of military service, and for one year after a period of military service, a creditor must get a court order prior to foreclosing on a Service member’s mortgage. 50 U.S.C. §§ 3953(a) & (c).
- The mortgage at issue must have been taken out by a Service member prior to entering military service in order for this protection to be applicable. 50 U.S.C. § 3953(a)(1).
- Courts have the ability, and a duty in certain instances, to postpone a non-judicial foreclosure proceeding. 50 U.S.C. § 3953(b).

## SEC. 3931: Default Judgments

- In any civil court proceeding, including a judicial foreclosure proceeding, in which the defendant Service member does not make an appearance, a plaintiff creditor must file an affidavit with the court stating one of three things: (1) that the defendant is in the military service; (2) that the defendant is not in military service; or (3) that the creditor is unable to determine whether or not the defendant is in military service after making a good faith effort to determine the defendant’s military service status. 50 U.S.C. § 3931(b)(1).
- Where the defendant is not made an appearance and it seems that he or she is in military service, a court may not enter a default judgment until after it appoints an attorney to represent the interests of that defendant. 50 U.S.C. § 3931(b)(2).
- The court must postpone a civil court proceeding for at least 90 days if that appointed attorney has been unable to contact the defendant Service member, or if there may be a defense to the action that requires that the defendant be present. 50 U.S.C. § 3931(d).

## SEC. 3952: Repossessions

- A creditor may not repossess a vehicle during a borrower’s period of military service without a court order, as long as, before entering military service, the Service member borrower either: (1) placed a deposit for the vehicle; or (2) made at least one installment on the contract. 50 U.S.C. § 3953.

### CONTACT INFORMATION

2002-307-SCRA (7272)  
servicemembers@usdoj.gov



# Sample SCRA Letter

## Instructions

- (1) Meet with a licensed attorney at an armed-service Legal Assistance office to discuss your specific situation.
- (2) Obtain a copy of your orders to active duty.
- (3) Replace the bolded portions in the template with the applicable information.
- (4) Print and sign the letter.
- (5) Attach a copy of your orders to active duty.
- (6) Make at least one (1) copy of the letter with all attachments to keep for your own records.
- (7) Send the original letter via certified mail, return receipt requested.
- (8) Retain any written response from the creditor for your own records.
- (9) Follow up with a licensed attorney at an armed-service Legal Assistance office to address any concerns.

**Date**

**Rank and Full Name**  
**Street Address**  
**City, State ZIP Code**

**Creditor's Name**  
**Street Address**  
**City, State ZIP Code**

RE: **Rank and Full Name's** Financial Obligation – **Account No. #####**

Dear **Sir or Ma'am**:

Pursuant to the Servicemembers Civil Relief Act ("SCRA") 50 U.S.C. App. Section 527, this letter is my formal written request to reduce the rate of interest to six percent (6.0%) for the above referenced account.

I am currently serving on active duty with the **Branch of Armed Forces**. I entered active duty on **Date**, which was after the time I incurred the above referenced debt. The SCRA establishes a six percent (6.0%) per annum ceiling on interest during the period of a Service member's military service. This reduced rate became effective upon my entry to active duty on **Date**, and shall be applied retroactively to date of entry to active duty.

Under the SCRA, any interest in excess of 6.0% per year shall be forgiven. Additionally, any payments shall be reduced by the amount of interest forgiven which is allocable to the period of such payment.

Please find the attached copy of **My Orders to Active Duty**.

If you have any questions or concerns, you may contact me at the above address, or my commanding officer's address on the attached letter.

Respectfully Submitted,

---

**Rank and Full Name**

Attachment:  
**Orders to Active Duty**

**SOURCE of Example SCRA Letter:**

<https://www.29palms.marines.mil/Portals/56/Docs/SJA/SCRA%20-%20Letter%20for%20Reduced%20Rate%20of%20Interest.pdf>

# Reference Information: Credit & 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 financing, the balance upon which the finance charge is imposed, or the security interests.

FEDERAL TRUTH-IN-LENDING DISCLOSURES				
<b>ANNUAL PERCENTAGE RATE</b> <small>The cost of your credit as a yearly rate.</small>	<b>FINANCE CHARGE</b> <small>The dollar amount the credit will cost you.</small>	<b>AMOUNT FINANCED</b> <small>The amount of credit provided to you or on your behalf.</small>	<b>TOTAL OF PAYMENTS</b> <small>The amount you will have paid after you have made all payments as scheduled.</small>	<b>TOTAL SALE PRICE</b> <small>The total amount of your purchase on credit, including your down payment of:</small>
18 %	\$ 1290.00	\$ 6509.00	\$ 7800.00	\$ 1300.00 \$ 9100.00
<b>YOUR PAYMENT SCHEDULE WILL BE</b>				
<b>NUMBER OF PAYMENTS</b>	<b>AMOUNT OF PAYMENTS</b>	<b>WHEN PAYMENTS ARE DUE</b>		
24	\$ 325.00	Monthly Beginning 6 mos. ago		
<b>A Final Payment of</b>	<b>\$</b>	<b>Due On</b>		
<p><b>Late Charge.</b> If a payment is not paid in full within 7 days after it is due, you will pay a late charge of 5% of amount of payment due.</p> <p><b>Prepayment.</b> If you pay off early on Contract with a precomputed finance charge, you will be entitled to a refund of part of finance charge. If the finance charge is calculated on a simple interest method, you may have to pay a prepayment penalty.</p> <p><b>Security Interest.</b> You are giving a security interest in the Property and related equipment being purchased and in our right of setoff.</p>				

**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. This 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.



# Reference Information: Credit & Collection Laws

**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, or
- 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 their local Legal Assistance Office.

**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:** It provides for credit being granted to all consumers in a fair and equitable manner. It prohibits discrimination based on sex, marital status, race, national origin, religion, age or the receipt of public assistance. This 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:** Creditors may not impose an annual percentage rate of interest greater than 36% for any consumer credit (including any consumer credit originated or extended through the internet) to a covered member or a dependent of a covered member. **See the next page for more details on the Military Lending Act.**

**9. Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155):** This requires credit bureaus to offer free basic credit monitoring services to military personnel. For everyone, it expands the FCRA to provide for free security freezes (“credit freezes”) and extends the fraud alert from 90 days to 1 year.

**10. Bankruptcy:** This is a legal proceeding provided by federal law, in which people who cannot pay their bills can get a fresh financial start. Refer Service members considering bankruptcy to your local Legal Assistance Office and to financial or debt management counseling.

# What Are My Rights Under the Military Lending Act?

The Military Lending Act (MLA) says that you can't be charged an interest rate higher than 36% on most types of consumer loans and provides other significant rights.

The MLA applies to active-duty Service members (including those on active Guard or active Reserve duty) and covered dependents.

## **What types of loans are covered under the Military Lending Act?**

As of October 3, 2016, most types of consumer loans offered to active-duty Service members and their dependents have to comply with the Military Lending Act (MLA). These credit products include, but are not limited to:

- Payday loans, deposit advance products, and vehicle title loans,
- Overdraft lines of credit, but not traditional overdraft services, and
- Installment loans, with the exceptions noted below.
- Credit cards (note: credit card companies did not have to comply until Oct. 3, 2017)

**There are some loans the MLA doesn't cover – namely, credit that is secured by the property being purchased. These loans include:**

- Residential mortgages (financing to buy or build a home that is secured by the home), mortgage refinances, home equity loans or lines of credit, or reverse mortgages,
- A loan to buy a motor vehicle when the credit is secured by the motor vehicle you are buying, and
- A loan to buy personal property when the credit is secured by the property you're buying, like a vehicle or home appliance.

## **Your rights under the MLA include:**

- A 36% interest cap. You can't be charged more than a 36% Military Annual Percentage Rate (MAPR), which includes the following costs in calculating your interest rate (with some exceptions):
  - Finance charges,
  - Credit insurance premiums or fees,
  - Add-on products sold in connection with the credit (like Guaranteed Asset Protection/GAP Insurance), and
  - Other fees like application or participation fees, with some exceptions.
- No mandatory waivers of consumer protection laws. A creditor can't require you to submit to mandatory arbitration or give up certain rights you have under state or federal laws like the Servicemembers Civil Relief Act.
- No mandatory allotments. A creditor can't require you to create a voluntary military allotment in order to get the loan. An allotment is an automatic amount of money taken from your paycheck to pay back your loan.
- No mandatory use of a check or access to a bank account for loan.
- No prepayment penalty. A creditor can't charge a penalty if you pay back part – or all – of the loan early.
- Requires oral and written disclosures of the interest rate and compliance with the Federal Truth-in-Lending Act.
- Failure to comply with the MLA voids the contract.

# Activity: Headed for Trouble?

Service members and their families can avoid legal complications by being aware of and exercising their rights under the law. To help apply what we have learned today, here are a few common scenarios. Are they headed for trouble?

**(Circle your answer)**

- The judge orders a Service member to pay the marital debt legally incurred by her spouse during the marriage. The Service member decides there is no way she will pay the debt. Is she headed for trouble?  
**Yes or No**
- A Service member, living in the barracks, has fallen behind three months on court-ordered support payments of \$1,000 to his estranged spouse, who is living in military housing with the couple's infant son. His CO orders him to pay half of his gross pay each month, which is \$2,000/month. Is anyone headed for trouble?  
**Yes or No**
- A Service member 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?  
**Yes or No**
- 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. The member is late for a date, and since he trusts the salesperson, he signs all the documents without reading them. Is he headed for trouble?  
**Yes or No**
- A Service member and her spouse are moving into an apartment and sign a lease without a military clause. Are they headed for trouble?  
**Yes or No**
- A Service member buys a used car "as is." The vehicle looked and sounded good when purchased, especially the sound system. A week later, the vehicle begins to have a rough idle. Three days later, the engine seizes, and a mechanic determines there has been a total engine failure. Is he headed for trouble?  
**Yes or No**
- 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%. Is he headed for trouble?  
**Yes or No**
- A Service member realizes she has lost her credit card. She calls the issuer immediately. When she gets her next bill, there is a charge of \$400 she didn't make. Is she headed for trouble?  
**Yes or No**
- A Service member 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?  
**Yes or No**
- A Service member gives her spouse a general power of attorney to take care of business while she is deployed. Is she headed for trouble?  
**Yes or No**

# Activity: Headed for Trouble?

Additional *Headed for Trouble?* Questions

**(Circle your answer)**

- 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 headed for trouble?  
**Yes or No**
- 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 headed for trouble?  
**Yes or No**
- A Service member 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 headed for trouble?  
**Yes or No**
- A Service member buys a heavy-duty steam carpet cleaner from a department store. The saleswoman tells the Service member it will clean heavy-duty dirt from most carpets. The Service member notes, upon using the cleaner, that it forms small, muddy ponds in his living room. Is he headed for trouble?  
**Yes or No**



**CFS**

COMMAND FINANCIAL  
SPECIALIST

# CFS 11 Your Credit and Your Clearance

★  
Student Manual

## I. INTRODUCTION

This chapter discusses Indebtedness and Security Clearance Financial Issues, helping the CFS understand the implications of debt on a Service member's finances and career. The CFS will understand which tasks to work on with the Service member and when and where to refer them for additional assistance.

This chapter also discusses how the CFS can assist Service members in avoiding Statements of Reasons (SORs)/Letters of Intent (LOIs) through credit and debt management. The CFS will receive information that they can use to educate and empower Service members about credit. Topics include credit scores and reports, how to build, improve, and protect one's credit, as well as how to recognize financial warning signs and when to seek help.

### Chapter Correlation to Common CFS Task Areas:

- 1. Education and Training:** CFS will learn about the Continuous Evaluation process for security clearance. They will learn active credit and debt management techniques.
- 2. Information and Referral:** CFS will understand how to assist Service members with credit management as well as when to refer to the local Legal Assistance office and/or Installation Family Support Center Financial Counselor or Educator.
- 3. Counseling/Coaching:** The CFS often is asked to provide counseling to members because the command has received a notification of indebtedness, garnishment, or Statement of Reasons (SOR)/Letter of Intent (LOI) regarding a member. This chapter will prepare the CFS to assist with a financial plan.



## II. LEARNING OBJECTIVES

After participating in the session, the learner should be able to explain Navy, Marine Corps, Army and/or Coast Guard policy on indebtedness and discuss assisting the command and Service member with creditor complaints and Statements of Reasons (SORs)/Letters of Intent (LOIs). The learner will also become familiar with credit management techniques to include understanding credit reports and scores and learning best practices to build, improve, and protect credit.

### **III. REFERENCES**

*Military Personnel Manual 7000-020, Indebtedness and Financial Responsibility of Members SECNAV M-5510.30*

*Marine Corps Order 5800.16-V10, Legal Support and Administration Manual Volume 10*

*Marine Corps Order 5510.18(series), USMC Information and Personnel Security Program*

*AR 600-15, 4, Responsibilities and Financial Obligations – superseded by 32 CFR 112 – Indebtedness of Military Personnel*

*AR 380-67, Appendix I-Guideline F, Financial and Security Clearance*

*AR 608-1, 4-42 Debt Liquidation Assistance*

*USCG COMDTINST M1600.2(series) Discipline and Conduct Manual, Chapter 2.D.*

*USCG COMDTINST M5520.12(series) Personnel Security and Suitability Program*

*USCG COMDTINST M7220.29(series) Coast Guard Pay Manual*

*Defense Finance and Accounting Service (DFAS) website <https://www.dfas.mil/>*

*32 CFR 113, Indebtedness Procedures of Military Personnel*

*<https://finred.usalearning.gov/Money>*

*<https://saveandinvest.org/>*

*<https://www.consumer.ftc.gov/articles/0151-disputing-errors-credit-reports>*

### **IV. CONTENT**

# Military Branch Policies on Indebtedness

Members of the Military Services are expected to pay their just financial obligations in a proper and timely manner.

## **USN**

The United States Navy is without legal authority to require a Service member to pay a private debt, or to deduct any part of their pay to reimburse the creditor even if the indebtedness has been reduced to judgment by a civil court, unless the Service member's pay is to be garnished to provide child support or alimony. The enforcement of private obligations is a matter for civil authorities.

A Commanding Officer (CO) is without authority to adjudicate claims or to arbitrate controversies concerning debts or private obligations of Sailors, or to not, by virtue of their military status, relieve them from continuing obligations to obey pertinent civil laws or to comply with the terms of applicable civil court orders, decrees, or judgments.

The extent to which COs may cooperate with creditors is limited to administrative referral of correspondence to the Service member. The CO shall ensure the Service member communicates their intentions regarding the creditor. Contact by a debt collector with third party, such as COs, for the purpose of aiding debt collection is prohibited without concurrence of the debtor, or without a court order.

## **USMC**

Marines are expected to manage their personal affairs satisfactorily and pay their financial obligations in a proper and timely manner. A Marine's dishonorable failure to pay just debts may result in administrative or disciplinary actions, which can include non-judicial punishment, the initiation of court-martial proceedings and/or administrative separation proceedings. Indebtedness also may adversely impact security clearances (i.e. revocation, suspension, separation from service).

Enforcement of private obligations is a matter for civil authorities. Except as otherwise authorized by statute or regulation, the Marine Corps has no legal authority to require Marines to pay a private debt or to divert any part of their pay for its satisfaction. The extent to which Commanding Officers may assist original creditors is limited to administration referral of the complaint to the Marine.

## **USA**

The United States Army is without legal authority to require a member to pay a private debt, or to deduct any part of their pay to reimburse the creditor even if the indebtedness has been reduced to judgment by a civil court, unless the member's pay is to be garnished to provide child support, alimony, or Army and Air Force Exchange Service. Indebtedness will adversely impact and prevent Soldiers from obtaining a security clearance.

Assistance in indebtedness matters shall not be given to those creditors who have not made a bona fide effort to collect the debt directly from the military member; whose claims are patently false and misleading; whose claims are obviously exorbitant; or whose debt collection efforts are in violation of state law.



## **USCG**

Service members who fail to meet their financial obligations bring discredit upon the service, burden the command administratively, and jeopardize their eligibility for a security clearance. Because of this, all members have a military duty to meet their financial obligations. Despite the Coast Guard's interests in the matter, the Coast Guard has no authority to direct or control the pay of its personnel for the purpose of satisfying a private claim of indebtedness, except under certain circumstances to include court ordered garnishment for child support, alimony, and indebtedness.

The Coast Guard is not required to assist in processing debt complaints when the claimant has not made bona fide efforts to collect the debt directly from the member or when the claim is patently false, misleading, or exorbitant. In cases where there appears to be a genuine dispute as to the validity of the claim or where the amount of the claim is disputed, the claimant should be advised to seek redress through the courts. Except as provided for in Article 1.L.1.d. of the COMDTINST M1600.2, a court judgment or court order must be presumed by the commanding officer to be just, fair and binding.

### **Creditor Complaints**

For more information regarding United States Navy "Notices of Indebtedness," you can refer to the Military Personnel Manual 7000-020, Indebtedness and Financial Responsibility of Members.

For more information regarding United States Marine Corps "Complaints from Creditors," you can refer to Marine Corps Order 5800.16-V10, Legal Support and Administration Manual Volume 10.

For more information regarding United States Army "debt complaints," you can refer to 32 CFR 112 – Indebtedness of Military Personnel which superseded AR 600-15.

For more information regarding United States Coast Guard "Complaints of Indebtedness," you can refer to USCG COMDTINST M1600.2, Discipline and Conduct Manual, Chapter 2.D.

Some states have enacted laws prohibiting creditors from contacting a debtor's employer about indebtedness or communicating facts on indebtedness to an employer unless certain conditions are met. The conditions that must be met to remove this prohibition are generally such things as reduction of a debt to judgment or obtaining written permission of the debtor. At installations in states having such laws, the processing of debt complaints shall not be extended to those creditors who are in violation of the state law.

As the CFS, you may be asked to assist in counseling a Service member whose debt has not been resolved. Remember that you as a CFS are not to enforce any debt payments or collections and are not trained to provide legal advice in these situations. Without passing judgment and through non-biased assistance, a CFS, by the direction of command leadership, would:

1. Help the Service member to create a monthly budget that includes delinquent accounts
2. Provide the Service member with credit management training
3. Make appropriate referrals

Army First Sergeants may refer Soldiers to receive assistance from a local Personal Financial Readiness Specialist at an Army Community Service Center to receive help in making contacts with creditors to resolve indebtedness issues. Coast Guard CFSs should refer situations beyond basic counseling to a Personal Financial Manager at the Office of Work-Life. Service members and their families who are the victims of suspected illegal debt collection activity or questionable indebtedness complaints should be encouraged to consult military Legal Assistance for help.

### **Collecting Commercial Debt from a Service Member**

Creditors who have been awarded a civil judgment against a Service member may seek enforcement of the judgment by applying for an involuntary allotment from the Service member's military pay. For DoD Service members, if approved, the allotment can pay up to a maximum of 25% of a member's disposable pay per monthly pay period. Refer to 32 CFR 113 for more information. For Coast Guard members, if approved, the allotment must not exceed 25% of a member's pay subject to involuntary allotment. Refer to the USCG COMDTINST M7220.29(series) Coast Guard Pay Manual for more information. DFAS processes all involuntary allotment requests for all branches of the military service except the U.S. Coast Guard. The Coast Guard Pay and Personnel Center (PPC) processes all involuntary allotment requests for the U.S. Coast Guard. The Commanding Officer must notify the member of the involuntary allotment and inform the member of their right to either consent or contest the involuntary allotment.

# Debt Complaints Discussion



Can you recall an example of a command becoming aware of a Service member's debt, and how was it handled?

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What are good practices you've seen on the part of commands or commanding officers?

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What kind of personal consequences of debt have you seen in fellow Service members?

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What is the most extreme career implication you've observed due to financial mismanagement or debt?  
What other issues?

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# Disqualifying and Mitigating Factors



## **Disqualifying factors (behavior or condition falls within one or more of the following categories)**

- (a) Inability to satisfy debts;
- (b) Unwillingness to satisfy debts regardless of the ability to do so;
- (c) A history of not meeting financial obligations;
- (d) Deceptive or illegal financial practices such as embezzlement, employee theft, check fraud, expense account fraud, mortgage fraud, filing deceptive loan statements, and other intentional financial breaches of trust;
- (e) Consistent spending beyond one's means or frivolous or irresponsible spending, which may be indicated by excessive indebtedness, significant negative cash flow, a history of late payments or of non-payment, or other negative financial indicators;
- (f) Failure to file or fraudulently filing annual federal, state, or local income tax returns or failure to pay annual federal, state, or local income tax as required;
- (g) Unexplained affluence, as shown by a lifestyle or standard of living, increase in net worth, or money transfers that are inconsistent with known legal sources of income;
- (h) Borrowing money or engaging in significant financial transactions to fund gambling or pay gambling debts; and
- (i) Concealing gambling losses, family conflict, or other problems caused by gambling.

## **Mitigating factors (circumstances which may mitigate disqualifying information)**

- (a) The behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment;
- (b) The conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;
- (c) The individual has received or is receiving financial counseling for the problem from a legitimate and credible source, such as a nonprofit credit counseling service, and there are clear indications that the problem is being resolved or is under control;
- (d) The individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts;
- (e) The individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue;
- (f) The affluence resulted from a legal source of income; and
- (g) The individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

# Department of Defense Personnel Security – United States Navy, United States Marine Corps, and United States Army



The Department of Defense Consolidated Adjudication Facility (DoD CAF) is the personnel security adjudicative authority for all individuals affiliated with the DoD. The DoD CAF is responsible for adjudicating information from personnel security investigations and other relevant information to determine eligibility for access to classified information, and/or assignment to sensitive national security positions and communicate the results via the Joint Personnel Adjudication System (JPAS).

The objective of the Personnel Security Program (PSP) is to authorize initial or continued access to classified information and/or initial and continued assignment to sensitive duties to those persons whose loyalty, reliability and trustworthiness are such that entrusting them with classified information or assigning them to sensitive duties is clearly consistent with the interests of national security. Additionally, the PSP ensures that no final unfavorable personnel security determination will be made without compliance with all procedural requirements.

In addition to the initial and periodic background investigations, members are subject to Continuous Evaluations, which include automated record checks on a more frequent basis. Continuous Evaluations use automated record checks of commercial databases, U.S. Government databases and other information lawfully available to security officials – information that is already reviewed during initial and periodic background investigations. Any derogatory information identified during Continuous Evaluation automated record checks will be used for investigative lead purposes only. This information will subsequently be investigated according to existing personnel security processes. No action will be taken based solely on the derogatory information identified during the Continuous Evaluations process without follow-up and review by the adjudicating agency against established national security adjudicative guidelines.

When an unfavorable personnel security eligibility determination is being contemplated by the DoD CAF, the DoD CAF will issue the individual concerned a Statement of Reasons (SOR) to revoke or deny security clearance eligibility, SCI access or sensitive position eligibility. The SOR advises the individual of the proposed action, the reasons therefore and the rebuttal process associated with the proposed action. The SOR will be sent to the individual's command. The command will immediately present the SOR to the individual and assume a direct role in facilitating the process. On the following pages you will find a Sample SOR, information about disqualifying factors and mitigating factors, and Instructions for the Response to the SOR. The client should read the SOR they received from DoD CAF and if any information is different from the information on these pages, they should always follow the information in the SOR instead.

**NOTE:** For information regarding the United States Coast Guard, see page 11-18.

# Sample Statement of Reasons – DoD



**DEPARTMENT OF DEFENSE  
CONSOLIDATED ADJUDICATIONS FACILITY  
BUILDING 600 10TH STREET  
FORT GEORGE G. MEADE, MD 20755-5615**



March 3, 2020

MEMORANDUM FOR PV2 John Doe, 123-45-6789

THROUGH: 123-45TH MILITARY POLICE BRIGADE  
(ATTN: SECURITY MANAGEMENT OFFICE)

SUBJECT: Intent to Deny Eligibility for Access to Classified Information and/or Assignment to Duties that have been Designated National Security Sensitive

References: (a) DoDM 5200.02, Procedures for the DoD Personnel Security Program (PSP), April 3, 2017  
(b) Security Executive Agent Directive 4, National Security Adjudicative Guidelines, December 10, 2016 (Effective June 8, 2017)

1. Per the above references, a preliminary decision has been made by the Department of Defense (DoD) Consolidated Adjudications Facility (CAF) to deny your eligibility for access to classified information and/or assignment to duties that have been designated national security sensitive.
2. A decision on eligibility for access to classified information and/or assignment to duties that have been designated national security sensitive is a discretionary security decision based on judgments by appropriately trained adjudicative personnel. Pursuant to reference (a), eligibility shall be granted only where facts and circumstances indicate eligibility for access to classified information is clearly consistent with the national security interests of the United States, and any doubt shall be resolved in favor of the national security. Information concerning your personal history has led to the security concern(s) listed in Attachment 1, Statement of Reasons (SOR), which prevent the DoD CAF from making the affirmative decision that your eligibility is clearly consistent with the interests of national security. If this preliminary decision becomes final, you will not be eligible for access to classified information and/or assignment to duties that have been designated national security sensitive as defined by the above-cited references.
3. If you currently have access to classified information, this access may be suspended by your organization's Security Management Office.
4. You must complete Attachment 2, Statement of Reasons Receipt and Statement of Intent, and forward it to the DoD CAF, via your organization's Security Management Office (SMO) within ten (10) calendar days of receipt of this memorandum. Contact your SMO for help in preparing and forwarding this form. If the completed Attachment 2 is not received at the DoD CAF, it will be presumed that you do not intend to submit a reply.

5. You may request the records upon which the DoD CAF relied on to make the preliminary decision. Attachment 3 is provided to assist you in requesting your records. Use the Defense Counterintelligence and Security Agency (DCSA) investigation request if your SOR is based upon a DCSA Investigation (formally known as the Office of Personnel Management (OPM) investigation). Use the appropriate records request form(s) provided herein, if your SOR is based upon records other than, or in addition to, the DCSA investigation. Failure to request the record(s) in a timely manner, failure to provide an accurate mailing address, and/or failure to accept receipt of the record(s) upon delivery, will not serve as justification for an extension of time to respond to the SOR.

6. You may challenge this preliminary decision by responding, in writing, with any information or explanation that you think should be considered in reaching a final decision. Attachment 4, Instructions for Responding to a Statement of Reasons, provides instructions to assist you if you choose to submit a response. Attachment 5, National Security Adjudicative Guidelines, provides information on the guidelines and Attachment 6, Applicable National Security Adjudicative Guidelines, provides the specific national security adjudicative guideline(s) from reference (b) used in this preliminary decision.

7. You may choose to obtain legal counsel, or other assistance, in preparing your response to this preliminary decision. You may obtain civilian counsel, at your own expense, or, if you are eligible, from the staff of the Judge Advocate General. If you desire assistance from legal counsel, you should make those arrangements immediately.

8. If you choose the option to respond, your written response must be submitted through your SMO within thirty (30) calendar days from the date you acknowledge receipt of this memorandum. Your SMO will then forward it to the DoD CAF. Your employing organization may, upon your written request and prior to the expiration of the original deadline, grant an extension of an additional thirty (30) calendar days in which to respond. To request an additional extension, you must provide a written request, with justification, to your SMO prior to the current deadline. Your SMO will then submit your request to the DoD CAF for review/ approval. Any request for extension of time to respond, after the initial extension, may be granted only by the DoD CAF.

9. If you choose the option not to respond or if you chose to respond but your response is not received by your SMO within the specified time, this preliminary decision will become a final security determination on the merits of the information available. Please direct questions regarding this memorandum to your SMO.



NAME OF CHIEF  
Division Chief  
Adjudications Directorate

Attachments:

1. Statement of Reasons
2. Statement of Reasons Receipt and Statement of Intent
3. Form(s) for Requesting Records
4. Instructions for Responding to a SOR
5. National Security Adjudicative Guidelines
6. Applicable National Security Adjudicative Guidelines

## **STATEMENT OF REASONS (SOR) FOR John Doe, 123-45-6789**

The information listed below was derived from the documents listed at the end of this attachment (Attachment 1, Statement of Reasons). Each item of disqualifying information falls under one or more of the security guidelines listed below.

### **GUIDELINE F: Financial Considerations**

Available information shows issues of Financial Considerations on your part.

Failure to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

Per the Adjudicative Guidelines, conditions that could raise a security concern and may be disqualifying include:

Your credit bureau report, obtained by the Office of Personnel Management (OPM) on July 17, 2019, disclosed the following delinquent debts:

<b>CREDITOR NAME</b>	<b>STATUS</b>	<b>AMOUNT</b>	<b>CREDIT BUREAU EFX = Equifax, TU = TransUnion, EXP = Experian</b>
Huntington Bank	120 DAYS PAST DUE	\$5,325	EXP, EFX, TU
Barclay	120 DAYS PAST DUE	\$8,523	EXP, EFX, TU
Santander Bank	120 DAYS PAST DUE	\$2,458	EXP, EFX, TU
Armed Forces Bank	120 DAYS PAST DUE	\$3,526	EXP, EFX, TU
American Express	120 DAYS PAST DUE	\$4,995	EXP, EFX, TU



During your interview with an OPM investigator on August 27, 2019, your delinquent debts were discussed. You indicated that you were unaware that you were delinquent on any of these debts and would check into them and get back to the investigator. On September 6, 2019, you made contact with the investigator and stated that you had contacted each of these creditors regarding these debts, did not dispute any of them, and were taking steps to resolve them. You stated that it was difficult to pay the accounts off at the time, but you planned to get a better job when you returned from basic training, and that the bonuses you expected to receive from the military would help a lot.

On December 6, 2019, the DoD CAF issued a Supplemental Information Request through your command, requesting that you provide official documentation of your efforts to repay or otherwise resolve each of your delinquent debts, such as canceled checks, money order receipts, or account statements. To date, no response to the request has been received.

Your inability to satisfy your debts indicates poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, which raises questions about your reliability, trustworthiness, and ability to protect classified or sensitive information. Therefore, your financial situation is a security concern. (Guideline F, Attachment 6)

**Statement of Reasons Receipt and Statement of Intent (Subject)**

I, John Doe, 123-45-6789, acknowledge that I have received the Statement of Reasons (SOR) notifying me of the Department of Defense Consolidated Adjudications Facility's preliminary decision to deny my eligibility for access to classified information and/or assignment to duties that have been designated national security sensitive. I understand that this form must be returned to my organization's Security Management Office (SMO) within ten (10) calendar days.

I will (select one):

NOT submit a reply to the SOR. I understand that by making this choice, this preliminary decision will become a final determination based on the merits of the available information.

Submit a response via my organization's SMO within thirty (30) calendar days of the date I acknowledged receipt of the SOR, or later date as provided in a valid extension of time. I understand that if my response is not received by the SMO within the thirty (30) calendar days, or later date as provided in a valid extension of time, this preliminary decision will become a final determination based on the merits of the available information.

---

(Signature)

---

(Date)

# Statement of Reasons

## CFS Action Items for Statement of Reasons

As a CFS, you will help the Service member by:

- Creating a realistic Financial Planning Worksheet to include the financial issues addressed in the SOR.
- Assisting the member in obtaining a credit report from *www.annualcreditreport.com*.
- Assisting the member in developing a good-faith action plan to resolve financial issues.
- Discussing with the member how to formally dispute one of the three credit reporting agencies account(s) that he or she does not believe they are obligated to pay. The agencies have 30 days to provide a resolution to the dispute.
- Discussing with the member to have documentation to support all claims made in his or her response to the SOR.
- Stressing the importance of a member being proactive in contacting you or another financial-counseling resource when experiencing financial difficulties.
- Be careful not to cross the line and provide legal advice. Instead, refer the Service member to the local Legal Assistance office.

## Instructions for Response to Statement of Reasons

- Address each item cited in the SOR separately.
- Admit or deny each item in the SOR and provide an explanation for each response.
- Gather any documentation that supports your case.
- Response and supporting documentation should be organized in the same order as the security concerns presented in the SOR (use dividers or tabs to help assemble the supporting documentation in order).
- Documents that have the most impact will be those that refute, correct, explain, extenuate, mitigate, or update the unfavorable information presented in the SOR.
- Examples of financial documents include: releases from judgment or wage attachment; statements of account or letters from creditors verifying the status of delinquent accounts; receipts or copies of canceled checks for payment on debts; proof of payment arrangements; current statements reflecting a systematic effort to reduce delinquent debts; complete copies of bankruptcies (to include schedules); current complete credit reports (inclusion of all three main credit bureaus is preferred).
- Mere statements such as “I paid those bills,” will not carry much weight as supporting documentation.

**Please note** that assisting a client with an SOR involves many steps and collection of many documents. You will likely need to meet with them two or more times to assist them with the process.

The checklist on the following page will help you remember the key steps and actions your client needs to take as they prepare their SOR response.

# CFS Checklist for Successful SOR Counseling Sessions

## BEFORE THE INITIAL SESSION

*Provide the client with the following list of items they will need for a successful SOR counseling session:*

- The SOR
- A list of all current income and expenses, in order to complete an initial budget. Copies of the last two months of bank and/or credit card statements may be helpful to establish current spending estimates.
- Copies/copy of current credit report that the SOR addresses for eligibility determination. This information is within the SOR. If the delinquency was found at all three credit bureaus, then only one credit report from any of the bureaus is necessary. Refer the client to [www.annualcreditreport.com](http://www.annualcreditreport.com).

## DURING THE INITIAL SESSION

- Counsel the Service member that the response to the SOR must address all debt items on the SOR, even if they no longer appear on a current credit report.
- CFS will assist the Service member in creating a budget. Utilize the projected side to include any expense reductions and savings, and accommodate payments for outstanding SOR debt items.
- Ask the member to prioritize debt repayment. Document details of their priorities using the Action Plan and remarks on the budget/eFPW.
- Encourage Service member to keep a log of all communications with creditors, and create a “paper trail” whenever possible. Follow up phone calls with email or mail, and keep copies of all correspondence.

*If the Service member has enough surplus or savings to settle all delinquent accounts, no follow up is needed with the CFS. Action items:*

- CFS will make appropriate comments in Action Plan on eFPW.
- Service member must contact delinquent creditors to pay off debts, and request documentation of \$0 due balances.
- Service member should prepare their response to the SOR for on-time submission to DoD CAF. Counsel the member that supporting documentation is highly recommended to be included in their response: completed eFPW, current credit report, documentation of erroneous credit items removed from credit report, and receipts showing \$0 balances on SOR items.
- Remind the Service member that the CFS is available for follow-up questions and assistance as needed.
- CFS should reach out to installation Personal Financial Manager/Counselor for assistance any time there are questions or concerns beyond their knowledge or ability.

*If the Service member cannot immediately satisfy all debts on the SOR with savings or budget surplus:*

- Assist them with establishing a monthly payment plan according to their priorities and what is affordable within their budget. (That is, budget does not demonstrate a deficit.) Update the eFPW as needed.
- Schedule a follow-up appointment with the Service member and counsel them on the following action items.
  - Service member must contact creditors to resolve past due payments. Service member should negotiate payment plans with creditors and document the agreed-upon payment plan.
  - Service member should not commit to payments that will exceed available budget surplus. (e.g., debt payments total \$600, but surplus is only \$400).
  - If the Service member is unable to settle debt with a single payment or payment plan due to lack of savings or surplus, the member must prioritize delinquent creditors.
  - Service member should secure documentation from each creditor to prove any payments that have been made. For example, new statements showing payments received, payment receipts, etc.
  - Service member should begin preparing their response to the SOR for on-time submission to DoD CAF. Counsel the Service member that supporting documentation is highly recommended to be included in their response: completed eFPW, current credit report, documentation of erroneous credit items removed from credit report, and receipts showing payment plans, payments made and/or \$0 balance for SOR items.
  - Remind the Service member that the CFS is available for follow-up questions and assistance as needed.
  - CFS should reach out to installation Personal Financial Manager/Counselor for assistance any time there are questions or concerns beyond their knowledge or ability.

## **FOLLOW-UP APPOINTMENT**

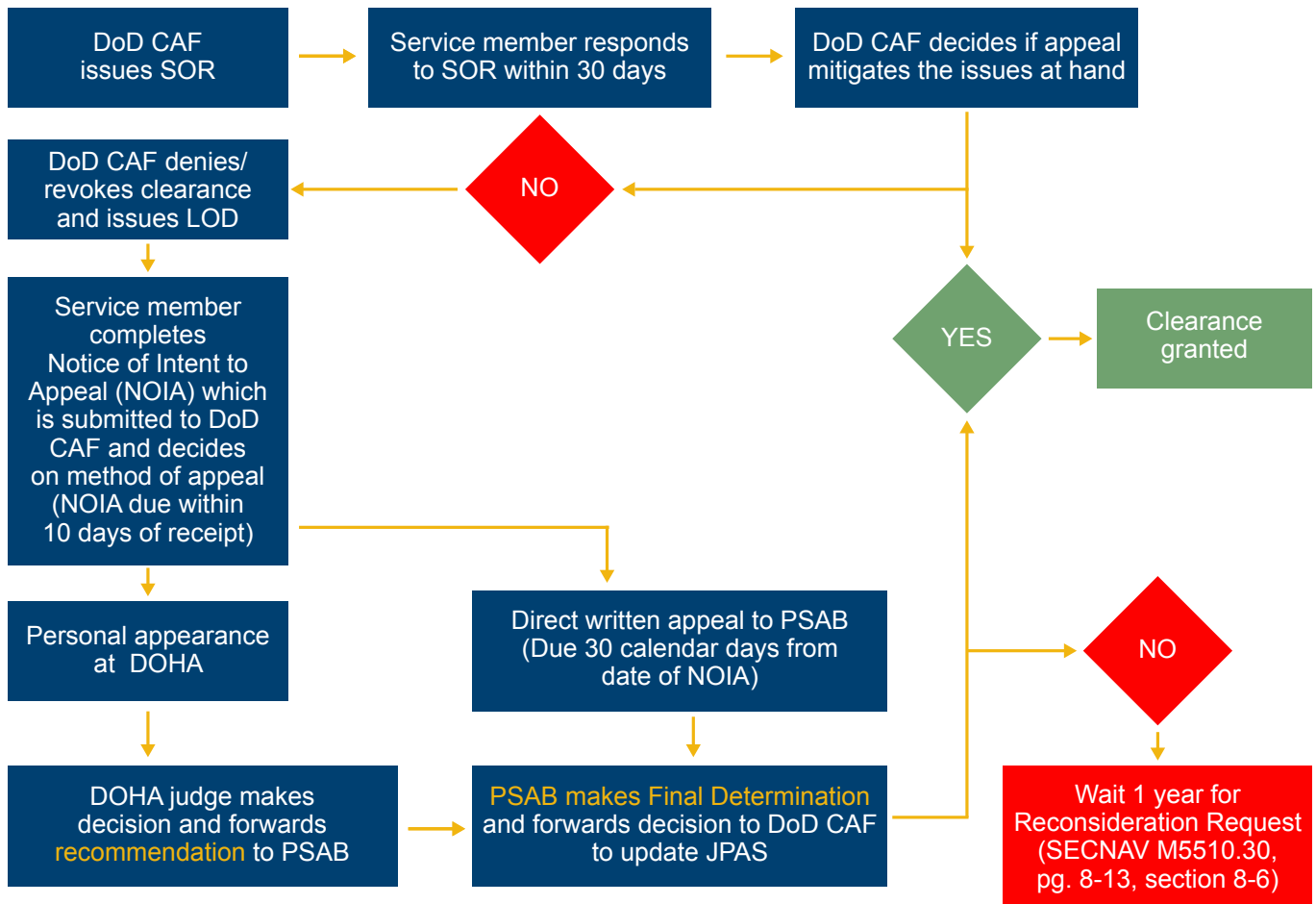
- Update eFPW with any repayment plans. If the Service member cannot resolve all delinquent accounts as listed on the SOR, annotate Service member's prioritized repayments on the Action Plan. (e.g., Service member has four delinquent accounts and only can resolve one of the accounts at a time due to lack of budget surplus). Once one of the four accounts are resolved, the Service member will begin repayment on next account.
- Service member should state repayment process in their response to the SOR letter, and be sure to submit their response by the stated deadline in the SOR.

## **ADDITIONAL INFORMATION REQUESTED FROM DoD CAF**

*In some instances, DoD CAF will issue a follow-up SOR to monitor that Service member is continuing with repayment plans and/or resolved all debts.*

- Update eFPW with any changes.
- Note any resolved accounts in the Action Plan or Comments.
- Counsel Service member to include updated eFPW and provide documentation of any statements made in SOR responses (payments, payment plans, account paid off, etc.).

# DoD Personnel Security Appeals Process



**LOD** = Letter of Determination

**DOHA** = Defense Office of Hearings and Appeals

**PSAB** = Personnel Security Appeals Board

# Department of Homeland Security

## Personnel Security – United States Coast Guard

The Coast Guard Security Center (SECCEN) serves as the Coast Guard's Central Adjudication Facility (CAF). The SECCEN is the Coast Guard's central source for interim and final Coast Guard personnel security clearances. The SECCEN has the authority to grant, revoke, or deny interim and final clearances.

All Coast Guard military personnel and civilian employees will be investigated commensurate with the position sensitivity designation for their position. The security clearance and suitability determination process relates directly to the personnel security and suitability standards that must be applied to determine whether a person is eligible for access to classified information or assignment to sensitive duties. The decision is based on all available information including the person's loyalty, reliability, and trustworthiness.

In addition to the initial investigation and renewal investigations, members are subject to continuous evaluations, which include unannounced record checks on a recurring basis. If derogatory information is identified during a continuous evaluation check, the information will be treated as an investigative lead and will be investigated according to exiting personnel security processes. No action will be taken solely on information uncovered during the continuous evaluation process without follow up and review by SECCEN.

When the SECCEN makes an unfavorable personnel security determination, an action to deny or revoke security clearance or eligibility is initiated and a Letter of Intent (LOI) listing the disqualifying factors will be forwarded to the member via their Commanding Officer and the cognizant Security Manager. A form letter acknowledging receipt of the LOI will also be enclosed. Command will ensure that the acknowledgment is signed by the member immediately upon receipt and forwarded to the SECCEN. When the acknowledgement is received and signed, the subject will have thirty (30) days to reply, to mitigate or refute the intended action. If applicable, upon receipt of reply the SECCEN will make a final determination and advise the subject. If the final decision results in a denial or revocation, the subject will be advised of his/her rights by memorandum from the SECCEN via the Commanding Officer and a read copy to the cognizant Security Manager. In order to appeal an unfavorable decision issued by the SECCEN, the subject must first file an appeal with the CG Personnel Security Appeals Board (PSAB).

# Sample Letter of Intent – DHS

U.S. Department of  
Homeland Security

United States  
Coast Guard



Director  
United States Coast Guard  
Security Center

1441 Crossways Blvd, Suite 102  
Chesapeake, VA 23320-9553  
Staff Symbol: DCMS-342  
Phone: (757) 579-6222  
Fax: (757) 413-7489  
Email: Fin-SMB-SECHelpdesk@uscg.mil

5520

14-Aug-19

## MEMORANDUM

From: Mark Jones, Sr.  
Director, SECCEN (DCMS-342)

Reply to: Customer Service  
Attn of: ADJ: 00161  
(757) 579-6222

To: PO2 Jaeden Doe, EMPLID  
CG UNIT Anytown

Thru: CG UNIT Anytown

Subj: LETTER OF INTENT TO REVOKE SECURITY CLEARANCE

Ref: (a) Personnel Security and Suitability Program, COMDTINST M5520.12C  
(b) Security Executive Agent Directive 4 of 08 Jun 17  
(c) NBIB Tier 3 of 29 Nov 18  
(d) Data Facts credit report of 14 May 19

1. Reference (a) establishes the Central Adjudication Facility (CAF) is authorized to determine security clearance eligibility. The U.S. Coast Guard Security Center (SECCEN) is the CAF for the Coast Guard. After reviewing references (c) and (d) and comparing them to the standards outlined in references (a) and (b), I intend to revoke your security clearance.
2. The results of references (c) and (d) disclosed security concerns in the context of the whole person concept and fall within the Adjudicative Guidelines relating to *financial considerations*, which raise serious questions as to your ability to maintain national security eligibility and retain your security clearance. The following paragraphs outline the security concerns.

**Guideline F: Financial Considerations: The Concern.** Failure to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information.

- a. SWEET RIDE AUTO, last activity date 02/2017, charge off, amount due \$8765
- b. ANYWHERE MOBILE, last activity date 8/2017, collection, amount due \$925
- c. ABC FUNDING LLC, last activity date 05/2016, collection, amount due \$510
- d. NATIONAL USA BANK, last activity date 01/2014, charge off, amount due \$567



14-Aug-19

e. ARMED FORCES BANK, last activity date 08/2016, charge off, amount due \$213

f. JONES & SMITH, last activity date 12/2015, medical collection, amount due \$88

**Total Delinquent Amount: \$11,068**

*Note: "Charge off" means the account is closed to future use, although the debt is still owed. The credit grantor may continue to report the past due amount and the balance owed. If you pay the account, the status will reflect as "paid charge off."*

3. You are afforded an opportunity to provide information to refute, mitigate, or explain the information contained in this correspondence. Your response must be submitted through your Commanding Officer (including a minimum of signature endorsement) within 30 days from the receipt of this letter. A written command endorsement may be included with your response. Your reply should include documentation to support your response (i.e. canceled checks, bank/creditor statements, receipts, formal correspondence verifying status of accounts, etc.). Contact your Command Security Officer (CSO) for further information or to answer any questions you may have concerning this matter.
4. You may request a copy of your investigation from the National Background Investigations Bureau (NBIB) by following instructions found on that agency's website at <https://nbib.opm.gov/foia-privacy-acts/requesting-and-amending-my-records/#CopyofBI>
5. This determination is solely based on a credit report obtained by USCG in the course of standard adjudication required for your position with the USCG. As stipulated in the Fair Credit Reporting Act (FCRA) you are entitled to receive a copy. You may request a copy of the credit report used by our office to make this determination by contacting the customer service team at SECCEN:  
PH: 757-579-6222; email to: [FIN-SMB-SECHelpdesk@uscg.mil](mailto:FIN-SMB-SECHelpdesk@uscg.mil). Please reference this memo when making the request.
6. If you have any questions regarding the content of your credit report, you may contact the credit bureaus at the addresses below:

Experian

P. O. Box 2002

Allen, TX 75013-0036

888-397-3742

Equifax

P. O. Box 740241

Atlanta, GA 30374-0241

800-685-1111

TransUnion

P. O. Box 1000

Chester, PA 19022

800-888-4213

7. As indicated in Executive Order 12968, you may seek counsel or other representation at your own expense to address this matter. Should you elect to obtain counsel or representation, you will be afforded a reasonable amount of time to consult with your counsel or other representation in preparing your response to my memo. The counsel or representative may provide you guidance in preparing your response; however, responses must be under your signature and submitted through your command.

8. Execute Acknowledgment of Receipt enclosed. Your signature must be witnessed and the acknowledgment returned immediately to SECCEN. All correspondence to SECCEN must be submitted via email (*FIN-SMB-SECCENSubmissions@uscg.mil*) or by mail. Under no circumstances should your acknowledgement be sent directly to an individual team member of SECCEN to include the CAF Director.

# Enclosures: Acknowledgment of Receipt

Copy: CG DISTRICT TWENTY-ONE (Security Manager)

**ACKNOWLEDGMENT OF RECEIPT**

From: PO2 Jaeden Doe, EMPLID  
CG UNIT Anytown

To: Director, SECCEN (DCMS-342)

Thru: CG UNIT Anytown (CS0)

1. I acknowledge receipt of the USCG Security Center Letter of Intent to Revoke Security Clearance memo 5520 of **14-Aug-19**. I understand that if I do not reply, a final decision will be based on the information contained in my security file.

2. I intend to:

Not submit a response to this memo.

Respond to this memo within 30 days of receipt of this letter.

\_\_\_\_\_  
Member name printed

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member signature

\_\_\_\_\_  
Witness name printed

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness signature

3. Return this acknowledgement immediately to SECCEN. All correspondence to SECCEN must be submitted via email (*FIN-SMB-SECCENSubmissions@uscg.mil*) or by mail. Under no circumstances should your acknowledgment be sent directly to an individual team member of SECCEN to include the CAF Director.

Encl  
ADJ 161

# Letters of Intent

## USCG CFS Action Items for Letters of Intent

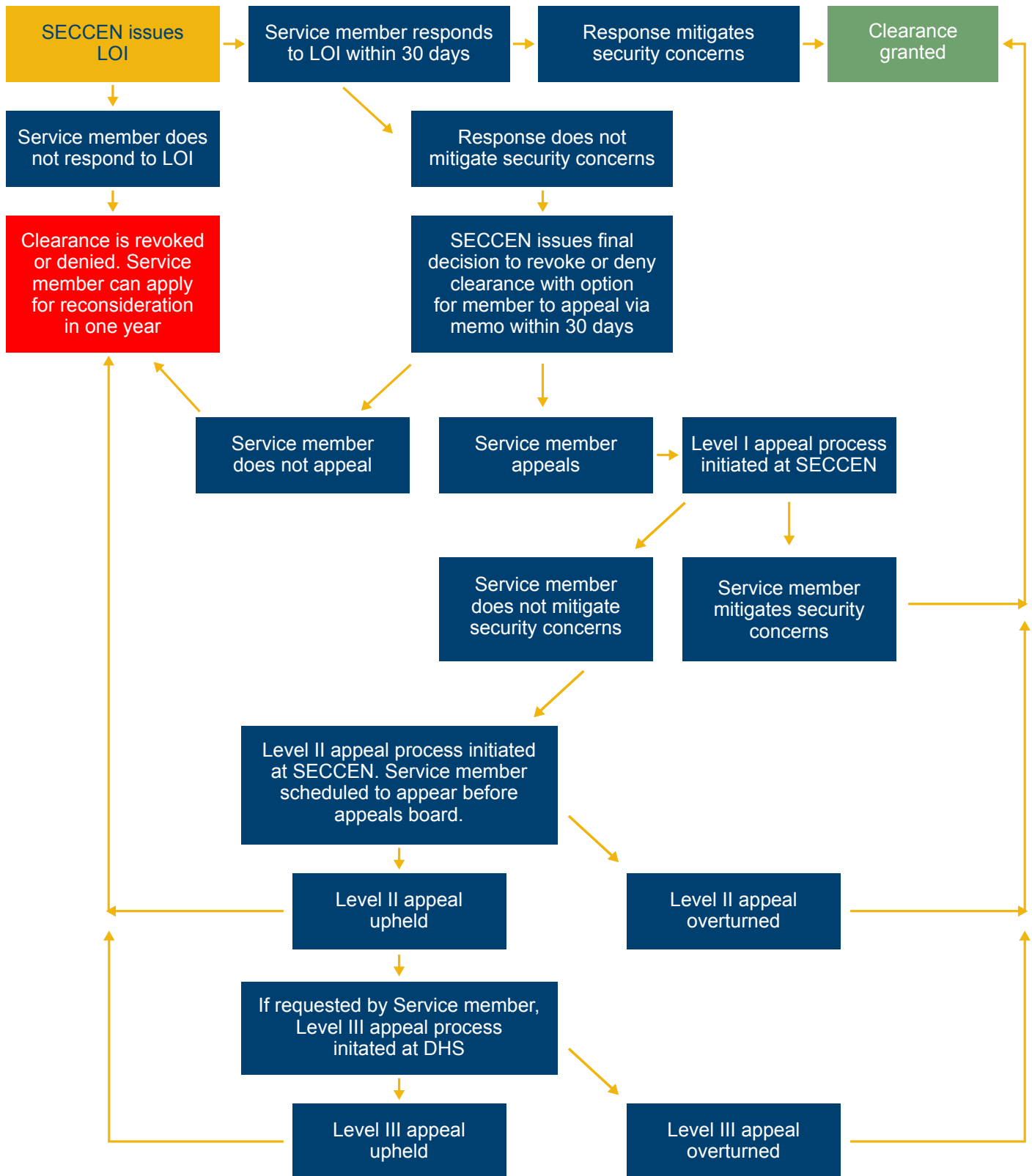
As a CFS, you will help the member by:

- Creating a realistic *Financial Planning Worksheet*
- Referring the member to the Personal Financial Manager at the Office of Work-Life and Legal for assistance in addressing the LOI
- Ensuring the member is ready for their LOI counseling session with the Personal Financial Manager by providing them with a list of items to bring to their counseling session:
  - The LOI
  - The completed *Financial Planning Worksheet* (or a listing of current income and expenses to complete an initial *Financial Planning Worksheet* if not already completed)
  - A copy of their credit report. Members can (and should) request a copy of their credit report from SECCEN (*FIN-SMB-SecHelpDesk@uscg.mil*).
  - Documents from the list of most common supporting documentation sought by SECCEN to mitigate financial considerations above

## Most common supporting documentation sought by SECCEN to mitigate financial considerations:

- Canceled checks that prove payments have been processed and deducted from the member's bank account
- Bank and/or creditor statements that reflect account standing; to include account balance, transaction dates, transaction amounts and methods of payment
- Receipts that reflect types, amounts and dates of financial transactions between the member and creditor/debtor
- Court dispositions that reflect dismissal or satisfaction of civil suits, fines, or other financial obligations
- Official correspondence on company letterhead that otherwise communicates the status of the account and/or debt owed (i.e. settlement acceptance letters, hardship program/payment plans, loan deferments, letters disputing the legitimacy of past-due debt, etc.)
- Bankruptcies require submission of court documentation that reflects the schedule of payment and discharge information. The response should also include a personal statement from the Service member that explains the circumstances which led to bankruptcy.
- Foreclosures require submission of bank, court and other documentation that summarizes details of the foreclosure to include: status, amount owed to lender and terms of repayment. The response should also include a personal statement from the Service member that explains the circumstances which led to foreclosure.

# USCG Personnel Security Appeals Process



# Avoiding SORs/LOIs Through Credit and Debt Management

As we found out, financial issues are one of the top five factors in security clearance denials. It is important to help Service members understand credit and debt, their credit report, and their credit score. For those with no credit, you can show them how to build good credit at low or no cost, and if they have already wandered into debt territory, you can introduce them to debt reduction plans like the Debt Destroyer to help them get out of debt.

## How Does Credit Impact Your Life?

If you have good credit, it can help you to be successful and reach your financial goals. If you have poor credit, it may prevent you from making your goals a reality. Adverse effects of poor credit and poor credit management that you may not be aware of, such as:

- Inability to qualify for a mortgage or rental lease
- Inability to get insurance or paying much higher insurance rates
- Being unable to qualify for certain jobs
- Loss of or inability to qualify for security clearances
- Failure to qualify for overseas orders
- Possible discharge

## Understanding Credit Reports

Your credit report contains information about you that credit reporting agencies compile and sell to lenders, including your addresses, debts, payment habits, and bankruptcy filings.

It is important to check your credit reports at least once a year to make sure all information is accurate and up to date. You should also review your report before you seek a loan for a major purchase, like a car or home. To check your credit report, use [www.annualcreditreport.com](http://www.annualcreditreport.com), the only site directed by federal law to provide credit reports. You can choose to pull reports from all three nationwide credit-reporting agencies at once or spread them out individually over the year.

Depending on the programs available, you can also request a no-cost credit report through your Installation Family Support Center Personal Financial Counselor or Educator.

According to the Federal Trade Commission, you should beware of impostor sites that claim to offer “free credit reports,” “free credit scores” or “free credit monitoring.” They aren’t part of the free annual credit report program and may come with strings attached. These “impostor” sites may include terms like “free report” in their names or purposely misspell their URLs to get you to their sites.

## Credit Report Contents

- Identification
- Payment history
  - ▶ Accurate negative information shows for seven years
- Inquiries
  - ▶ Show for two years
  - ▶ Soft inquiry (not visible to others)
  - ▶ Hard inquiry (visible to others)
- Public record information
  - ▶ Bankruptcy information shows for 10 years
  - ▶ Information about an unpaid judgment against you shows for seven years or until the statute of limitations runs out, whichever is longer

When negative information on your report is accurate, only the passage of time can assure its removal. There is a standard method for calculating the seven-year reporting period. Generally, the period starts from the date the event took place.

# Credit report review Checklist

Once you get your credit report, you will want to review it carefully. Ordering it is not enough – you have to read it. Credit reports may have mistakes. And if there are mistakes, you are the only one who is likely to find them.

Use the following worksheet to review each section of your credit report. Do this for each credit report you get throughout the year. Then, keep the completed Checklist with your credit report.

Your credit report contains a lot of personal and financial information. Be sure to keep any hard copies of your credit reports in a safe and secure place. If you do not want to hang on to your credit reports, be sure to shred them before getting rid of them.

## Credit report review checklist

Today's date:  Name of credit reporting agency:

1. Is your name correct?  YES  NO

---

2. Is your Social Security number correct?  YES  NO

---

3. Is your current address correct? Is your current phone number correct?  YES  NO

---

4. Are the previous addresses they have listed for you correct?  YES  NO

---

5. Is your marital status listed correctly?  YES  NO

---

6. Is the employment history they have listed for you accurate?  YES  NO

---

7. Is everything listed in the personal information section correct?  YES  NO

---

8. Is there anything listed in the public record information?  
Is it correct?  YES  NO

*Highlight the information you think may not be correct.*



9. Are the accounts on the list still open?  YES  NO  
*Review each item under the credit account (trade account) section.*
- 
10. Are all of the current balances correct?  YES  NO
- 
11. Are accounts where you are an authorized user or joint owner listed?  YES  NO
- 
12. Are zero balances recorded for debts discharged in bankruptcy?  
 For debts paid in full?  YES  NO
- 
13. Are you listed as a co-signer on a loan?  
 Is this correct?  YES  NO
- 
14. Are accounts that you closed listed as "closed by the consumer"?  YES  NO
- 
15. Is negative information reported on each credit account correct?  
*Look for late payments and missed payments. Highlight those items you think are not correct.*
- 
16. Are any accounts listed more than once?  
*Check to make sure the same account is not listed multiple times in the collections section.*
- 
17. Is old negative information still being reported?  
*If yes, highlight the information that has exceeded the negative information reporting limit, which is usually seven years.*
- 
18. Do you suspect that you have been the victim of identity theft after reviewing your credit reports?  YES  NO

If you find something wrong with your credit report, you should dispute it. You may contact both the credit reporting company and the creditor or institution that provided the information. Explain what you think is wrong and why.

**To correct mistakes, it can help to contact both the credit reporting company and the source of the mistake.** You may file a dispute not only with the credit reporting company, but also directly with the source of the information, and include

the same supporting documentation. However, there are certain circumstances where creditors and furnishing institutions are not required to investigate.

You may file your dispute online at each credit reporting agency's website.

If you file a dispute by mail, your dispute letter should include: Your complete name, address, and telephone number; your report confirmation



Learn more at [consumerfinance.gov/owning-a-home](https://consumerfinance.gov/owning-a-home) 2 of 6

number (if you have one); and the account number for any account you may be disputing.

In your letter, clearly identify each mistake, state the facts, explain why you are disputing the information, and request that it be removed or corrected. You may want to enclose a copy of the portion of your report that contains the disputed items and circle or highlight the disputed items. Include copies (not originals) of documents that support your position.

Send your letter of dispute to credit reporting companies by certified mail, return receipt requested, so that you will have a record that your letter was received. You can contact the nationwide credit reporting companies online, by mail, or by phone:

You can contact the primary nationwide credit reporting agencies online, by mail, or by phone:

## Equifax

### Online

[ai.equifax.com/CreditInvestigation/home.action](https://ai.equifax.com/CreditInvestigation/home.action)

### By mail

Download and complete the dispute form: [equifax.com/cp/MailInDisclosureRequest.pdf](https://equifax.com/cp/MailInDisclosureRequest.pdf). Mail the dispute form with your letter to:

Equifax Information Services LLC  
P.O. Box 740256  
Atlanta, GA 30374

### By phone

Phone number provided on credit report or (800) 864-2978

## Experian

### Online

[experian.com/disputes/main.html](https://experian.com/disputes/main.html)

### By mail

Use the address provided on your credit report or mail your letter to:

Experian  
P.O. Box 4000  
Allen, TX 75013

### By phone

Phone number provided on credit report or (888) 397-3742

## TransUnion

### Online

[transunion.com/credit-disputes/dispute-your-credit](https://transunion.com/credit-disputes/dispute-your-credit)

### By mail

Download and complete the dispute form: [transunion.com/docs/rev/personal/InvestigationRequest.pdf](https://transunion.com/docs/rev/personal/InvestigationRequest.pdf). Mail the dispute form with your letter to:

TransUnion Consumer Solutions  
P.O. Box 2000,  
Chester, PA 19022-2000

### By phone

(800) 916-8800

*\* Keep copies of your dispute letter and enclosures.*



Consumer Financial  
Protection Bureau

Learn more at [consumerfinance.gov/owning-a-home](https://consumerfinance.gov/owning-a-home) 3 of 6

If you suspect that the error on your report is a result of identity theft, visit the Federal Trade Commission's [IdentityTheft.gov](https://www.ftc.gov/identitytheft) website for information about identity theft and steps to take if you have been victimized. This will include filing a fraud alert and possibly filing a security freeze.

If the error is with a specific account, you can also choose to start the process by contacting the creditor or the debt collector to resolve the dispute.

Whether you file your dispute directly with the creditor (information furnisher) or the credit reporting agency, they generally have 30 - 45 days

to investigate your claim and 5 days to send you written notice once their investigation is over.

If the dispute results in a business changing the information it reported about you, the business must notify the credit reporting agencies. And vice versa, if you filed your dispute with a credit reporting agency, it must fix your file and notify the creditor of the error.

You can also submit a complaint to the Consumer Financial Protection Bureau at [consumerfinance.gov/complaint](https://consumerfinance.gov/complaint) or by calling 855-411-2372.

## Steps to filing a dispute checklist

### Steps to filing a dispute

- 1. Write a letter to the credit bureau that sent you the report.
- 2. Provide the account number for the item you feel is not accurate.
- 3. For each item, explain concisely why you believe it is not accurate.
- 4. If you can, include copies of bills or cleared checks (money order stubs) that show you have paid them on time.
- 5. Provide your address and telephone number at the end of the letter so the credit bureau can contact you for more information if necessary.
- 6. Make a copy of your letter before you send it to the credit bureau.
- 7. Send the letter. You may choose to use Certified Mail with Return Receipt to have proof of when the letter was received. The consumer reporting agency or the creditor generally has 30-45 days to investigate your claim.

## Example letter

You can use this example dispute letter from the Federal Trade Commission to a credit reporting agency as a guide for writing your own letter.

Be sure to keep copies of everything you send to the credit reporting agencies, including the dates you sent the items.

[Your name]  
[Your return address]

[Date]

Complaint Department  
[Company Name]  
[Street Address]  
[City, State, Zip Code]

Dear Sir or Madam:

I am writing to dispute the following information in my file. I have circled the items I dispute on the attached copy of the report I received.

This item [identify item(s) disputed by name of source, such as creditors or tax court, and identify type of item, such as credit account, judgment, etc.] is [inaccurate or incomplete] because [describe what is inaccurate or incomplete and why]. I am requesting that the item be removed [or request another specific change] to correct the information.

Enclosed are copies of [use this sentence if applicable and describe any enclosed documentation, such as payment records and court documents] supporting my position. Please reinvestigate this [these] matter[s] and [delete or correct] the disputed item[s] as soon as possible.

Sincerely,  
[Your name]  
[Phone number]

Enclosures:  
[List what you are enclosing.]

This checklist is a tool included in the Your Money, Your Goals toolkit. The CFPB has prepared this material as a resource for the public. This material is provided for educational and information purposes only. It is not a replacement for the guidance or advice of an accountant, certified financial advisor, or otherwise qualified professional. The CFPB is not responsible for the advice or actions of the individuals or entities from which you received the CFPB educational materials. The CFPB's educational efforts are limited to the materials that CFPB has prepared.

This Tool may ask you to provide sensitive personal and financial information. The CFPB does not collect any information from you or the organization using this Tool. The CFPB is not responsible and has no control over how others may use the information that you provide to them about your personal or financial situation. The CFPB recommends that you do not include names or account numbers and that users follow their organization's policies regarding retention, storage, and disposal of documents that contain personal information.

## What Is a Good Score?

A total number of points — a credit score — helps predict how creditworthy you are, that is, how likely it is that you will repay a loan and make the payments on time. Generally, consumers who are a good credit risk have higher credit scores.

There are many credit-scoring models to include: Fair Isaac Corp, VantageScore, TransRisk, and PLUS Score. The Fair Isaac Corp (FICO) is the most popular credit-scoring model.

Generally, however, the following is true for FICO scores:

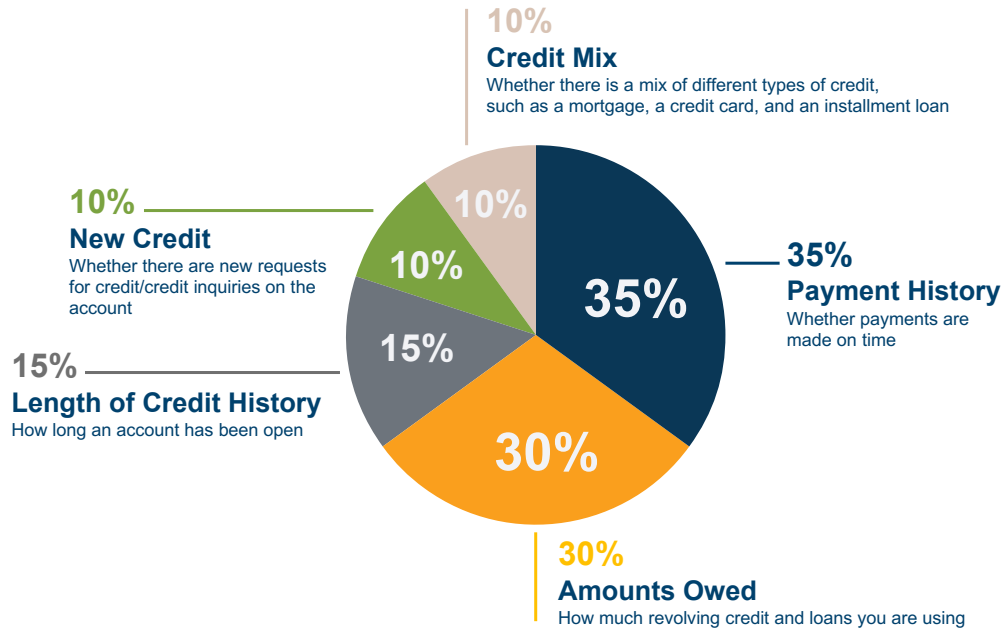
FICO Score Ranges	Rating	Description	Expected Rates
< 580	Poor	Your score is well below the average score of U.S. consumers and demonstrates to lenders that you are a risky borrower.	Individuals in this category will probably have to pay the maximum interest rates allowed by law, if given credit at all.
580 - 669	Fair	Your score is below the average score of U.S. consumers, though many lenders will approve loans with this score.	These individuals may find it difficult to get credit and will likely end up paying high interest rates.
670 - 739	Good	Your score is near or slightly above the average of U.S. consumers and most lenders consider this a good score.	Individuals may still qualify for a loan but will pay more for credit than those in excellent or good ranges.
740 - 799	Very Good	Your score is above the average of U.S. consumers and demonstrates to lenders that you are a very dependable borrower.	Individuals may or may not qualify for the very best interest rates and terms, depending on what they are applying for.
800 +	Exceptional	Your score is well above the average score of U.S. consumers and clearly demonstrates to lenders that you are an exceptional borrower.	People in this range will get the best credit rates.

SOURCE: <https://www.myfico.com/credit-education/what-is-a-fico-score>

## Five Components of a Credit Score

Your FICO score is based on factors including:

- Your payment history
- The amount you owe
- How long you have had credit
- The types of credit you have
- The new accounts you have recently opened



## Play to Win! – Strategies for a good credit score

- Payment history is 35% of your score
  - ▶ Set minimum auto payments
  - ▶ Avoid delinquencies and collections
- How much you owe is 30% of your score
  - ▶ Pay in full monthly
  - ▶ Use a debt repayment strategy
  - ▶ Don't exceed 6% of credit limit
  - ▶ Save for large purchases
- Time is 15% of your score
  - ▶ Choose the right cards
  - ▶ Keep card longer

### Play to Win!

For the biggest wins, focus on the three highest scoring areas. These rules work whether you are trying to build credit initially or fix an already troubled score. Let's master the basics in these key areas.

#### **Your payment history has the biggest impact, making up 35% of your score.**

Stay on the Offensive: Never miss a payment. Some people choose to set their minimum payments on autopay each month so they don't miss even when traveling or busy. Yes, they will need to go back in to pay in full or whatever their Debt Destroyer™ payment is, but this way they will not get hit with a late payment accidentally. This is a very proactive strategy.

Now let's talk Defense: Avoid delinquencies. When an unpaid bill or debt goes into collections, it affects this part of your credit score. Check your report for any collections. We recommend you avoid collections before they even show up. Don't ignore bills you don't agree with. Instead, call the company and discuss, go to your local Legal Assistance office, or see your Financial Counselor or Educator at your Installation Family Support Center. Also, make sure you submit change of address forms with the U.S. Postal Service every time you move to avoid missing that last bill or invoice.

#### **How much you owe is 30% of your score.**

Offense: Keep credit cards paid in full monthly. When you keep your card paid off before the statement due date and your card has a grace period, you won't be paying interest either. Nice to have good credit for free!. If you must carry balances, keep them low and pay them down as quickly as you can.

Defense: Only charge large purchases for which you have already saved. Then pay the card off in full before the statement deadline. Also, be careful of card use on things like dining out, a night at the club or bar, and snacks. These may add up to more than you were planning. Some people choose to pay their credit cards off each pay period so balances do not go unchecked for too long.



Scoreboard Strategies: It is not always advisable to close a credit card once you pay off a balance. This can reduce the total amount of credit you have available compared to the total outstanding debt you carry, affecting this part of your score. Check with your PFM if you want some advanced score building strategies.

Just a side note: Debit cards are not the same as credit cards, and do not count toward these scores even though they may have a Visa logo.

### Length of credit history aka time is 15% of your score.

This section counts both the amount of years you have been building credit, and the average length of time you have kept each card.

Offensive: Pick the right cards.

- Be picky about the cards you open
- Only open what you would keep for years
- Look for no annual fee
- Look for grace period
- Accepted everywhere/overseas

Defensive: Keep your cards longer! Charge something quarterly to keep card open. Some cards close with lack of use. A small monthly bill being auto charged to this card could also fill this purpose. Just remember to pay them off before the due date.

Try to keep a card in just your name. When you marry, consider keeping a card in just your name and just in your spouse's name. You can get a joint card if you choose, but this way if a divorce happens in the future or you decide to manage your finances separately you don't have to close all of your cards and restart the clock. Couples may change how they manage finances during their marriage, so it saves both of your scores.



## Strategies to BUILD Credit

Here is an area where CFSs can really make a difference navigating the credit game and coaching new players to the game. Young adults typically have very low credit scores. This is because they tend to have very short or even nonexistent credit histories.

Starting out right can avoid some practices that cause people issues early on in their credit-building journey.

**Offensive:** Create a great credit score before your first loan (i.e. your first car loans). This can help you qualify for the best interest rates. Have this talk with your Service members before they go out to get that new car!

The first strategy of building credit cheaply is to use credit cards instead of loans. Why is this?

Credit cards are cheaper than loans if paid off in full each month. They typically can stay open longer helping your history. Additionally, when loans first open you owe almost your entire balance which lowers the “amounts owed” part of your score. Also, with a loan you will almost always be charged interest. So, avoid loans at first and focus on strategic credit card use.

**Defensive:** Educate Service members on banking products that can run them off course. Line of credit products are often sold as overdraft protection at your bank or credit union. Many people do not even understand what they are signing up for. This is a credit product. It will show up on your credit report, and it comes with a cost. When you spend more than is in your account you essentially borrow from this line of credit and are charged a fee or interest rate, and then it is paid off with your next paycheck or deposit. This often causes a vicious cycle for Service members who are using the next paycheck to meet last week’s charges instead of the planned expenses for the paycheck.

## What If No One Wants to Give Me Credit?

It may surprise you that usually you can get a credit card even without credit history. You can ask card companies what their credit score ranges are for a credit card. Some websites like *bankrate.com* include searchable criteria showing the cards available at each range of credit score, including no score. This can be helpful to know before you apply.

Also, you may be able to apply for your first card easier through your personal bank where they have some record of your financial responsibility even if nothing is showing on your credit report yet.

As a last resort, retail cards are typically more forgiving when it comes to extending credit to customers with low or no credit. Service members should be cautious when applying for credit, however, and make sure they understand all of the terms of credit as well as the available protections. Be sure to check for no annual fee and a card you can use anywhere.

For those who find they cannot qualify for even those credit cards, it is still possible to build credit. Service members can seek secured credit cards, which require a cash deposit with the creditor. If the cardholder does not make payments on the card, they forfeit their deposit. Because the creditor has little risk, even applicants with poor or no credit are likely to receive approval.

Service members should read the fine print regarding secured cards' annual fees and other costs, which may qualify for waiving or lowering under the Military Lending Act or Service members Civil Relief Act. It is also important to confirm that the lender is going to report activity to one of the three nationwide credit bureaus — Equifax, Experian and TransUnion.

## Strategies to IMPROVE Credit

If a Service member has credit, but it could use improvement, suggest a strategy session with you or the Financial Counselor or Educator at your Installation Family Support Center to create a spending plan, look at their credit, and make a game plan.

There are the general basics you learned already in this course, like spending less than you make and creating a spending plan. Another important strategy is to stop spending on credit until they have all their balances paid off. This alone can help turn a credit score around. Ideally charge only what they can pay off monthly. However, if they are already in debt, they may benefit from limiting credit spending until finally out of debt. If one wants to get out of a hole, it is important to stop digging it deeper.

Offensive: Adopt a debt repayment strategy.

There are a number of debt repayment strategies like our Debt Destroyer program. The snowball or avalanche repayment options can accelerate your path to being debt free. The Financial Services Provider How-to Guide includes specific instructions for completing this section of the eFPW.

When planning a debt repayment plan, don't forget to include any debts that have gone to collections. It is highly recommended to speak with your Installation Family Support Center Financial Counselor or Educator or local Legal Assistance office before contacting creditors to understand consumer protections and receive help with anything incorrect or illegal.

Offensive: Another strategy to lower your cost and improve your credit is to contact creditors.

They can help your client lower interest rates, which can lower monthly costs and provide more funds for a debt repayment plan. One easy way to ask for this is to call the existing credit card company, tell them you plan to switch to a card with a lower interest rate, and ask what they can do for you. In many cases, they will lower your interest rate to keep you as a customer. This can be effective if you have been a customer with an account in good standing for a year or more, have good credit, and are being charged a higher interest rate.

Additionally, you could be eligible to lower your interest rate through provisions in the Servicemembers Civil Relief Act (SCRA). The SCRA is a federal law that provides protections for Service members as they enter active duty. One of the provisions provides credit-rate reductions of qualified debt to 6% if a Service member's military obligation makes it difficult to pay on financial obligations such as credit cards, loans, mortgages, etc. 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 entered into after going on active duty are not protected by this provision of the law. For information on rate reductions under the SCRA, contact your local Legal Assistance office.

As we have already said, focusing on your highest scoring areas can help get the most improvement in the early stages of score improvement. But none of this will last long term if one does not change their behavior. Remember that overcoming debt is more about behavior than financial knowledge. Helping your client talk through how they got into debt to begin with can be life changing. Are they living beyond their means? Are they satisfying all their wants and sacrificing all their needs? Are they an emotional spender or an impulse shopper? A Financial Counselor or Educator at your Installation Family Support Center or CFS can help figure out some manageable changes so that behavior moves Service members in the direction of building wealth, not drowning in debt.

## **PROTECT Your Credit**

As a Service member, you already know it is important to protect the things that are important to you. Your credit is just another one of these things. There are a number of steps you can take to protect your credit.

Sign up for an active-duty alert with the three credit bureaus.

Check for identify theft by checking your credit report regularly. Look for accounts you have not opened and names or addresses that are not yours. If you expect ID theft, or are deploying and not planning to open any new credit, you can put a freeze on your credit. It's free, takes only a few minutes, and makes it virtually impossible for identity thieves to open new accounts in your name. If you choose not to freeze your credit, set up a fraud alert, which allows creditors to pull your credit report but requires them to verify your identity as the person making the request.

Credit monitoring is an easy way to stay on top of your finances, whether you're home or abroad. If you know there's a problem, you can take steps to correct any mistakes or fraudulent activity that may impact your credit score. Take advantage of free credit monitoring services designed specifically by the national credit bureaus for Service members. As of October 2019, all three credit agencies — Equifax, Experian and TransUnion — have a legal obligation to provide free credit monitoring for military members. In order to receive this service, military members must set up an active-duty account with each: Equifax, Experian, and TransUnion.

Limit the rights that you give away in any Power of Attorney (POA). This document may give or limit the ability to open new loans, open or close credit or bank accounts in your name, or sell or buy possessions. These become your financial obligations. Please talk with your local Legal Assistance office for more information on this important document and the things you should think about before signing one.

Keep your addresses current as you move. Call all your creditors to update your information and send in a change of address with *USPS.com* or at your local post office on base. This is important to make sure you receive your bills before the collection agency does. Prevention is the best cure for a good score

## The Cost of Credit

When you are seeing new people coming into your command you may introduce the idea of meeting up if they are looking to buy a car as they transition in. This would give you a great opportunity to open a dialog about credit and debt. Maybe even refer them to the *Major Purchases* Handout from the TC Curriculum and encourage them to come in and see you for a strategy session before they go shopping. Important things for them to understand are:

- How much you borrow
- How long you take to repay
- How much you pay each month
- Where you borrow

How much you borrow and the years you take to repay affect the total cost of any item you purchase. The longer the loan, the more interest you typically pay. Paying extra principal each month can help speed up how fast you will pay things off and reduce the total cost of the original loan. Increasing your down payment or shortening the length of your loan will also reduce the overall cost. Let's spend a little more time looking another important factor, where you borrow.



## Where You Borrow

Where you borrow will affect the cost of your financing. Here are the most common places to borrow:

**Credit unions:** Credit unions are nonprofit organizations owned by members. They lend to members only and normally offer some of the most attractive rates.

**Commercial banks:** Banks are for-profit financial institutions that offer a wide variety of products. Banks typically lend to lower-risk applicants and rates are usually competitive.

**Savings and loan associations:** These associations are similar to banks, but they generally focus on mortgages or similar services.

**Consumer finance companies** These companies normally deal with higher-risk applicants. Therefore, rates are higher than most of the other options mentioned. You may have seen furniture, jewelry or mattress financing stores that offer this.

**Retail merchants:** Retail merchants can be expensive places to finance any consumer purchase. Rates are often relatively high, because you are paying for the convenience of on-site financing. This applies to both in-store loans and credit cards that have promotional introductory rates that rise rapidly after 90 to 180 days.

**Predatory lenders:** Predatory lenders cater to very high-risk applicants who cannot get approved for credit elsewhere. This type of lender includes advance-fee loans, payday loans, subprime mortgages, title loans, refund-anticipation loans, pawn shops and rent-to-own stores. These lenders charge excessive interest rates and fees, may wrap in unnecessary insurance and often have pre-payment penalties. This is the most expensive money to borrow. If you are considering borrowing from these lenders, you should talk to a Financial Counselor or Educator at your Installation Family Support Center or your CFS first.

## Financial Warning Signs

Service members tend to have increased financial management issues for a number of reasons including age and military lifestyle. Service members tend to move away from home and their support system at a younger age than the general population. Deployments, frequent moves, the high cost of living at many military locations, and difficulties maintaining spouse employment can increase financial challenges for Service members and their families. Easy access to credit at a young age — without an understanding of how to manage it — can also factor into financial problems.

Not everyone is going to be proactive with their finances. There are warning signs that can help you spot trouble before it gets too out of hand. Look for these warning signs in your command. You may even be able to help catch someone before they fall off the cliff. See *Financial Warning Signs* Handout for more information. The following are possible warning signs of a fragile financial situation:

- Unable to pay bills
- Unable to afford car or having car repossessed
- Bounced checks or overdrawn checking account
- Spouse lost job
- Divorce/separation
- Not enough money
- No emergency fund
- Over your head in debt
- Facing foreclosure
- Can't sell your home

At this point, financial counseling is recommended to help initiate a plan of action. Things are reaching the critical stage when an individual or family is:

- Rotating bills — paying some this month, some next month
- Borrowing or getting cash advances to make payments — using credit to pay credit
- Being denied additional credit
- Hiding bills or being dishonest with family members about debts
- Seeking additional debt from predatory lending sources, such as payday loans or refund anticipation loans
- Having to rely on a debt-consolidation loan to reduce payments enough to meet monthly living expenses

At the critical point, financial counseling is essential to establish a plan and/or to provide outside sources of help to reduce debt to a manageable level. Helping them establish a budget and debt payoff plan should give you, and them, an idea of exactly where they are starting from. If it is evident that they will not be able to manage their debt obligations with their current situation, pull in assistance from a Financial Counselor or Educator at your Installation Family Support Center.



**CFS**

COMMAND FINANCIAL  
SPECIALIST

# CFS 12 Financial Referral Resources

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★  
Student Manual



## I. INTRODUCTION

Command Financial Specialist training focuses on preparing you to fulfill your role as a CFS by providing instruction in the three common CFS task areas: financial education, financial counseling/coaching, and how to be an information and referral resource. Part of being 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. Another consideration when making referrals is that you must not “endorse” any non-federal entity (NFE) or non-governmental organization (NGO).

Throughout this CFS course, guest speakers are used to acquaint you with different resources available on a referral basis for your clients. To assist in this effort, this chapter is presented in two sections:

1. The first section is used to orient you to different referral resources and endorsement considerations when making referrals.
2. The second section is a practical application with case studies to confirm your understanding of how to assist your clients with referrals.

This chapter continues the focus on resources by introducing some of the main referral resources that work with the CFS using guest speakers. You will be compiling a list of important referral resources to include the Installation Family Support Center and the Service-Specific Emergency Relief Agencies.

### Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** This chapter has no direct correlation to PFMSC modules. However, the information presented in the resource training portion 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:** Learners are given “facetime” with key financial referral resources, enhancing their understanding of what the resource does and the ability to clarify appropriate application to client situations.
3. **Counseling/Coaching:** 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. LEARNING OBJECTIVES

Using a scenario-based activity, the learner will identify the appropriate referral resources for situations commonly encountered by a CFS. Using blank resource pages, the learner will create a resource list of local important referral resources.

## III. REFERENCES

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

*[www.cgmahq.org](http://www.cgmahq.org) (Coast Guard Mutual Assistance)*

*[www.aerhq.org](http://www.aerhq.org) (Army Emergency Relief)*

*[www.afas.org](http://www.afas.org) (Air Force Aid Society)*

*[www.tricare.mil](http://www.tricare.mil) (TRICARE Management Activity Portal)*

*[www.militaryonesource.mil](http://www.militaryonesource.mil) (DoD)*

*[www.cgsuprt.com](http://www.cgsuprt.com) (Coast Guard)*

## IV. CONTENT

Use the eight blank resource pages at the end of the chapter to compile a list of important local referral resources that you will use as a CFS.

# Making a Referral

One critical part of your role as a CFS is to make successful referrals. Your goal is to prevent future 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, and
4. Monitor and follow up.

Consider the following when contemplating a referral:

**1. Determine the needs of the client:** In step one, we determine the client's specific needs. This should be evident after working through the Financial Planning Worksheet. Consider the following when contemplating a referral.

First, know that there are people you CANNOT help as clients. You will know who these people are, as they will display actions that are exceptions to the Privacy Act. In such cases, work with the command, security, the Substance Abuse Rehabilitation Program coordinator, or other people in authority.

These would include:

- 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.

If you identify or suspect emotional issues and other kinds of problems that CFSs are not prepared to handle, these issues may be exceptions to the Privacy Act and you should refer to the Installation Family Support Center's professional therapists, your branch of service's substance abuse program, local authorities, or the Military Treatment Facility (MTF) for assessment. Examples include:

- Talk or hints of suicide/homicide
- Problems with substance addictions
- Problems with psychological addictions
- Spousal or child abuse (Note: As a Service member, you are a mandatory reporter for suspected or known child abuse or neglect. Per law, you can report to Family Advocacy or your state's child protective services.)

- 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:

- **Immediate needs:** Does the client have an emergency need that must be addressed NOW? 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 residence?
  - 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 the 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.?
  - Recommend that the client return for a follow-up appointment after meeting with the appropriate emergency referral resource.
- **Long-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 notice for payment from any creditors?
  - Are any of the client's creditors threatening to take legal action?
  - Has the client had any judgments filed against him or her by creditors or received notices to appear in court for nonpayment 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 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 I have dealt with?  
(**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 Legal.)
- 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, refer to another CFS, or refer to a Financial Counselor at your Installation Family Support Center.)
- Do I know of outside agencies that fit this client's situation? Can we work together?
- Are there other military 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 resource, you should make the referral promptly.

- a. 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.
- b. Select the referral resource best suited to assist with the client's particular problem. Select no more than two to three resources per client session.
- c. Suggest that the client call a specific agency or professional service and provide contact information.
  - If needed, you can make a warm handover to the referral resource or call the referral resource and set up the appointment while the client is in your office (with the client's permission). Let the agency know that this is a command referral and briefly describe the client's problem.
- d. Tell the client that it is recommended that they follow through with seeing the referral resource.
- e. Prepare the client for the appointment with the referral resource.
  - List what the client needs to prepare for the appointment
  - Give written information to the client – date and time of appointment (if an appointment was made), agency, address, telephone number, contact person, and information to bring to the appointment. Use the "Action Plan" referral section of the Financial Planning Worksheet.
  - Arrange for absence from work, if necessary.

### 4. Monitor and Follow Up

Follow up with 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 if your branch of service requires.
- Does the client need anything else?

# Developing Your Resource Database



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, email address and website of each referral resource,
2. The name of a contact at the agency or organization,
3. A brief description of services provided, and
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. Student Manual pages 12-14 to 12-21 can be used to compile your resource referral list. You can also refer to the Governing Directives in Appendix H, the Resources for the Savvy CFS listed in this chapter, and the “References” section of each chapter in the Student Manual to compile your database. Be sure to include any and all websites given out during the class. Finally, write down the name, email address and phone number of your Installation Family Support Center’s Personal Financial Manager, who always is standing by to assist with finding the appropriate resource for your client.

# Resources for the Savvy CFS

## **Banks**

Help with My Bank: [www.helpwithmybank.gov](http://www.helpwithmybank.gov)

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

## **College Planning**

National Student Loan Data System (NSLDS): [https://nsldsfa.ed.gov/nslds\\_SA/](https://nsldsfa.ed.gov/nslds_SA/)

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

Federal Student Aid: [www.studentaid.ed.gov](http://www.studentaid.ed.gov)

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

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

## **Consumer Directories**

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

## **Credit Reports and Problems**

Consumer Financial Protection Bureau (CFPB): [www.consumerfinance.gov](http://www.consumerfinance.gov)

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

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

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

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

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)

Coast Guard Mutual Assistance: [www.cgmahq.org](http://www.cgmahq.org)

Army Emergency Relief: [www.aerhq.org](http://www.aerhq.org)

Air Force Aid Society: [www.afas.org](http://www.afas.org)

## **Financial Planning and Investor Education**

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

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

U.S. Securities and Exchange Commission: [www.investor.gov](http://www.investor.gov)

Thrift Savings Plan: [www.tsp.gov](http://www.tsp.gov)

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

FTC Identity Theft: [www.identitytheft.gov](http://www.identitytheft.gov)  
Federal Trade Commission: [www.ftc.gov](http://www.ftc.gov)

## **Insurance**

Social Security Administration: [www.ssa.gov](http://www.ssa.gov)  
Department of Veterans Affairs: [www.va.gov](http://www.va.gov) (Servicemembers Group Life Insurance - SGLI)  
[www.benefits.va.gov](http://www.benefits.va.gov) (SGLI, VGLI, FSGLI, TSGLI, S-DVI, VMLI, etc)  
Defense Finance and Accounting Service: [www.dfas.mil](http://www.dfas.mil) (Survivor Benefit Plan - SBP)

## **Internet Fraud**

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)  
Federal Bureau of Investigation: [www.fbi.gov](http://www.fbi.gov)

## **Legal Information**

U.S. Navy Judge Advocate General: [https://www.jag.navy.mil/legal\\_services.htm](https://www.jag.navy.mil/legal_services.htm)  
SCRA: <https://scra.dmdc.osd.mil/scra/#/home>  
Consumer Financial Protection Bureau, Office of Servicemember Affairs (OSA):  
[www.consumerfinance.gov/consumer-tools/educator-tools/servicemembers](http://www.consumerfinance.gov/consumer-tools/educator-tools/servicemembers)

## **Military**

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

Military Compensation: [militarypay.defense.gov](http://militarypay.defense.gov)

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

Marines: [www.marines.mil](http://www.marines.mil)

Coast Guard: [www.uscg.mil](http://www.uscg.mil)

Army: [www.army.mil](http://www.army.mil)

Air Force: [www.af.mil](http://www.af.mil)

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

myPay: <https://mypay.dfas.mil/>

Coast Guard Pay and Personnel Center: [dcms.uscg.mil](http://dcms.uscg.mil)

Coast Guard Direct Access: [hcm.direct-access.us](http://hcm.direct-access.us)

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

CG SUPRT: [www.cgsuprt.com](http://www.cgsuprt.com)

## **Moving**

Military Move: [www.move.mil](http://www.move.mil)

## **Taxes**

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

IRS Publication 3, Armed Forces' Tax Guide: [www.irs.gov/forms-pubs/about-publication-3](http://www.irs.gov/forms-pubs/about-publication-3)

# Resource Case Studies



1. The day after a command party, Deborah Jones calls you begging for help. She and her husband, Daryl (E-5) got into a big fight. She says that he was angry that she would not let him drive home as she felt he had too much to drink. She then tells you that he hit her several times.

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2. You are the sponsor for Melissa Marino (E-4). She is due to report to the command in two months. She informs you that she is a single parent of a special needs child. She requests information on resources for her child and how to get past-due child support.

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3. Dave Candelaria (O-1) is reporting to your command and you heard that he got married while home on leave. His wife Tricia is new to the military and needs resources for the area. Additionally, she is a nurse and is looking for a job and information on paying off her student loans.

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4. Jose Portilla (E-5) reports to you that due to a computer problem, he was not paid. He is married and they have a 6-month-old baby. His immediate concerns are paying rent and buying food and baby supplies.

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5. Sarah Mack (E-3), single and lives on base, just found out she is pregnant. Her fiancé just deployed. She is looking for information on child care and any other financial resources that might be helpful, including housing.

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# Resource Case Studies



6. Peter Cain (O-3) is a single parent at your command. His sister will be taking care of his child while he goes on a six-month deployment. He is requesting information on how his sister can get on base to have access to medical and other facilities.

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7. Rebecca Steed (E-2) approaches you and is very upset. She recently got married in between boot camp and her first duty station, but her dependent BAH has not started yet. She and her new spouse signed a lease upon arrival, but without the dependent BAH they are at risk of being unable to make the next rent payment.

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8. Stan Morrow (E-5) has recently become separated from his spouse. He is not sure if they want to get divorced. He is looking for resources and options.

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9. Craig Barnes (E-6) and his spouse have just arrived from overseas to your command. He tells you that their household goods have not arrived. He tells you his foreign-born wife speaks very little English and that they are expecting their first child.

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10. Shelia Edwards (E-4) approaches you requesting help for a co-worker who has financial problems. The friend is an E-2, now two months behind on their car payments, and has high credit card debt. Additionally, Shelia admits her friend is stressed out by these problems.

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# Resource Note-Taking Pages



<b>NAME OF RESOURCE:</b>
Point of Contact:
Phone:
Email Address:
Address:
What is the resource?
Who is eligible for the resource?
Description of services and additional information:

<b>NAME OF RESOURCE:</b>
Point of Contact:
Phone:
Email Address:
Address:
What is the resource?
Who is eligible for the resource?
Description of services and additional information:

<b>NAME OF RESOURCE:</b>
Point of Contact:
Phone:
Email Address:
Address:
What is the resource?
Who is eligible for the resource?
Description of services and additional information:

<b>NAME OF RESOURCE:</b>
Point of Contact:
Phone:
Email Address:
Address:
What is the resource?
Who is eligible for the resource?
Description of services and additional information:



<b>NAME OF RESOURCE:</b>
Point of Contact:
Phone:
Email Address:
Address:
What is the resource?
Who is eligible for the resource?
Description of services and additional information:

<b>NAME OF RESOURCE:</b>
Point of Contact:
Phone:
Email Address:
Address:
What is the resource?
Who is eligible for the resource?
Description of services and additional information:

<b>NAME OF RESOURCE:</b>
Point of Contact:
Phone:
Email Address:
Address:
What is the resource?
Who is eligible for the resource?
Description of services and additional information:



**CFS**

COMMAND FINANCIAL  
SPECIALIST

# CFS 13 Instructional Techniques

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Student Manual

## 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 styles 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.

### Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** This chapter provides students specific instruction on how to be an effective trainer.
2. **Information and Referral:** No direct correlation.
3. **Counseling/Coaching:** No direct correlation.



## II. LEARNING OBJECTIVES

Upon completion of this lesson, learners should have a foundation to deliver financial training to both large and small groups.

## III. REFERENCES

NAVETRA 14300A

NAVAL LEADERSHIP AND ETHICS CENTER, *Facilitation Skills Handbook* OCT 2017

## IV. CONTENT

# Instructional Techniques

Before reading this chapter, answer the following questions. As you read the chapter, you can add to or modify your answers.

**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 to improve their financial future**

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.

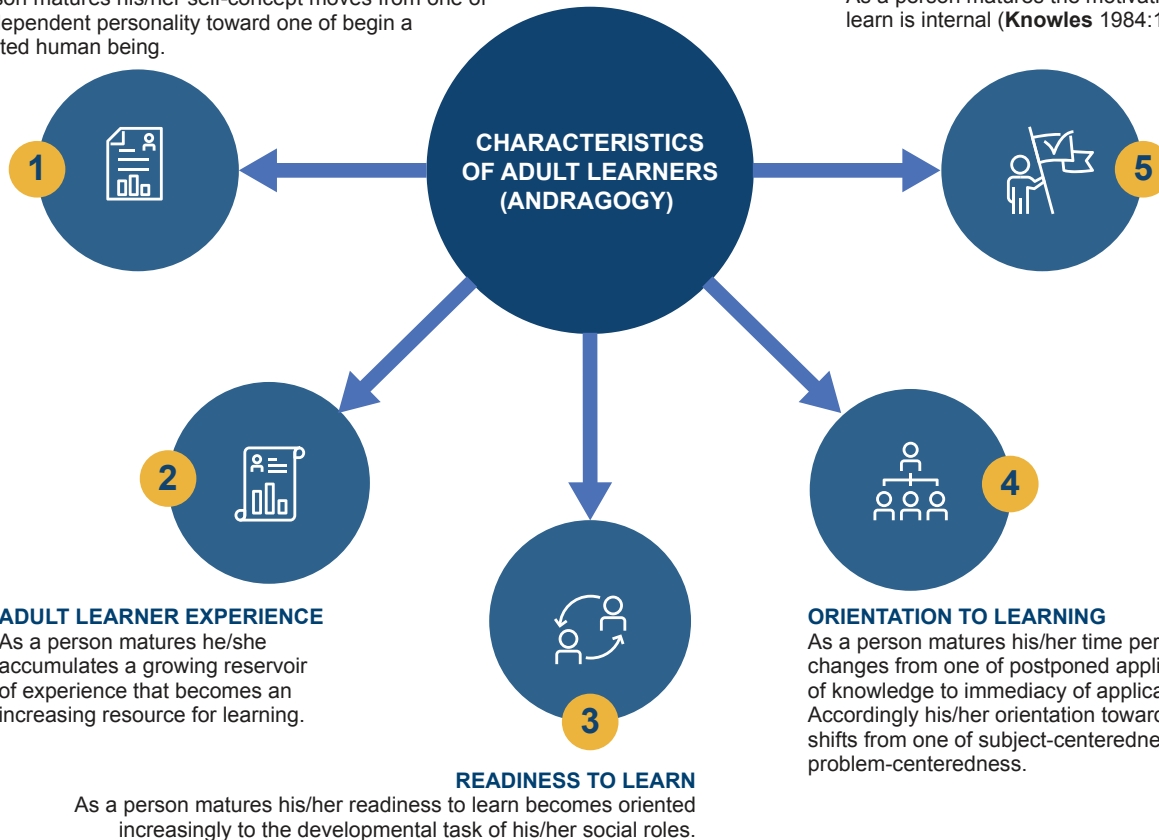
# Adult Learner Characteristics

## SELF-CONCEPT

As a person matures his/her self-concept moves from one of being a dependent personality toward one of being a self-directed human being.

## MOTIVATION TO LEARN

As a person matures the motivation to learn is internal (Knowles 1984:12).



## ADULT LEARNER EXPERIENCE

As a person matures he/she accumulates a growing reservoir of experience that becomes an increasing resource for learning.

## ORIENTATION TO LEARNING

As a person matures his/her time perspective changes from one of postponed application of knowledge to immediacy of application. Accordingly his/her orientation toward learning shifts from one of subject-centeredness to one of problem-centeredness.

## READINESS TO LEARN

As a person matures his/her readiness to learn becomes oriented increasingly to the developmental task of his/her social roles.

## Andragogy Method

Andragogy is a learner-centered approach to instruction where the teacher acts as a facilitator to help bridge the gap between student and knowledge. The learner is viewed as an independent entity, who enters the learning experience with a unique set of experiences and motivators.

**Self-concept.** Our learners are directed by their own plan. They want input into what the learning outcomes will be. Course and topic objectives still have to be met, but learners might want to take it further. As a facilitator, it is up to you to use your time wisely and use discretion on how you will meet the learner's needs.

**Experience.** Our learners bring an ever-growing reservoir of experience and knowledge to the classroom. They want to, and need to share their experiences with the rest of the class. It is your job as a facilitator to solicit this experience and ensure it relates to the objectives.

**Readiness to learn.** Our learners are focused and ready to learn in a highly pragmatic way. They want to learn those things that will have a direct impact on themselves, their family, and/or their work. Relate the material being taught to practical applications. Our learners want to hear real life lessons learned. They want to share our challenges and our successes. Too much theory without practical applications will lose the adult learner.

**Orientation to learning.** Our learners need problem-centered learning more than subject-orientated learning. Learning about a specific leadership or ethics theory is not suitable for adults, unless they can see and practice the application of this theory. It is important for facilitators to choose case studies that are relatable (by rank, warfare, experience, etc.) to the audience.

**Motivation.** Our learners are learning for a reason and they are pushing themselves from within. They are sparked by an inner source and have a sense of urgency about their learning. Unlike pedagogical learners, they are internally motivated to learn about new concepts and are eager to apply them. We recognize that not all of our learners might share internal motivation, such as those who must take our courses as a requirement. Use class time to include the learner's experiences and strengths to emphasize the value they bring to the classroom.



# Active Training Techniques

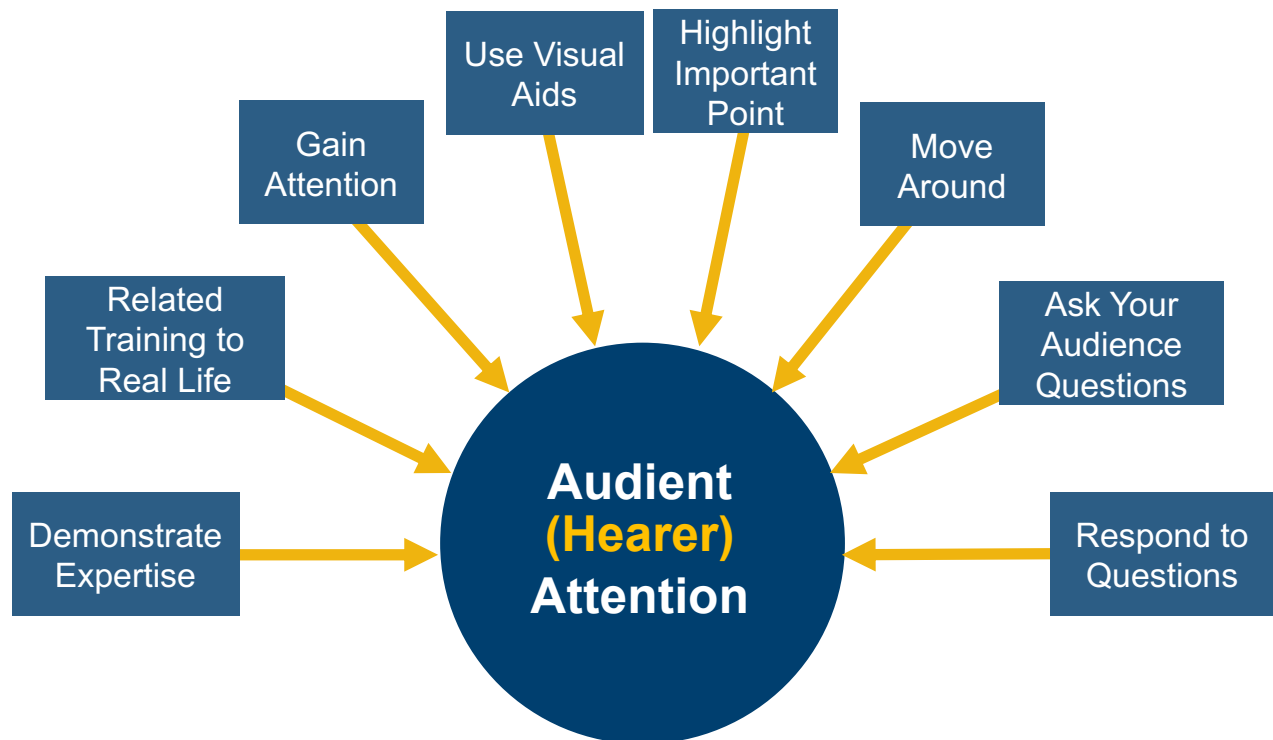
**Adult Learning Styles** — For adults to learn, instruction must be stimulating and have something for all types of learners.

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 audio files 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 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.



# Facilitating Discussion

TECHNIQUE	DON'Ts	DOs
<b>Demonstrating Expertise</b>	<p>Believe you are the ultimate subject matter expert, or</p> <p>Fail to prepare yourself as a subject matter expert</p>	<p>Remember:</p> <ul style="list-style-type: none"> <li>• It is OK not to know everything</li> <li>• It is OK to be imperfect as an instructor</li> <li>• To facilitate learning, rather than deliver it</li> </ul>
<b>Relating Training to Real Life</b>	Be afraid to ask participants to raise their real-life challenges in the class	Add your personal stories to add interest or to highlight a point
<b>Gaining Attention</b>	Forget that you are not the focus of the training; you are only the facilitator	Use your presentation skills to capture student attention with something novel, a story, a visual, animation, or question
<b>Using Visual Aids</b>	<p>Use PowerPoint to</p> <ul style="list-style-type: none"> <li>• Show every word you have to say</li> <li>• Read from the screen</li> </ul>	<p>Use PowerPoint to</p> <ul style="list-style-type: none"> <li>• Focus the conversation</li> <li>• Highlight points</li> <li>• Illustrate models</li> </ul>
<b>Highlighting Important Points</b>	Insist on delivering every point you believe should be made	<p>Use memory aides for important points, for example:</p> <ul style="list-style-type: none"> <li>• Starting with the most important content</li> <li>• Repeating it and relating it</li> <li>• Providing organizers such as outlines, flowcharts, acronyms, and chunking</li> </ul>
<b>Using movement in the classroom</b>	<p>Stand in one place in the classroom</p> <p>Be afraid to go close to participants</p>	<p>Move close to students</p> <p>Look directly at each participant throughout the class (Eye contact is important)</p>
<b>Using questions to generate discussion</b>	<p>Be afraid to:</p> <ul style="list-style-type: none"> <li>• Question what participants say</li> <li>• Encourage others to question you</li> <li>• Call on specific participants</li> </ul>	<p>Use effective questioning, for example:</p> <ul style="list-style-type: none"> <li>• Asking open-ended questions</li> <li>• Asking follow-up questions to participants' answers</li> <li>• Reflecting answers to other participants</li> </ul>

# Motivate Your Learners



Fill in the 1st column with the concept being summarized in the 2nd column:

CONCEPT	SUMMARY
	<p>Emphasize the practical knowledge. It is important to design a course that provides immediate relevancy. Learning materials that can be put into practice. Adult learners appreciate more practical knowledge, rather than extraneous facts and theories.</p>
	<p>Adult learners sometimes like to take the opportunity to construct knowledge in a way that is meaningful to them. For this reason, you should have all sorts of materials, references, infographics, short videos, lectures, podcasts, and free resources available. In such an environment learners are more likely to get inspired or find something that makes them want to learn more.</p>
	<p>Humor would work great even with the most demotivated learners in your course. When your students know you are funny, they will listen to your material carefully, because they would not want to miss on your witty sense of humor. You can never lose with that.</p>
	<p>“Chunk” information as much as possible. It helps people remember and assimilate information. Small bits are easier to process.</p>
	<p>Empower participants to individualize the training to suit their needs and to work on their goals for the training.</p>
	<p>Let your audience answer question incorrectly. According to a German proverb, “You will become clever through your mistakes.”</p>
	<p>Did you know that 83% of learning occurs visually? Utilize visual aids to convey key points or to make relative connections.</p>
	<p>If you do not sound inspiring, if your materials are not exciting, how will you motivate your learners? Get participants emotionally involved – making controversial statements and adding real stories can engage them in the lesson.</p>

# 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

# Visual Aids

Visual aids can:

- Improve audience understanding and memory
- Serve as notes
- Provide clearer organization
- Facilitate more eye contact and motion by the speaker
- Contribute to speaker credibility
- Supplement facilitation key points

*Tips for using visual aids*

- Stand to the side of the visual aid. Do not obscure the visual aid if at all possible. Traditionally, speakers have the visual aid on their left.
- Maintain eye contact. While the visual aid will be tempting to many speakers, the audience should still be their main focus. When a speaker loses eye contact, they often end up turning their back to the audience. **A SPEAKER SHOULD NEVER TURN THEIR BACK TO AN AUDIENCE.**
- Introduce a visual aid before talking about the information contained in it. Giving background on where the information for the visual aid was obtained provides the audience with more resources for understanding the content of the speech.
- Practice with a visual aid. The visual aid adds an additional focus for the audience, and the speaker should be able to effectively and smoothly interact with the aid to minimize distractions.
- Make sure the visual aid supports the message. Consistency between what is being said and what is being seen is crucial to a speaker's credibility.
- Supplement, do not supplant, the speech with the visual aid. Do not allow the visual aid to overwhelm the speech itself. Visual aids are not crutches to lean on, but rather lampposts to illuminate.
- Ensure the logistics of the setting are conducive to the visual aid. Make sure that everyone can see the visual aid, that any electronic equipment necessary for the visual aid is functioning (and that the speaker knows how to operate it), and that the visual aid is set up before the speech (there's few things worse for an audience than having to wait while a speaker fiddles with their equipment).
- Point out key elements in the visual aid, especially if it is complicated. Pictures, charts, graphs, and some objects, are often so complex, with so much "going on," that the audience might need to be directed to the area of the visual aid that the speaker is referencing.
- Avoid distributing materials before the speech. If there are supporting materials to assist the audience, they should be passed out either before or after the speech. Failing to do so will delay the speech, lead to much rustling of paper, and is an unnecessary distraction.
- Limit lists. If the visual aid utilizes lists to communicate the central ideas of the speech, do not overwhelm the audience with endless lists on one slide or page. Generally, only five items should be on any single slide or page of a visual aid.
- Remember that simplicity is a good design principle. Do not overload a visual aid with unnecessary information, color, font changes, or superfluous images.

# Handling Classroom “Personalities”



The first challenge a facilitator has when managing participant behavior, is recognizing the efficacy and extent of comments. Then the facilitator must choose the appropriate intervention, to ensure the dialog is productive. Inevitably you will encounter behavior in the classroom that is not productive for learning. It is not necessary or appropriate to intervene each time a group member manifests a disruptive behavior. One or two exhibitions of negative behavior do not constitute a pattern.

Only when a disruptive behavior becomes repetitive, has a negative effect on the group, or becomes irritating to you does it become an issue to be addressed. At that point, it is desirable to intervene to eliminate the behavior. If you must label someone’s behavior, remember that the behavior is not the person. It is only one aspect of the person. Also, remember that people can and do change. When an individual is primarily showing a negative side, it is difficult to see the positive. You, as a facilitator, need to reinforce any positive behaviors and attempt to minimize the negative ones.

*Fill in the tables:*

“PERSONALITY”	TYPICAL BEHAVIOR	CLASSROOM EFFECT	INSTRUCTOR STRATEGIES
The Assistant AKA _____			

**What to say:** *“We need everyone to have the opportunity to bring their thoughts into the conversation.”*

"PERSONALITY"	TYPICAL BEHAVIOR	CLASSROOM EFFECT	INSTRUCTOR STRATEGIES
The Contrarian  AKA  _____			

**What to say:** *"Some ideas may seem off-putting, at first, but I encourage you to bring your thoughts into the conversation."*

"PERSONALITY"	TYPICAL BEHAVIOR	CLASSROOM EFFECT	INSTRUCTOR STRATEGIES
The Motor Mouth  AKA  _____			

**What to say:** *"Thank you for your insight. It is very important to the success of the class that everyone has opportunities to contribute."*

# Practically Perfect Presentations Checklist

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

## Logistics

- What is the date and time of the training?
- Where will the brief be held?
- Are there facilities for video, slide show or other electronic presentations?
- Can you arrive early or check the day before to ensure the tech will run smoothly?
- How many participants will there be?
- What are the audience demographics?
- Do you need to provide training materials?

## 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? 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





**CFS**

COMMAND FINANCIAL  
SPECIALIST

# CFS 14 Survivor Benefit Plan

★  
Student Manual

## I. INTRODUCTION

The goal of this training topic is to provide basic information on the key aspects of the Survivor Benefit Plan (SBP). This information will assist CFS personnel in educating Service members and their spouses, to aid them in making informed decisions about SBP's role in their retirement plan.

### Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** Introduces you to major topic areas via models, lecture and class participation.
2. **Information and Referral:** Referrals to appropriate resources and check for updates.
3. **Counseling/Coaching:** Introduces you to major topic areas for options and considerations which affects making informed decisions.



## II. LEARNING OBJECTIVES

Upon conclusion of the course, learners will understand the eligibility, function and benefits of SBP so that they may educate Service members on how to make the best decision for themselves and their beneficiaries.

Learners answer one, multiple-choice question regarding SBP eligibility.

Learners will answer 10 questions to review content material about the SBP coverage, costs, options and considerations.

### III. REFERENCES

DoD 7000.14-R Department of Defense Financial Management Regulation (DoD FMR), Volume 7B, Chapter 46: "Survivor Benefits Plan (SBP) - Annuities" Summary of Major Changes, April 2020.  
<https://comptroller.defense.gov/FMR/fmrvolumes.aspx>

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"Understanding the Survivor Benefit Plan." Military OneSource. Department of Defense, June 30, 2015. Web. July 11, 2015. [www.militaryonesource.mil/casualty?content\\_id=270439](http://www.militaryonesource.mil/casualty?content_id=270439)

"Survivor Benefit Plan (SBP)" MyArmyBenefits, The U.S. Army official benefits website, January 1, 2020. Web. July 20, 2020  
[https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Survivor-Benefit-Plan-\(SBP\)](https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Survivor-Benefit-Plan-(SBP))

DoD Office of the Actuary SBP Financial Analysis Tools <https://actuary.defense.gov/Survivor-Benefit-Plans/>

U.S. Coast Guard Pay & Personnel Center <https://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-Human-Resources-CG-1/Pay-and-Personnel-Center-PPC/>

### IV. CONTENT

# Survivor Benefit Plan (SBP) and Eligibility

SBP was established by Public Law 92-425 on 21 September 1972. **The SBP is a government-subsidized program that guarantees that a portion of a Service member's monthly retirement pay will continue to be paid to a spouse or other designated beneficiary after the Service Member's death.** Unlike any other resource available, the SBP monthly payment is guaranteed by the government and protected from inflation. All active-duty Service members are automatically enrolled in SBP at no cost.

Regular Service members on active duty	SBP Benefits calculated as if retired with 100% disability. Death must be in Line of Duty (LOD) unless retirement-eligible. If retirement eligible and found not in Line of Duty, benefits based on years of active service. SBP coverage provided at no cost and beneficiaries determined by law.
Regular Service members retired	SBP if they enroll upon retirement. Line of Duty determination not applicable. If coverage elected must choose SBP beneficiary category and pay part of the coverage cost.
Reserve and National Components in non-drilling status with less than 20 years of service who die in a non-duty status	No SBP or RCSBP*.
Reserve and National Components on Federal Active Duty, regardless of years of service	SBP Benefits calculated as if retired with 100% disability. Death must be in Line of Duty. If retirement eligible and found not in Line of Duty, benefits based on years of active service. SBP coverage provided at no cost and beneficiaries determined by law. If retirement eligibility based on 20 creditable years toward non-regular retirement and found not in LOD, RCSBP* coverage applied with beneficiaries determined by law.
Reserve and National Guard Components in non-drilling status with at least 20 years of service	RCSBP* only if they enrolled with Option B or Option C when they received 20-year letter; or received the 20-year letter, are within the 90-day period, but have not made an RCSBP election; or should have received a 20-year letter. Death does not need to be in Line of Duty.

**RCSBP\*: Reserve Component Survivor Benefit Plan (RCSBP)**

# Active-Duty SPB Benefit

## Eligibility

Survivors of Service members who die in the Line of Duty on Active Duty may be eligible to receive SBP benefits. Beneficiaries are established by law. There are five categories of survivors who may receive benefits:

**1. Former Spouse based on a court order:**

SBP benefits may be payable to the former Spouse of a Service member who dies on active duty only if a court order ordering the Former Spouse election was issued before the date of the Service member's death or at the Service member's death a pending court case involving SBP subsequently awards the former Spouse the SBP.

**2. Spouse:**

If no Former Spouse awarded SBP, the Spouse is the beneficiary. For Surviving Spouses with Children, benefits (referred to as an "annuity") are paid to the Spouse but by law go to any eligible Children if the Spouse is no longer eligible for the SBP annuity. SBP annuities for survivors of Service members who die on active duty are 55% of what the Service member's retired pay would have been if they had retired on that date with a 100% disability, which is 75% of the Service member's highest 36 months of base pay (or of final base pay for Service members who entered military service before 8 September 1980).

**3. Child(ren), Spouse Excluded:**

When the last Child is no longer eligible for SBP, the SBP annuity stops and will not revert to the Surviving Spouse. Surviving Spouses, therefore, should give careful consideration before relinquishing this important benefit.

**4. Child(ren) Only:**

If a Service member who dies on active duty has SBP-eligible Children but is not married, benefits are paid under the "Child(ren) Only" category, and all eligible Children divide the SBP annuity equally. If the SBP annuity is divided among multiple Children, as each Child ages beyond the eligibility limit, the annuity is reapportioned among the remaining Children. Children may receive SBP benefits until age 18, or age 22 if enrolled full time in high school, college, vocational or technical school, or another recognized educational institution.

**5. Insurable Interest:**

If, upon the active-duty death of a Service member, there is no eligible former Spouse, Spouse, or Children, benefits may be paid to a person who was at the time of the Service member's death a dependent with a military Dependent ID card. Benefits are payable for life.

# Retiree SBP Benefit

## Eligibility

Service members, who are covered under SBP at no cost while on active duty, are eligible to continue participating in SBP when they transfer to the Retired List by paying a premium. If they have eligible dependents whom they could name as SBP beneficiaries but do not do so, they will never be able to enroll for those SBP categories in the future. If a Retired Service member is recalled to active duty, their original SBP election cannot be changed upon subsequent release from active duty. There are six categories of survivors who may receive benefits:

**1. Spouse Only:**

SBP was designed with the military spouse in mind (former spouse costs and benefits follow the same rules). The annuity is paid throughout the surviving spouse's lifetime; it cannot be outlived.

**2. Spouse and Child(ren):**

With the spouse and child option, the spouse is the primary beneficiary and children are secondary beneficiaries. The annuity is not paid to the children unless the spouse first loses eligibility through remarriage before age 55 or by death. Even then, the children must be under age 18 (or 22 for full-time students) to be eligible.

**3. Child(ren) Only:**

Children are eligible for coverage if they are unmarried and under the age of 18. If they are still full-time students, they can be covered until age 22. Coverage also applies to children who are unable to support themselves due to a physical or mental disability that existed before they were 18 or 22, if the child was a full-time student when they became incapacitated or disabled.

**4. Former Spouse:**

Benefits for a former spouse are identical to spousal benefits. If a former spouse is covered by SBP, a current spouse and/or children of the current spouse cannot be covered. When electing former spouse coverage, the member must file a written statement with the Defense Finance and Accounting Service (DFAS) or the U.S. Coast Guard Pay & Personnel Center (PPC) indicating the reason for the election. The current spouse must also be informed of the election.

**5. Former Spouse and Dependent Child(ren) of that Marriage:**

For the former spouse and children option, the spouse benefits are the same as the former spouse option. This option, however, only applies to the former spouse's children with the Service member.

**6. Insurable Interest:**

If a Service member is unmarried, they may cover another family member or a business associate. Covered family members must be more closely related than a cousin. Parents, stepparents, siblings, aunts, uncles and grandparents all qualify. An individual child or stepchild can be covered regardless of dependency status. Business associates can also be protected if they would suffer financially due to the death of the retiree.

# Medical Retiree SBP Benefit

## Eligibility

Under specific circumstances, Service members may retire from service prior to reaching 20 or more years of service. This is different than separating from service. When medically retiring, Service members fall under two categories:

### Temporary Disability Retired List (TDRL)

- The Service member is retired for 3 or 5 years (dependent on date of TDRL placement), at which point their disability will be re-evaluated. Outcomes include being found fit for duty or being moved to the PDRL roster.
- Service members on TDRL are eligible for SBP as long as they remain on TDRL. If they return to regular service, they also return to active-duty coverage. If they move to PDRL, their SBP coverage follows them, but at a new base amount to match their new retired pay.

### Permanent Disability Retired List (PDRL)

- The Service member is permanently retired, and there is no re-evaluation after 5 years. Medical retiree retirement pay is calculated as multiplier x pay base.
- The PDRL multiplier is either 2.5% x years of service or 2.5% x disability percentage rating, whichever is higher, with a maximum multiplier of 75%.
- The TDRL formula is the same, but it has a minimum multiplier of 50%.

Retired pay as a medical retiree can vary in amounts and calculation, and therefore further creates unique SBP situations. Those who are being medically retired should consult with an Installation Family Support Center Personal Financial Manager to discuss their SBP options.

Service members being retired with a **service connected** VA disability need to consider the following in their SBP decision:

- SBP and Dependency and Indemnity Compensation (DIC)
- Special Survivor Indemnity Allowance (SSIA)
- SBP coverage for survivors, if VA determines death is not service connected and DIC is not payable
- Withdrawal from SBP based on a VA Total Disability Rating
- SBP premiums start from effective date of the retirement, even if retroactive retirement date
- What happens to family if SBP is not elected and the VA does not consider the death to be service connected.

# Election Options

1. SBP Election must be made prior to retirement.
2. All Service members retiring based on an active-duty law and Reserve Components who elected RCSBP Option A must complete the SBP section of the DD Form 2656 or Coast Guard Form 4700, even if they have no eligible beneficiaries.
3. What happens if the election is NOT made before retirement? Federal law directs DFAS or PPC to default the election to full spouse coverage. If that happens, the election can be changed only if the Service member proves that the government erred in the election process.
4. Married Service members electing anything less than the maximum spouse SBP coverage allowable under the law requires spouse's agreement.
5. Generally irrevocable but may be canceled with spouse agreement, between the 25th and 36th month following retirement. Premiums paid prior to revocation are non-refundable.
6. SBP is paid up after making 360 payments and reaching at least age 70.
7. Changes in dependents after making SBP election but before retirement may require new election.
8. If SBP beneficiaries change (birth, death, divorce, marriage) between election and date of retirement, a new DD Form 2656 or Coast Guard Form 4700 with SBP election required.
9. Six election categories: Spouse Only, Spouse and Child(ren), Child(ren) Only, Insurable Interest, Former Spouse, and Former Spouse and Dependent Child(ren) of that Marriage.



# DD Form 2656 and Coast Guard Form 4700: SBP Beneficiary Categories

Check one only. See Instructions and Section X.

- a. I elect coverage for spouse only: *I have dependent child(ren)*  Yes  No
- b. I elect coverage for spouse and child(ren)
- c. I elect coverage for child(ren) only: *I have a spouse*  Yes  No
- d. I elect coverage for the person named  
who has an insurable interest in me
- e. I elect coverage for my former spouse  
(DoD only: Complete DD 2656-1, "Survivor Benefit Plan (SBP)  
Election Statement for Former Spouse Coverage")
- f. I elect coverage for my former spouse and dependent  
child(ren) of that marriage
- g. I elect not to participate in SBP:  Yes  No

*Note: If a Service member has an eligible spouse under the plan, spouse concurrence is required for any election that does not provide coverage of the full base amount for the eligible spouse*

# Costs of SBP

The Survivor Benefit Plan cost depends on the level of coverage you choose. SBP coverage has no cost while you are in active service. During your retirement, however, a monthly deduction is taken from your pay for your SBP coverage.

## Coverage based on full gross pay:

If you elect coverage based on full gross pay, the cost of SBP will be based on your full gross retiree pay. For example, if you receive \$1,000 of retired pay each month, and elect coverage based on full gross pay, your monthly cost for Spouse-Only election under the plan will be \$65 each month.

## Coverage with a reduced base amount:

You can elect coverage with a reduced base amount, you can select a lower level of SBP coverage than your full gross pay. The Service member can choose any amount from \$300 to their full gross pay. For example, if you receive \$1,000 of retired pay each month, you can elect to have your coverage based only on \$700 of your pay. In this case, your monthly cost for Spouse-Only election under the plan will be \$45.50 each month.

## Spouse or former spouse:

The cost is 6.5% of the base amount. For example, with a base amount of \$3,000 per month, the cost for spouse coverage is \$195.

## Spouse (or former spouse) and child(ren):

The spouse portion of this election costs 6.5% of the base amount. The child cost portion is based on the ages of the retiree, the spouse and the youngest child. This cost is reasonable, given typical ages.

## Child(ren) Only:

The cost is based on the ages of the retiree and youngest child. Children are primary beneficiaries in this option. Eligible children equally divide the 55% benefit. Premiums continue until the youngest child is no longer eligible for benefits.

## Insurable interest:

The base amount must be full gross pay in this option. Costs are 10% of retired pay, plus 5% for each full five years younger the beneficiary is than the retiree, not to exceed 40% of retired pay. This option may be canceled at any time. Should you gain a spouse or child in the future, the insurable interest coverage may be changed to spouse or child or both within one year of the change.

## Spouse-Only Election Cost Example:



# Do You Need SBP?

- Are personal assets sufficient
- Do you have debt?
- Are you the primary/only earner?
- Should life insurance be an alternative or supplement?
  - Do you have health issues that could cause you to have higher life insurance premiums or to be denied coverage?
  - SBP cannot be denied

## SBP

- Cannot be outlived
- Includes an inflation fighter
- Is taxed (for beneficiary)

## Insurance

- Proceeds can be outlived
- Insurance doesn't include inflation fighter
- Not taxed

Length of Premiums Paid	Years for Annuity to Exceed Premiums Paid
5 Years	8 Months
10 Years	1 Year, 1 Months
20 Years	1 Year, 10 Months
30 Years	2 Year, 5 Months

# SBP Advantages and Disadvantages

## Advantages:

- The impact of a government subsidy speaks volumes. Only a nonprofit like the U.S. government can offer this feature.
- SBP costs are paid with pretax dollars. If you choose, you can even use the tax savings to make other investments.
- Unlike insurance values, which are eroded by inflation, SBP's value increases at the same rate as retired pay.
- If you balk at the finality of "SBP elections are forever," the termination feature permits you to rethink your participation after you have settled into retirement for two years. And do not forget SBP's "paid-up" provision.
- The annuity is a guaranteed income to your beneficiary and paid for however long it is needed.
- SBP offers a level benefit of 55% without regard to the age of the spouse or former spouse.
- Health, smoking, gender, and lifestyle factors are not considered when determining monthly SBP costs.
- DFAS/PPC deducts the premium before paying you. Such automatic deductions result in coverage that cannot lapse because of a missed payment.
- There are no extra fees, agent commissions or risks to the retiree.
- Retirees cannot be denied coverage.
- Only Congress can change SBP's features. They make changes on matters affecting survivors very cautiously.

## Disadvantages:

- All income is eventually taxed at the front end or back end.
- SBP's goal is to protect military retired pay...period. If it is protection of a spouse's life you seek, you might want to buy a life insurance policy. In fact, you can use the monthly tax savings SBP provides to fund that policy.
- Choosing to receive reduced retired pay during your lifetime is the only way to continue a portion of it after you die.
- The 6.5% spouse cost does not increase. However, with each retired pay COLA received, your cost becomes 6.5% of a new, higher amount. (Note: COLA also produces a higher annuity.)
- SBP is not intended to be an "inheritance" vehicle and does not have insurance-like features.
- Cannot cancel SBP after the one-time cancellation period.

# SBP Knowledge Check

1. **SBP Spouse-Only premium costs are what percentage of the base amount?**
  - A. 3.5%
  - B. 6.5%
  - C. 9.5%
  - D. 12.5%
  - E. Unknown
2. **Who is covered under SBP? (circle all that apply)**
  - A. All active-duty Service members
  - B. All military retirees
  - C. All active-duty Service member spouses
  - D. All military retirees that elect to enroll in SBP prior to retirement
  - E. Unknown
3. **SBP premiums are paid with pretax dollars.**
  - A. True
  - B. False
  - C. Unknown
4. **If the retiring Service member elects not to participate in SBP or elects coverage with a reduced base amount do they need their spouse's concurrence?**
  - A. Yes
  - B. No
  - C. Maybe
  - D. Unknown
5. **A retiree no longer has to pay SBP premiums when they have met the following criteria:**
  - A. Member has paid SBP premiums for 30 years
  - B. Member has paid SBP premiums for at least 30 years and has reached age 70
  - C. Member has reached age 70
  - D. Member has to pay SBP premiums for life not matter when they pass away
  - E. Unknown
6. **If a Service member elects to have SBP prior to retirement and later decides they no longer desire to be enrolled in the program, when can they terminate the policy? (circle all that apply)**
  - A. Prior to midnight on their official retirement date
  - B. Any time during the first year of making premium payments
  - C. Any time between the 25th and 36th month of SBP participation
  - D. They may never terminate SBP once you have elected to participate in the program
  - E. Unknown
7. **Does the beneficiary have to report the annuit income that they receive on their tax return?**
  - A. Yes
  - B. No
  - C. It depends
  - D. Unknown
8. **If the active-duty member has no qualifie beneficiaries prior to their retirement date ca they later choose to opt into SBP in the event that they get married or have children?**
  - A. Yes
  - B. No
  - C. Unknown
9. **If a retiree elects to terminate SBP during their allowed termination timeline all previous SBP payments will be refunded.**
  - A. True
  - B. False
  - C. Unknown
10. **If the retiree elects coverage based on full gross pay what percentage of the retiree's pension will the beneficiary receive for a annuity?**
  - A. 100%
  - B. 75%
  - C. 55%
  - D. Unknown



**CFS**

COMMAND FINANCIAL  
SPECIALIST

# CFS 15 Developing Your Program

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Student Manual

## I. INTRODUCTION

Congratulations on your participation in CFS Training. You have had the opportunity to learn things that not only will help you but also ensure that you leave the class energized and prepared to use this information to help Service members. As part of your CFS duties, you may be charged with running a command program, provide leadership and indoctrination briefs, and effectively utilize the services of the Installation Family Support Center. This chapter will help you to do all these things by reviewing the purpose of the course and the role of the CFS upon return to the command. The discussion includes how to run a command program; how to use the sample leadership and indoctrination briefs you have been provided; the Installation Family Support Center's role in the CFS program; a course review activity; and the availability of continuing education. The topic concludes with a panel discussion with experienced Command Financial Specialists.

### Chapter Correlation to Common CFS Task Areas:

1. **Education and Training:** The chapter presents two model briefs: one to market the program to command leadership and one that can be used in command indoctrinations. Training techniques include active lecture, optional panel discussion and homework review (Plan of Action and Milestones).
2. **Information and Referral:** Referral resources are reviewed via capstone learning activity.
3. **Counseling/Coaching:** Techniques are reviewed via capstone learning activity.



## II. LEARNING OBJECTIVES

Learners will demonstrate their understanding of how to begin running their program by completing a Plan of Action and Milestones.

Learners will identify the need and requirements for a CFS Program.

### **III. REFERENCES**

NAVETRA 14300A

NAVAL LEADERSHIP AND ETHICS CENTER Facilitation Skills Handbook OCT 2017

OPNAVINST 1740.5D

MCO 1700.37

DoDI 1342.22-D

COMDTINST 1740.8 (series)

### **IV. CONTENT**



# Developing a CFS Program

## CFS Tasks by Military Branch:

	NAVY	MARINE CORPS	ARMY	COAST GUARD
Education and Training	✓	✓		✓
Information and Referral	✓	✓		✓
Financial Counseling	✓			
Initial Financial Coaching/Counseling		✓		
Basic Budgeting				✓
Consumer Advocacy	✓			

NOTE: At the time of this publication, the U.S. Army does not have an Army Regulation for the Command Financial Specialist program.

# Program Recordkeeping

## **USN Program Recordkeeping**

The CFS Program is generally considered to be part of the administrative function of the command. Therefore, it can be subject to review in various kinds of inspections. CFSs are encouraged to review the OPNAVINST 1740.5D and be prepared for an inspection at any time.

Records created as a result of the OPNAVINST 1740.5D, regardless of media and format, must be managed per Secretary of the Navy (SECNAV) Manual 5210.1 of January 2012.

The exact manner of records and documentation management is not proscribed by instruction, but here is an outline of a possible system:

Filing cabinet (double lock and key) – either physical or electronic – accessible by all CFSs at command:

- a. OPNAVINST 1740.5D and SECNAVINST 1740.2E
- b. Command's instruction regarding Personal Financial Management, as applicable
- c. List of command CFSs (with appointment letters and course completion certificates) beginning with Command Special Assistant for Personal Finance (CSAPF) and information regarding crew count and CFS ratio
- d. Copies of indoctrination schedules showing CFS on agenda
- e. Copies of PODs/POWs listing CSAPF on masthead
- f. Copies of PFM Training rosters
- g. Copies of pre- and post-deployment program agendas listing the CFS as one of the presenters, as applicable
- h. Sample check-in and check-out sheets listing the CFS as one of the checkpoints
- i. Quarterly reports (individuals and command summary reports) (at least three years of history)
- j. Client files (maintained in a manner that ensures confidentiality and compliance with applicable Privacy Act regulations)

## **USMC Program Recordkeeping**

CFSs in the U.S. Marine Corps should discuss program recordkeeping requirements with unit leaders and ensure that they follow important regulations for maintaining Personally Identifiable Information (PII) and personal financial information for both hard copy files and digital files. Ensure you follow all applicable laws.

## **USA Program Recordkeeping**

Members of the U.S. Army that have attended the CFS course should discuss program recordkeeping requirements with unit leaders and ensure that they follow important regulations for maintaining Personally Identifiable Information (PII) and personal financial information for both hard copy files and digital files. Ensure you follow all applicable laws.

## **USCG Program Recordkeeping**

CFSs in the U.S. Coast Guard shall prevent the creation and/or maintenance of files, records, notes, or recordings that contain personal financial information of assisted individuals.



# Checklist for Command Financial Specialists

- Complete CFS Training
- Meet with other members of command's CFS team
- Draft command PFM instruction (if necessary)
- Gather command data (needs assessment)
- Refine Plan of Action and Milestones
- Develop marketing plan for command PFM program
- Familiarize self with available resources, command's PFM library
- Brief command leadership
- Establish recordkeeping and reporting system (per branch of service requirements)
- Input data as required by branch of service and command
- Attend CFS forums/advanced training
- Get on Installation Family Support Center's mailing list, advertise PFM programs
- Get on command check-in sheet
- Conduct command INDOCS (PFM)
- Provide appropriate PFM information and referral to command personnel
- Conduct PFM training as indicated by needs assessments and in accordance with branch of service requirements
- Conduct PFM counseling/coaching/budgeting as requested in accordance with branch of service requirements

# Command Financial Specialist Needs Assessment

*This command is in the process of developing a Financial Education program for all personnel. This survey is to determine the types of services you would like to have provided at this command to facilitate managing your personal financial affairs.*

Education – Please rank the following subjects from 1 to 12 with 1 being the area you are most interested in having training provided.

- Establishing a Spending Plan/Budget
- Credit Management
- Savings and Investments
- Thrift Savings Plan
- Military Retirement Plans (Legacy & BRS)
- Banking Issues
- Car Buying
- Insurance
- Survivor Benefits and Life Insurance
- Pay Issues
- Consumer Frauds, Misrepresentations and Scams
- Money Management for Deployment

Information – Would you find it helpful to have the following provided?

- | Yes                      | No                       |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Regular plan-of-the-day/week notes with tips on personal financial management |
| <input type="checkbox"/> | <input type="checkbox"/> | Information rack with personal financial management brochures and booklets    |
| <input type="checkbox"/> | <input type="checkbox"/> | Personal financial management bulletin board                                  |
| <input type="checkbox"/> | <input type="checkbox"/> | Financial management articles in the command's and spouse club's newsletters  |

Consultation – Would you find it useful to have the following available?

- | Yes                      | No                       |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Financial counseling service provided by a Command Financial Specialist (if permitted by branch of service) |
| <input type="checkbox"/> | <input type="checkbox"/> | A Command Financial Specialist to consult with prior to making major purchases or financial decisions       |
| <input type="checkbox"/> | <input type="checkbox"/> | A Command Financial Specialist to consult with for completing Touchpoints                                   |

Please list other services that you would find useful in managing your personal finances and any comments.

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Please return this complete form to: \_\_\_\_\_  
(Name and email)

Thank you!  
(Signature)

# How May We Help You?



Interested in attending a personal financial management seminar?

Place a checkmark next to the topics you find most desirable:

- |  |  |
|--|--|
| <input type="checkbox"/> Banking and Financial Services          | <input type="checkbox"/> Money and the Move            |
| <input type="checkbox"/> Car-Buying Strategies                   | <input type="checkbox"/> Paying for College            |
| <input type="checkbox"/> Consumer Awareness                      | <input type="checkbox"/> Paying off Your Student Loans |
| <input type="checkbox"/> Credit Management                       | <input type="checkbox"/> Planning for Your Retirement  |
| <input type="checkbox"/> Developing Your Spending Plan           | <input type="checkbox"/> Raising Financially Fit Kids  |
| <input type="checkbox"/> Family Financial Planning               | <input type="checkbox"/> Renting                       |
| <input type="checkbox"/> Financial Planning for Deployment       | <input type="checkbox"/> Saving and Investing          |
| <input type="checkbox"/> Financial Planning Following Deployment | <input type="checkbox"/> Smart Transition Planning     |
| <input type="checkbox"/> Gambling Awareness                      | <input type="checkbox"/> Survivor Benefit Plan         |
| <input type="checkbox"/> Home Buying                             | <input type="checkbox"/> The Thrift Savings Plan       |
| <input type="checkbox"/> How to Survive the Holidays Financially | <input type="checkbox"/> Your Insurance Needs          |
| <input type="checkbox"/> Marriage and Money                      | <input type="checkbox"/> Vacation Planning             |
| <input type="checkbox"/> Military Pay Issues                     |  |

Other topics you would like:

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Comments:

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Please return this complete form to: \_\_\_\_\_  
(Name and email)

Thank you!  
(Signature)

# Plan of Action and Milestones



Command: \_\_\_\_\_

From: \_\_\_\_\_

To: \_\_\_\_\_

Period Covered: \_\_\_\_\_

Primary Issues		Indicators			Actions Required/Objectives	
1.						
2.						
3.						
Objectives/Action	Start Date	Barriers/Strategies for Overcoming	Resource Needs	Estimated Completion	Actual Completion	Remarks/Indicators

# How to Market Your CFS Program



Write down five ideas for marketing your CFS Program

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_
5. \_\_\_\_\_  
\_\_\_\_\_



# Command Leadership and Indoctrination Briefs



There are two briefs provided for you to present concisely about the PFM program and your role as a Command Financial Specialist. These briefs and their instructor guides will be located in Appendix I. They are also on the PFMSC DVD and the DoD website.

The Command Leadership Brief is for presenting to the commissioned and enlisted leadership at your command. The brief should be short and concise. Be prepared to explain your plan of action, both immediate and long term, and ask for the support to run an effective and proactive command PFM program. You should include an overview of how the PFM program promotes the Touchpoint program.

The Command Indoctrination (INDOC) Brief is designed to tell new command members clearly and concisely about the Command PFM Program. Speaking at indoctrination allows you to introduce yourself and inform new command personnel about personal financial management issues at your duty station. You will discuss the PFM program, the role of the CFS, and how the CFS can help command members. You can provide an overview of PFM topics to generate interest. Additionally you should provide an overview of the Touchpoint program, specifically the brief can be used to meet requirements of the Arrival at First Duty Station and Arrival at Subsequent Duty Station (O-3 & Below: E-4 & Below) Touchpoints. Additional Touchpoint information can be provided as applicable.

# Brief the Bosses



Work with your group to identify five key talking points you would discuss if you had 5 minutes to brief your leadership on the need for a CFS to have a strong PFM program at the command.

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

4. \_\_\_\_\_

\_\_\_\_\_

5. \_\_\_\_\_

\_\_\_\_\_

# PFM Curriculum

## PFM Standardized Curriculum

The PFM Standardized Curriculum is located on the PFMSC DVD and on the DoD website. Training materials for all topics include the Instructor Guide with Handouts and the Training PowerPoint. Game PowerPoints are also included for several of the topics.

- Banking and Financial Services
- Car-Buying Strategies
- Consumer Awareness
- Credit Management
- Developing Your Spending Plan
- Family Financial Planning
- Financial Planning for Deployment
- Financial Planning Following Deployment
- Gambling Awareness
- Home Buying
- How to Survive the Holidays Financially
- Marriage and Money
- Military Pay Issues
- Money and the Move
- Paying for College
- Paying off Your Student Loans
- Planning for Your Retirement
- Raising Financially Fit Kids
- Renting
- Savings and Investing
- Smart Transition Planning
- Survivor Benefit Plan
- The Thrift Savings Plan
- Your Insurance Needs
- Vacation Planning

## Touchpoint Curriculum

The Touchpoint Curriculum is located on the Touchpoint DVD and on the DoD website. Touchpoint Curriculum includes Checklists, Handouts, Video Courses, Video Discussion Guides, and How-to Guides.

- First Duty Station
- Permanent Change of Station (PCS)
- Pre-Deployment
- Post-Deployment
- Vesting in the TSP
- Entitlement to Continuation Pay (CP)
- Promotion
- Leadership Training
- Marriage
- Welcoming Your First Child
- Preparing for Divorce
- Disabling Sickness or Condition

**CFSS may only use their branch of service's approved PFM Standardized Curriculum and Touchpoint Curriculum. CFSS are not authorized to use any other material.**

# Service-Specific Points of Contact

## Installation Family Support Center

Your local Personal Financial Manager or Personal Financial Counselor is available for:

- Case consults for new CFSs, difficult cases, or both.
- Coaching for new CFSs as needed.
- Referrals and resources.
- Training – follow-on training for the CFS and general PFM training to meet command needs.

## Installation Family Support Centers:

USN	USMC	USA	USCG	USAF
Fleet and Family Support Center (FFSC)	Marine-Corps Community Services (MCCS) Marine & Family Programs	Army Community Service (ACS)	Office of Work-Life	Airman and Family Readiness Center (A&FRC)

## Approved Financial Resources

Each branch of service maintains their own guidelines regarding approved financial resources that may be used for on installation financial education and training. Do not deviate from these guidelines. These guidelines are discussed in detail in Appendix J.

## CFS Ratios and Qualifications

For the Navy, Marine Corps, and Coast Guard, all active-duty and reserve commands, permanent detachments, and departments having at least 25 personnel assigned must have one (1) trained Command Financial Specialist to coordinate the Personal Financial Management program and to assist the Commanding Officer (CO) or Officer in Charge (OIC) in providing financial training, information and referral, and counseling/coaching to command members.

Commands must maintain a ratio of one (1) CFS to every 75 members assigned (including active duty and select reserve).

When recruiting new CFSs at your command, ensure that you review your Service-Specific PFM Program policy in Appendix A to ensure that the member meets minimum requirements for becoming a CFS.

The Installation Family Support Center provides support to all elements of the Personal Financial Management program, and in particular, assistance to the Command Financial Specialist by providing additional continuing-education opportunities, information updates, backup in-depth personalized counseling, and assistance with financial training at their level.

# Maintaining Your CFS Qualification

Maintaining records of attendance/course completions of the below guidelines along with your CFS course completion certificate is just as important as attending this CFS Initial Training Course. Depending on your service, you might have to provide proof that you have maintained and are proficient in your CFS-related duties.

**Service Specific:** Read over your specific service requirements on the next few pages.

**Command Reports:** Maintaining Command Reports (if required) is important to demonstrate program proficiency and execution.

**CFS Quarterly Forums:** Installation Family Support Centers host quarterly area-wide CFS Awareness Forums. Attending these forums will provide you with updated material and guidelines for your program. You may also network with fellow CFSs. Remember that you will not know the answer to every question, but your network of fellow CFSs will provide the support needed. If not stationed near an Installation Family Support Center, most centers provide teleconferences and webinars quarterly that meet this requirement as well.

## Advance Training

- **College Credit:** DSST exams are college subject tests that you can take to earn college credit for knowledge you acquired outside of a traditional classroom. There are 38 subject exams, including Personal Finance. The exams are funded by DAN TES. Interested learners should contact the Education Services Department for your branch of service and visit the DAN TES website at <https://www.dantes.doded.mil/>. Follow these links to the Personal Finance DSST exam information: Education Programs, Get College Credit for What You Know, College Credit by Examination (CLEP & DSST), DSST, Exam Subjects, Business, Personal Finance.
- **Accredited Financial Counselor®:** The Accredited Financial Counselor® (AFC®) certification can be obtained through the Association for Financial Counseling & Planning Education® (AFCPE®). Visit <https://www.afcpe.org/certification-and-training/accredited-financial-counselor/> to learn about the four stages to complete to obtain your AFC® certification.
- **Certified Financial Planner®:** The Certified Financial Planner® (CFP®) certification can be obtained through the Certified Financial Planner Board of Standards, Inc. Visit <https://www.cfp.net/> to learn about the four requirements to obtaining your CFP® certification.
- **Webinars and Teleconferences.** Local Installation Family Support Centers routinely email out webinar and teleconference opportunities. These can include local training opportunities to training from service-specific headquarters. It is recommended that you request addition to your Installation Family Support Center's email distribution listing.

## CFS Refresher Course

Depending on your service, attending a CFS Refresher course at an Installation Family Support Center every three years is required to maintain your qualification. If you're unable to attend the required Refresher course, you will have to repeat the multi-day CFS Initial Training Course. Read over your specific-service requirements on the next few pages for the CFS Refresher course prerequisite requirements.

## Maintaining Your CFS Qualification in the USN

To maintain your CFS Qualification, you must successfully complete the CFS Refresher Training every three years at minimum.

To be eligible to take the one-day CFS Refresher Training Course instead of the multi-day CFS Initial Training Course to maintain certification every three years, a CFS must:

1. Have any mix of the following (minimum of four per quarter): one-on-one financial counseling appointments and/or PFM training or briefs for the command, division, department, or branch;
2. And attend at least two quarterly area-wide CFS Awareness Forums per year. For each forum that will be missed (two required per year), Sailors could take one of the following:
  - a. A PFM webinar offered through CNIC;
  - b. A free webinar through Military Families Learning Network (<https://militaryfamilieslearningnetwork.org/>) that have already been preapproved for Accredited Financial Counselor (AFC) Continuing Education Credits (CEU)s through <https://www.afcpe.org/>, and/or;
  - c. A PFM class at their FFSC.

The CFS requesting to recertify with the one-day CFS Refresher Training Course must have a current CFS certification that has yet to expire. They will need to provide documentation to the Fleet and Family Support Center (FFSC) Personal Financial Management (PFM) staff showing that they have met the minimum activity requirements to take the one-day CFS Refresher Training Course (through their quarterly reports), and that they have completed the pre-work for the one-day Refresher Training Course available from the FFSC.

If they have not met the minimum activity requirements, their certification has already expired, or if they would prefer the full review, the CFS can attend the multi-day CFS Initial Training Course to recertify.

The USN CFS Quarterly Activity Report can be used to document your activity.

## Maintaining Your CFS Qualification in the USMC

Appointment as a CFS remains in effect until rescinded in writing or three years after CFS Course completion. Refresher training must be completed and documented to extend CFS appointment more than three years beyond CFS Course completion. USMC CFSs shall participate in continuing education, including, but not limited to, periodic CFS forums and the CFS refresher training at least every three years. CFSs shall notify the PFM of any change in status or duty location to ensure local requirements of the Marine Corps Order 1700.37 are maintained.

## Maintaining Your CFS Qualification in the USA

At the time of this publication, the U.S. Army does not have a requirement for maintaining your CFS certification.

## Maintaining Your CFS Qualification in the USCG

To maintain your CFS Qualification, you must successfully complete the CFS Refresher Training every three years at minimum.

To be eligible to take the one-day CFS Refresher Training Course instead of the multi-day CFS Initial Training Course to maintain certification every three years, a CFS must:

1. Have any mix of the following (minimum of four per quarter): one-on-one financial counseling/coaching/basic budgeting appointments and/or PFM training or briefs for the command, division, department, or branch;
2. As resources permit, attend at least two quarterly area-wide CFS Awareness Forums per year. For each forum that will be missed (two required per year), Coast Guard CFSs could take one of the following:
  - a. Military Families Learning Network courses (<https://militaryfamilieslearningnetwork.org/>) already preapproved for Accredited Financial Counselor (AFC) Continuing Education Credits (CEU)s through <https://www.afcpe.org/>;
  - b. FFSC or Work-Life Regional Practice PFM Classes;
  - c. USCG CG SUPRT Financial Webinars, and/or;
  - d. CNIC PFM Webinars on the LMS.

A certificate of completion would be required for the above or an email from the PFM teaching would suffice for confirming attendance for local virtual, in person, or telephone courses.

The CFS requesting to recertify with the one-day CFS Refresher Training course must have a current CFS certification that has yet to expire. They will need to provide documentation to the Office of Work-Life PFM staff showing that they have met the minimum activity requirements to take the one-day CFS Refresher Training Course (through their reporting), and that they have completed the pre-work for the one-day Refresher Training Course available from the Personal Financial Manager.

If they have not met the minimum activity requirements, their certification has already expired, or if they would prefer the full review, the CFS can attend the multi-day CFS Initial Training Course to recertify.

The USCG Quarterly Activity Report can be used to document your activity. If using another method to document activity, ensure that the method does not collect personal financial information or Personally Identifiable Information (PII) of assisted individuals.

# USN Command Financial Specialist Quarterly Activity Report



**Training/Briefs:**

Date	Name of Training	Location
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Number of Training Participants:**

E-1 _____	E-2 _____	E-3 _____	E-4 _____	E-5 _____	E-6 _____	E-7 _____	E-8 _____
E-9 _____	O-1 _____	O-2 _____	O-3 _____	O-4 _____	O-5 _____	O-6 _____	O-7 _____
O-8 _____	O-9 _____	W-1 _____	W-2 _____	W-3 _____	W-4 _____	W-5 _____	Family Members _____

**Number of One-On-One Counseling Sessions Conducted:**

E-1 _____	E-2 _____	E-3 _____	E-4 _____	E-5 _____	E-6 _____	E-7 _____	E-8 _____
E-9 _____	O-1 _____	O-2 _____	O-3 _____	O-4 _____	O-5 _____	O-6 _____	O-7 _____
O-8 _____	O-9 _____	W-1 _____	W-2 _____	W-3 _____	W-4 _____	W-5 _____	Family Members _____

**Number of Referrals Made:**

FFSC _____	NMCRS _____	TRICARE _____	Legal _____	Debt Management _____	Housing _____
Other _____					

**Areas of Assistance Provided:**

Military Pay and Allowances _____	Checking/ATM _____	Consumer Issues _____
Budgets/Money Mgmt. _____	Saving and Investing _____	TSP/BRS _____
Military Retirement Planning _____	Car Buying/Selling _____	Credit/Debt _____
Notices of Indebtedness _____	Insurance _____	Predatory Lending _____
Letter of Intent _____	Bankruptcy _____	Money and the Move _____
Pre-Deployment Finances _____	Gambling _____	Overseas Screening _____
Other _____		

CFS Name: \_\_\_\_\_ Quarter: \_\_\_\_\_ Calendar Year: \_\_\_\_\_  
 Command: \_\_\_\_\_ Installation: \_\_\_\_\_  
 CFS Signature: \_\_\_\_\_ Date Signed: \_\_\_\_\_



# USCG Command Financial Specialist Quarterly Activity Report



**Training/Briefs:**

Date	Name of Training	Location
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Number of Training Participants:**

E-1 _____	E-2 _____	E-3 _____	E-4 _____	E-5 _____	E-6 _____	E-7 _____	E-8 _____
E-9 _____	O-1 _____	O-2 _____	O-3 _____	O-4 _____	O-5 _____	O-6 _____	O-7 _____
O-8 _____	O-9 _____	W-1 _____	W-2 _____	W-3 _____	W-4 _____	W-5 _____	Family Members _____

**Number of One-On-One Counseling Sessions Conducted:**

E-1 _____	E-2 _____	E-3 _____	E-4 _____	E-5 _____	E-6 _____	E-7 _____	E-8 _____
E-9 _____	O-1 _____	O-2 _____	O-3 _____	O-4 _____	O-5 _____	O-6 _____	O-7 _____
O-8 _____	O-9 _____	W-1 _____	W-2 _____	W-3 _____	W-4 _____	W-5 _____	Family Members _____

**Number of Referrals Made:**

FFSC _____	NMCRS _____	TRICARE _____	Legal _____	Debt Management _____	Housing _____
Other _____					

**Areas of Assistance Provided:**

Military Pay and Allowances _____	Checking/ATM _____	Consumer Issues _____
Budgets/Money Mgmt. _____	Saving and Investing _____	TSP/BRS _____
Military Retirement Planning _____	Car Buying/Selling _____	Credit/Debt _____
Notices of Indebtedness _____	Insurance _____	Predatory Lending _____
Letter of Intent _____	Bankruptcy _____	Money and the Move _____
Pre-Deployment Finances _____	Gambling _____	Overseas Screening _____
Other _____		

CFS Name: \_\_\_\_\_ Quarter: \_\_\_\_\_ Calendar Year: \_\_\_\_\_  
 Command: \_\_\_\_\_ Installation: \_\_\_\_\_  
 CFS Signature: \_\_\_\_\_ Date Signed: \_\_\_\_\_

# CFS Panel Q&A



Create four questions to ask the CFS Panel about best practices when managing a CFS Program:

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_