

# Financial Focus

June 2017



FORT MEADE FINANCIAL READINESS – *The Key to Family Resiliency*

## National Homeownership Month

By Ryan D. Yarnell, AFC®

Buying a home is usually seen as an important step in realizing the American dream. With every PCS, Service members and their Families often struggle with that age-old question, “Should I buy, or should I rent?”

Both buying and renting come with advantages and disadvantages. While renting might feel like you are throwing your money away, it often makes sense for military Families that PCS every two to three years, since renting offers more flexibility to move around than buying. On the other hand, buying a home provides more freedom to make modifications and may allow you to build equity, but can be very exciting and terrifying at the same time.



Fort Meade Army Community Service can help. We offer a seminar on the home buying process every other month, with the next one scheduled for June 20<sup>th</sup> at 9 a.m. Furthermore, a financial counseling session can help personalize the process, allowing you to see how becoming a homeowner would impact your specific financial situation.

Also, the Consumer Financial Protection Bureau has tools and resources for home buyers on their [Owning a Home](#) website. Here, you will find information to help you take control of the home buying process, including educational material on credit, mortgages, and closing.

To register for the home buying class or to schedule an individual financial counseling appointment, visit [www.FortMeadeACS.checkappointments.com](http://www.FortMeadeACS.checkappointments.com).

# From here to homeowner

## A roadmap to help you plan

Use this worksheet as a guide to help you visualize your journey towards owning a home. Everyone's process is different. Yours could take a short time or a long time, depending on your goals, constraints, personal style, and the market in your area. Having a plan will help you achieve your goals, even if you don't end up following it exactly.

- 1**  **If you haven't already, check your credit right away.** This gives you time to correct errors or strengthen your scores. Learn more at [cfpb.gov/mile1](https://cfpb.gov/mile1)

Goal date: \_\_\_\_\_
- 2** **Decide how much you want to spend on a home.** Only you can determine how much you can afford to pay each month and upfront for your down payment and closing costs. Learn more at [cfpb.gov/mile2](https://cfpb.gov/mile2)

Goal date: \_\_\_\_\_
- 3** **Discover your mortgage options.** Mortgages are complex, and there are lots of possibilities. Explore loan terms, types and interest rate types, talk to lenders, and ask questions. Learn more at [cfpb.gov/mile3](https://cfpb.gov/mile3)

Goal date: \_\_\_\_\_
- 4** **Get a prequalification or preapproval letter.** A preapproval letter helps you show sellers that you are a serious buyer - but it doesn't commit you to a lender. Learn more at [cfpb.gov/mile4](https://cfpb.gov/mile4)

Goal date: \_\_\_\_\_

- 5** **Find the right home and make an offer.** Your first offer may not be accepted by the seller. That's ok. Keep looking until you find your home. Learn more at [cfpb.gov/mile5](https://cfpb.gov/mile5)

Goal date: \_\_\_\_\_
- 6** **Compare loan offers.** Get Loan Estimates from at least three different lenders and compare them to find the best deal. Learn more at [cfpb.gov/mile6](https://cfpb.gov/mile6)

Goal date: \_\_\_\_\_
- 7** **Choose the loan offer that's right for you.** Let your lender know you are ready to proceed. Submit your documents and get ready to close. Learn more at [cfpb.gov/mile7](https://cfpb.gov/mile7)

Goal date: \_\_\_\_\_
- 8** **Shop for your closing services.** Your Loan Estimate has a section called "Services you can shop for." Shopping around for these services can save you money. Learn more at [cfpb.gov/mile8](https://cfpb.gov/mile8)

Goal date: \_\_\_\_\_
- 9** **Close on your new home.** Review your closing documents in advance to make sure there are no errors and everything matches your expectations. Learn more at [cfpb.gov/mile9](https://cfpb.gov/mile9)

Goal date: \_\_\_\_\_

This roadmap highlights key milestones, but there are many more steps to the process. Learn all the steps at [consumerfinance.gov/owning-a-home](https://consumerfinance.gov/owning-a-home)

# Buying a Home? Check Your Credit!

Lenders use your credit scores and the information on your credit report to determine whether you qualify for a loan and what interest rate to offer you. Before you start shopping for houses, check your own credit reports to prevent unpleasant surprises and correct any mistakes.

## What to do now:

**Get copies of your credit reports.** There are three major credit reporting companies – [Equifax](#), [Experian](#), and [TransUnion](#). You can get a free copy of your credit report once per year from all three companies at [www.annualcreditreport.com](http://www.annualcreditreport.com). Checking your own credit won't hurt your scores; when you check your own credit reports or scores, the request is processed differently than [when a lender checks your credit](#).

**Check your reports carefully for errors.** Look on your credit reports for any debts or credit cards you don't recognize. Also check for disputed items that still show up even though they were resolved in your favor. A late or missed payment isn't an error if it actually happened. If you find any errors on your reports, file a dispute to get them corrected as soon as possible. [Learn how](#).

## Get one or more of your credit scores.

A credit score is a number calculated [based on the information in your credit report](#). You actually have [many different credit scores](#), and there are many ways to get a credit score. You may be able to get a credit score for free, or you can buy a score. [Learn more about your options for getting a credit score](#). Most mortgage lenders use FICO® scores. [Learn more about what a FICO score is](#).

## How to avoid pitfalls:

**Errors on your credit reports can reduce your scores unnecessarily.** An error in your credit reports could mean a higher interest rate and less money in your pocket – so it is important to correct any errors well before you apply for a loan.

**Be wary of companies offering to “fix” your credit score.** Be especially wary if they charge an upfront fee – these companies are often scams. Never pay in advance. Don't believe promises of anyone who says that they can get negative, but correct, information off your credit report.

## If you don't have a credit report or score, consult a housing counselor.

If you haven't used credit cards or taken out a loan before, you may not have a credit report. Or if you've only had a little bit of credit, your credit file may not contain enough information to calculate a score. A [housing counselor](#) can help you figure out what options you may have.

Consumer Financial Protection Bureau. (2017). Prepare to shop. Retrieved from <https://www.consumerfinance.gov/owning-a-home/process/prepare/>

# FREE Home Buying SEMINAR

**JUNE 20  
9 A.M. - NOON  
ARMY COMMUNITY SERVICE**



## **PRESENTED BY: ACS**

Participate in this special seminar exclusively for our military and DoD Community. Special emphasis on the VA Guaranteed Home Buying process. Everything you need to know including determining if you are really ready and what you need to know before you buy. Learn about programs, credit reports, the mortgage process, the appraisal process, and many useful tools to become a better educated consumer. This seminar includes valuable instructions and information materials.

REGISTER: [WWW.FORTMEADEACS.CHECKAPPOINTMENTS.COM](http://WWW.FORTMEADEACS.CHECKAPPOINTMENTS.COM)



For more information  
call: 301-677-5590



# cfpb Annual Service Member Report

In May, the Consumer Financial Protection Bureau (CFPB) released its fifth annual Service member report, titled *The Office of Service member Affairs: charting our course through the military lifecycle*.

The CFPB created this report to highlight some of the most common financial struggles Service members face during their military careers. These struggles are well documented in the over 74,000 complaints they have handled from the military community since 2011.

The report offers a holistic view of the work the CFPB does to assist Service members, veterans and their Families along their financial journey, such as:

- Enforcement actions which have resulted in more than \$130 million in relief to affected Service members;
- Educational resources and programs that provide targeted assistance to the military community; and
- Outreach efforts, such as conducting in-person military consumer finance training classes for professionals and facilitating military leadership discussions on Service member financial well-being.

## Here are some important highlights:

- When joining under the Delayed Entry Program, new recruits are taken through an interactive learning program that takes them through various financial situations. This helps fill the critical gap in financial education for Delayed Entry Program participants and the Reserve Officers' Training Corps (ROTC) for the Army.
- New recruits learn that active-duty Service members with existing financial obligations, such as student loans and credit card debt, may request an interest rate reduction under the [Service members Civil Relief Act](#) (SCRA).
- Service members may struggle after receiving Permanent Change of Station (PCS) orders. But a Service member with PCS orders and an underwater home loan may now be able to sell the home and not have to pay back the rest of the loan balance.
- The [Military Lending Act](#) helps Service members and their covered dependents avoid debt traps that would leave them distracted from their mission.
- [Active Duty Alerts](#) may help protect Service members' credit files while they are away from home.

The report also contains a detailed appendix that outlines the educational tools and resources the CFPB created to assist Service members at each stage of their military lifecycle.

As always, if you have a problem with a consumer financial product – or if you know someone in that situation –remember that you can [submit a complaint online](#) or by calling (855) 411-2372. You have the right to be heard.

Take a look at the full report: [The Office of Service member Affairs: Charting our course through the military lifecycle](#).



# Thrift Savings Plan (TSP) for CIVILIAN EMPLOYEES

Presented by the Federal Retirement Thrift Investment Board

Learn ways to maximize  
your TSP account!

RETIREMENT  
PLAN



28 June - 10 a.m. to noon - Post Theater

**Open to all DoD Civilians - Free of charge**

*Session will be held immediately following Commander's Call*

**Non-Garrison employees please register at  
[www.fortmeadeacs.checkappointments.com](http://www.fortmeadeacs.checkappointments.com)**



For details; call 301-677-5590 or visit  
[www.meade.armymwr.com](http://www.meade.armymwr.com)





## FREE Credit Scores!

FICO® credit scores are now available FREE to active duty service members and their spouses. See below on how to schedule!

### Schedule Appointments Online

Financial Readiness Program (FRP) offers a wide range of services to assist service members and their families with their financial affairs.

Schedule your appointment online today:

[www.FortMeadeACS.checkappointments.com](http://www.FortMeadeACS.checkappointments.com)



*Or scan this special code using a QR reader on your smartphone to schedule an appointment or register for a class.*

*This newsletter gathers the most interesting, timely, and informative articles on money to assure our Fort Meade community is updated on the most relevant financial news. Although this newsletter intends to offer factual and up-to-date information on the subjects discussed, it should not be regarded as a complete analysis of these subjects. Professional advisers should be consulted before implementing any options presented. If you have any questions, comments, or suggestions, we'd love to hear from you.*

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## 2017 Joint Financial Readiness Classes

### JUNE

6 <sup>th</sup>	Dollars and Sense	0900-1200
13 <sup>th</sup>	Thrift Savings Plan/ Blended Retirement System	0900-1200
20 <sup>th</sup>	Home Buying	0900-1200
27 <sup>th</sup>	Consumer Awareness	0900-1100
27 <sup>th</sup>	First Term Financial Readiness (online class)	0800-1600

### JULY

11 <sup>th</sup>	Banking Basics	0900-1100
18 <sup>th</sup>	Car Buying	0900-1100
25 <sup>th</sup>	Basics of Investing	0900-1200
25 <sup>th</sup>	First Term Financial Readiness (online class)	0800-1600

### AUGUST

1 <sup>st</sup>	Dollars and Sense	0900-1200
8 <sup>th</sup>	Thrift Savings Plan/ Blended Retirement System	0900-1200
15 <sup>th</sup>	Home Buying	0900-1200
22 <sup>nd</sup>	Credit Management	0900-1200
22 <sup>nd</sup>	First Term Financial Readiness (online class)	0800-1600

**Classes marked FFSC are held at:  
Fleet and Family Support Center  
2212 Chisholm Ave  
Fort Meade, MD 20755**

*\*The eligible participants are: Active Duty and Retired Military and their ID card Family Members, Reservists and National Guard (while on active duty) and their ID card Family Members, Survivors, and DoD civilians.*

Visit

[www.FortMeadeACS.checkappointments.com](http://www.FortMeadeACS.checkappointments.com)  
to register for classes.

**ARMY COMMUNITY SERVICE  
830 Chisholm Ave  
Fort George G. Meade, MD  
Army: 301.677.5590**

**CLASS SCHEDULE IS SUBJECT TO CHANGE**

**Strong Minds, Strong Bodies, Live Well**