



MILITARY FAMILIES & FINANCIAL STRESS



Deployments:

- ★ Spouse at home may not have handled finances
- ★ Extra expenses: child care, travel
- ★ Sharply increased spending two months before deployment and two months after return



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Deployments:

- ★ Multiple and extended deployments
- ★ Reduction or loss of income
- ★ Stress of two-spouse deployments



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Effects of the War:

- ★ **Systems overwhelmed by numbers of wounded**
- ★ **Family expenses associated with hospitalization**



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Effects of the War:

- ★ **Post Traumatic Stress Disorder**

- ★ **Long-term expenses faced by injured and caregivers**





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Brought to you by:
The Pentagon Federal Credit Union Foundation

Our Mission:
To make the American Dream a reality
for our nation's defenders.

Mary Lynn Stevens
Vice President



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Sources of Stress:

- ★ **The Military Life**
- ★ **Deployments**
- ★ **Impact of Serving in Operations Iraqi Freedom & Enduring Freedom (OIF/OEF)**
- ★ **Downturn in the Economy**



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Military Life:

- ★ Things can change quickly: pay, allowances, families
- ★ Little incentive to save money
- ★ High concentration of at-risk populations:
- ★ Lack of financial savvy
- ★ Fear of reprisals



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The Economy:

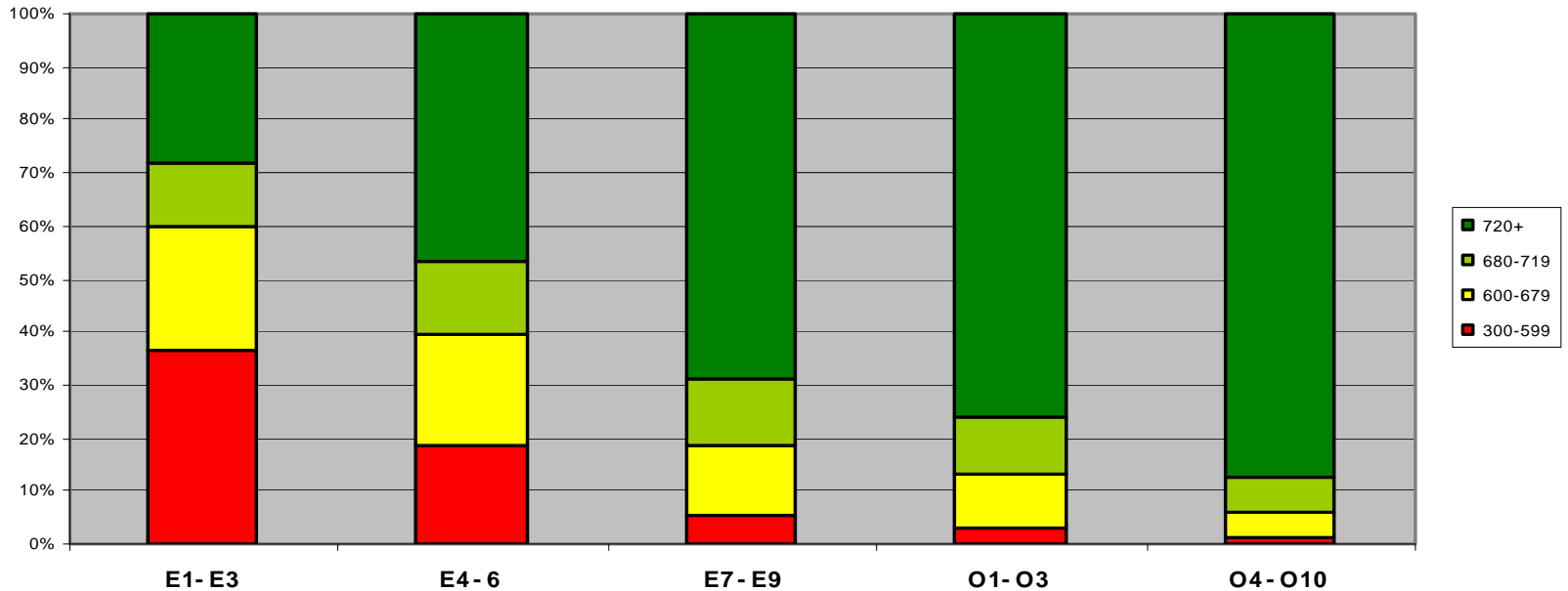
- ★ **Unemployment and Poverty**
- ★ **High incidence of foreclosures**
- ★ **Delayed onset of Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI)**
- ★ **Credit problems**



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FICO SCORE BY RANK

Dark Green **Prime**
Light Green **Acceptable**
Yellow **Sub Prime**
Red **Unacceptable**





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**WHAT CAN MY
CREDIT UNION DO?**



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ARK is Made for Military Families with Money Problems

- ★ No credit check
- ★ No need to explain financial need
- ★ No cash deposit required
- ★ Up to \$500/80% of net pay until payday
- ★ No interest charged/optional flat \$6 processing fee
- ★ Confidential: “what happens in the branch stays in the branch.”
- ★ Counseling offered to improve budgeting skills, negotiate lower monthly payments



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Become an ARK (Asset Recovery Kit) Partner

- ★ Serves members who would not qualify for a loan
- ★ Keeps military families from going to predatory lenders
- ★ Counseling requirement helps change behavior
- ★ No-risk, no-cost, turn-key product for your credit union
- ★ Since December 2004, disbursed \$1.4 million in cash advances to > 1,800 families



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Encourage Your Mortgage Applicants to Apply for Dream Makers Grants

- ★ 30-year fixed-rate mortgage can be obtained from any lender
- ★ We work with your loan officer and wire the funds to closing
- ★ Grant is a three-to-one match of up to \$5,000 for down payment or closing costs. Recipient must contribute at least \$500
- ★ Required down payment of 3%
- ★ Since April 2007, disbursed > \$440,000 in down payment grants to 89 home buyers



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Dream Makers Qualifications

- ★ Active Duty/Retired/Reserve from Army, Air Force, Marines, Navy, Coast Guard, or served in OIF/OEF, DoD or TSA civilians
- ★ 1st time home buyer, or lost home through divorce or disaster, or haven't owned home in 3+ years
- ★ Below yearly income ceiling (\$60k in high-cost areas, \$50k elsewhere)
- ★ Attend 1st time homebuyers class
- ★ Online application at: www.pentagonfoundation.org Just click on the Dream Makers icon.



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Solve a Problem:

- ★ Short-term loans for families waiting for the Housing Assistance Program
- ★ Special consideration for those who need mortgage refinancing
- ★ Rework payment terms for those facing temporary setbacks
- ★ Outreach and assistance for those in your FOM who are struggling
- ★ Offer financial counseling geared to special needs of military families
- ★ Support legislative changes which ease the burdens on those recovering from their service in Iraq and Afghanistan
- ★ Get your members involved in doing whatever they can

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QUESTIONS?

Contact

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CREDIT UNION
FOUNDATION**

SERVING OUR NATION'S DEFENDERS

