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# Financial 2026 Planning Guide

February 19, 2026

SAVINGS VS CDS  
CHOOSE THE RIGHT  
ACCOUNT FOR YOU

PROTECT  
YOUR WALLET:  
AVOIDING SCAMS



CREDIT  
SCORE MYTHS  
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FINANCIAL LITERACY:  
RAISING MONEY-SMART KIDS IN A MILITARY FAMILY

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# SAVINGS vs CDs: CHOOSING THE RIGHT ACCOUNT FOR YOU

By Josh Andrews, Courtesy of USAA

Ask any financial advisor, and they'll gladly tell you the point of a budget is to help you manage your spending. That way, you're able to save money to help you reach your financial goals.

Ideally, at least 15% to 20% of your budget is allocated for savings. Maybe your short-and long-term savings goals include things like a car, your kids' education, a house, retirement, or even next summer's trip to Disney World®. This is all while making sure you're working towards a fully funded emergency savings.

Regardless of your goals, where you stash your cash matters. Your money can work for you if you put it in the right place. Savings accounts and certificates of deposit, or CDs, are two options you can use to earn interest on your money.

## What is a savings account?

A savings account lets you earn interest while your money is kept in the bank.

You can add money to your savings account any time through a regular deposit from your paycheck or a lump sum. While you can withdraw your money at any time, it lacks the convenience of a checking account for everyday transactions.

Why is it better to put your money in a savings account rather than just keeping it in your checking account? With a savings account, you can typically earn more interest. And don't forget, your interest earns interest too, compounding the money you make from your savings.

The amount of interest earned by a

savings account can depend on a few factors: type of savings account, amount of money kept in it, prevailing interest rates and the institution.

Most banks offer different types of savings accounts.

- When starting out, it can be beneficial to choose a savings account that requires a low initial deposit.
- As your savings grow, consider options that offer higher interest rates, which often require a larger initial deposit to open. These accounts may offer a higher annual percentage yield (APY).

Savings accounts' variable APYs aren't set in stone. They can change based on factors like the interest rates set by the Federal Reserve.

## What is a CD?

Like a savings account, a CD is a low-risk way to earn interest on cash. Unlike a savings account, you have to agree to leave a lump-sum deposit for a predetermined amount of time.

With a CD, the interest rate is typically fixed, but there are variable rate and adjustable-rate CDs too.

To decide if a CD makes sense for you, ask yourself when you'll need your money.

Let's say you're planning to buy a

home in five years, and you've already saved \$5,000 toward a down payment. You could put that money in a savings account, or you could buy a CD with a five-year term that typically allows you to lock in a higher rate.

Here's the thing about CDs: To get the full benefit, you need to leave your money in for the full amount of time. You get your money back, including the earned interest, when the set term ends. There may be options for exiting early if there's an emergency or change in your situation. Keep in mind, there's usually a penalty for early withdrawals.

Once your CD reaches its maturity date, most banks have a short grace period during which you can decide to change the term of your CD, add or reduce funds, close the account, or renew with the same term, though it will be at the rate in effect at that time.

## Savings accounts versus CDs: Which account is right for you?

If your savings goals have an uncertain time frame, a savings account may be a better choice. Maybe you're saving for a car, and you'll need the money whenever your current car refuses to crank. Or maybe you're saving for vacation, but your travel plans are uncertain.

Your emergency fund falls into the same

category. This fund, which is the money you've saved for unexpected expenses, ideally equals about three to six months' worth of your living expenses. Since you don't know when you'll need the money, keeping your emergency fund in a savings account allows it to stay available.

Another option for those with a fully funded emergency fund might be to keep some in savings and some in a CD to earn more interest.

On the other hand, if you know what you're saving for, as well as when you'll need to access that savings, a CD could be a smart move. For people who are risk averse, a CD may be a better alternative than putting your money under your mattress or in a regular savings account.

In addition to saving for a future home, CD-friendly savings goals could include a new car you want to buy in two years or a vacation to celebrate a future anniversary.

## Are CDs riskier than investing in the market?

Fixed-rate CDs are considered less risky than investing because they offer a guaranteed interest rate. While the amount you deposit into a CD is generally not at risk, CDs usually don't have the same earning potential that comes with investing.

The amount they earn depends on the prevailing interest rate. Even when interest rates are attractive, if you're saving for a longer-term goal like retirement, investing will most likely give you a greater opportunity for your money to grow. Check out these five steps to help you decide between saving or investing.

CDs aren't without risk. They're still subject to inflation, liquidity or interest-rate risks.

You can lessen that risk by owning more than one CD at a time or a [CD ladder](#). A CD ladder spreads your funds over a number of CDs. Each of these CDs has a staggered maturity date, so you get the highest rate offered every time your accounts mature.

If interest rates go up, you'll have cash to open new CDs, and if rates go down, you'll still have money growing in your higher-interest-rate accounts. A CD ladder also gives you periodic access to some of your funds, which can help you avoid early withdrawal penalties.

## How important are interest rates?

The interest rate environment plays a big factor in considering a savings account versus a CD — or even a CD ladder strategy. When rates are low, the difference may not be worth locking your money into a CD. But when rates are attractive, CDs can present an opportunity for more growth.

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# Exploring WIC Benefits for Military Families

*Courtesy of Military OneSource Blog Brigade*

It's no secret that life as a military family can be challenging. Deployments, field exercises, specialty schools, unpredictable work and frequent moves can make raising a family more difficult. Still, some are surprised to hear 1 in 4 active-duty military families face food insecurity. One proven way to address food insecurity is through the Special Supplemental Nutrition Program for Women, Infants and Children, more commonly known as WIC.

WIC is designed to help reduce food insecurity and provides eligible families with access to healthy food, nutrition education, breastfeeding support and many other benefits. Eligible pregnant women, new mothers, infants and children up to age 5 all receive free nutritional support under WIC. Dads, grandparents and guardians caring for children in this age group are also welcome to apply on behalf of their young children. The program offers a vital lifeline to ensure children grow strong and families have the resources they need to thrive.

Despite WIC's benefits, only 54% of WIC-eligible families in the United States are enrolled. Military families are particularly hesitant to enroll, sometimes due to common misconceptions. Here, we explore some common WIC myths so you can know the facts before visiting your local WIC office:

## MYTH 1:

**“Military families make too much to qualify for WIC.”**

*Fact: Many military families are eligible, even with a steady income from both parents.*

The WIC income eligibility guidelines depend on family size and income, and special provisions are given to military families. For example, **Basic Allowance for Housing is not counted in WIC income eligibility calculations.** Some specialty pays are also not included. Military families who have relatives staying with them also have a higher likelihood of qualifying. The best way to see if you qualify is to visit your local WIC office with your most recent LES.

## MYTH 2:

**“If I enroll in WIC, I'll be taking away benefits from families who need it more than me.”**

*Fact: Only about 54% of families eligible for WIC are enrolled.*

It's important to focus on meeting your family's basic needs. Strong WIC participation rates help to support future federal funding. When more eligible families enroll in WIC, the community as a whole benefits. WIC participation supports your local community through sales at grocery stores and farmers markets and reduces health care costs.

## MYTH 3:

**“The military community will look down on me if they find out my family is enrolled in WIC.”**

*Fact: Enrolling in WIC is not a sign of weakness; it's a sign of responsible decision-making.*

Military families make numerous sacrifices, and access to proper nutrition should not be one of them. Military leaders

emphasize 'readiness' as a top priority, and the well-being of families is crucial to achieving this goal. It's why there is a growing effort to establish WIC offices on military installations. For example, Fort Bragg opened a WIC office on post in 2023. In two years, there have been over 10,000 visits to the WIC office from military families. Its success has led to other installations beginning the process of opening on-post WIC offices.

WIC protects your privacy, and your information is protected just like medical records – even in the checkout line. Most states use eWIC cards, so you can discreetly scan your benefits card.

## MYTH 4:

**“Isn't WIC just bread, milk, eggs and cheese?”**

*Fact: WIC benefits include culturally*

*relevant foods. While bread, milk, eggs and cheese are included in WIC benefits, your benefits include much more. Depending on eligibility, families may receive:*

- Fresh, frozen and canned fruits and vegetables
- Whole grains, including bread, tortillas, rice and pasta
- Pantry staples such as peanut butter and cereal
- Baby food and infant formula

WIC benefits are designed to support a balanced diet. They can even be adjusted to accommodate allergies or specialized formulas.

## MYTH 5:

**“We move too much to use WIC.”**

*Fact: WIC benefits can transfer with you.*

If you move to a new duty station, your benefits can transfer with you. Let your current WIC office know you're changing duty stations, and they can provide a handoff of your benefits (i.e., a Verification of Certification statement or transfer paperwork) to the WIC office closest to your new duty station.

Military families make countless sacrifices to serve our country, and being well-nourished should never be a question. Enrolling in WIC is an investment in your family's future. Whether it's to save money on groceries, improve your family's health or gain access to an empowering and supportive community, WIC is here for you. Visit [SignUpWIC.com](https://www.signupwic.com) and give your local WIC office a call today.

*Blog Brigade unites military spouses by creating a community built on shared experiences and mutual support. Navigating the complexities of military life can be challenging, but you don't have to do it alone. Military OneSource offers valuable resources focused on well-being, readiness, and connection.*





# RAISING MONEY-SMART KIDS IN A MILITARY FAMILY: What Financial Literacy Looks Like When Life Is Always in Motion

By Dr. Darla Bishop

**M**ilitary families live in motion. Permanent change of station (PCS) moves, deployments, shifting schedules, and career pivots are not interruptions to life—they are life. For children growing up in military households, stability often looks different than it does for their civilian peers. And whether we realize it or not, our kids are learning financial lessons along the way.

Financial literacy begins long before kids earn their first paycheck or open their first bank account. It starts with all the things kids observe, what they absorb, and how they make sense of change.

In families who are intentional about passing down good money habits, it's more than spreadsheets or allowances, in fact, those might not even play a role. It is about helping children feel secure even when circumstances shift, and confident even when the future feels uncertain.

## The quiet lessons military kids learn early

Children are far more perceptive than we give them credit for. Military kids notice when plans change. They hear conversations about timing, benefits, and trade-offs. They watch adults problem-solve in real time, often without the luxury of predictability.

What kids often learn—without anyone spelling it out—is that money is connected to movement. That resources must stretch. That adults do not always have full control over location or timing, but still figure things out. These lessons are not inherently negative. In fact, when guided intentionally, they can become the foundation for adaptability and confidence. The challenge is that many children internalize these lessons silently. Without context, they may come to believe that money is fragile, stressful, or something they should not ask questions about. That is where intentional financial literacy matters most.

## Why traditional financial advice often misses military families

Much of the financial advice aimed at families assumes stability. It assumes consistent schedules, predictable routines, and long-term access to the same systems and communities. Military families know that reality rarely holds.

Allowance systems break during moves. Savings plans pause during transitions. Routines that worked in one duty station may not translate to the next. When that happens, families can feel like they are falling behind or doing something wrong.

But military families are not failing at financial literacy. They are operating under a different set of conditions.

For military households, the goal is confidence in



change since predictability is rarely available to us.

## What financial literacy looks like when life is always in motion

Effective financial literacy shows up less in formal lessons and more in everyday conversations.

Language matters more than numbers. How we talk about money during transitions shapes how children internalize it. When adults frame financial decisions as thoughtful choices rather than crises, kids learn that money is manageable, even during uncertainty.

Give kids visibility without burden. Children do not need to carry adult stress to understand financial reality. Explaining that a family is adjusting plans, prioritizing certain needs, or making trade-offs helps kids feel included without feeling responsible.

Financial habits must be portable. Practices like naming goals, discussing values, and involving kids in small decisions work anywhere. These habits travel well, regardless of zip code or schedule. Most importantly, financial security is a feeling, not a place. Military kids may change homes and communities multiple times, but financial literacy can anchor them in the knowledge that skills and support matter more than permanence.

## Everyday moments that build financial confidence

Teaching kids about money does not require formal programs or perfect systems. Some of the most meaningful lessons happen in ordinary moments.

During a move, families can talk about choices—what gets packed, what gets donated, and why priorities matter. At the grocery store, kids can help compare options and understand trade-offs. When

plans change, parents can explain how decisions align with values, not just budgets.

Inviting questions is especially important. Military kids often ask “why” because their environments change frequently. Creating space for curiosity helps normalize money as a topic that can be discussed openly and honestly.

These moments build financial awareness without adding pressure. They teach kids that money is something families navigate together.

## Financial literacy is family readiness

We know that readiness applies to physical health, mental health, and operational preparedness. Financial readiness deserves the same attention.

When children feel secure and informed, transitions become easier for the entire household. Financial literacy supports emotional regulation, reduces uncertainty, and helps kids develop confidence that extends beyond money.

This is about raising adaptable, resilient young people who understand that while circumstances may change, they have the skills to navigate what comes next.

## We are already teaching—let's be intentional

Parents are already teaching their children about money every day, whether they realize it or not. The opportunity is to be intentional about those lessons, especially during times of transition.

Financial literacy does not have to be perfect to be effective. Small, consistent conversations matter more than flawless systems. When families focus on communication, adaptability, and shared understanding, kids learn that money is not something to fear—even in a life defined by motion. In a military family, financial literacy is not about standing still. It is about learning how to move forward, together.

*Dr. Darla Bishop is a public health expert, financial wellness educator, and military spouse. She is the founder of Piggy Bank Pathways, a youth financial literacy initiative designed to help kids and their grownups build confidence with money through everyday conversations.*

Learn more at [piggybankpathways.org](http://piggybankpathways.org)



## Maximize Your Education Benefits: How to Avoid Higher Ed Scams

Courtesy of The Office of Financial Readiness

**A**s a service member, you've earned the right to pursue your goals, whether that's advancing in the military or setting yourself up for future success as a civilian — or both. To help you get started, you have access to several education benefits that could help you get started and save money. However, not all education institutions and programs are created equal. Some may use deceptive recruitment and enrollment practices designed to cost you money. In this article, we'll guide you through the various benefits available to you and provide tips on how to make the most of them. Learn what to look for and how to hold violators responsible.

### Education Benefit: The Military Tuition Assistance Program

The Military Tuition Assistance (TA) program will pay a portion of eligible service members' tuition expenses and fees. The details vary depending on the fiscal year and military branch, and are subject to change. For information on current semester hour caps and annual ceilings, check with your local education support team.

Enlisted service members must remain in the military long enough to complete their courses. Officers using TA must fulfill service obligations that run concurrently with — not in addition to — any existing service obligations. If these requirements fit your plans, maxing out your TA dollars before you touch your GI Bill benefits can save you money over the long term.

### Education Benefit: The GI Bill

Post-9/11 GI Bill education benefits from the Department of Veterans Affairs (VA) begin after 90 days of post-Sept. 11, 2001 service. However, you must serve at least three years to access all of the benefits, like full coverage for in-state tuition and fees at public colleges and universities, money for books and a housing allowance if you're in school more than half time. Note that you cannot receive this housing allowance if you're on active duty and receiving the Basic Allowance for Housing (BAH). If you want to maximize your benefits, it may make sense to take advantage of the Post-9/11 GI Bill after you transition from active-duty service.

If you've completed at least six years of service and agree to serve four more years, you may transfer up to 36 months' worth of Post-9/11 GI Bill benefits to your spouse or child. Your child can only start

using the benefits after you've completed 10 years of service. However, your spouse can begin soon as the benefits are transferred and continue using them for up to 15 years after your separation. (Note that if your dependent uses a transferred education benefit and you don't complete your four-year obligation, you will be billed for all of the benefits used.)

Alternatively, if you've served at least two years on active duty and don't plan to transfer education benefits, the Montgomery GI Bill can also help you pay for education and training. There are multiple eligibility categories, and the VA determines benefits based on several factors, including length of service and the type of education or training. There's also a reserve-component option.

### Education Benefit: The My Career Advancement Account Scholarship

Eligible military spouses also have access to education benefits through the My Career Advancement Account Scholarship (MyCAA). This program provides financial assistance to enlisted, noncommissioned officer, junior warrant officer and junior officer spouses who want to pursue a license, certification, continuing education credits or an associate's degree necessary for employment. The program offers \$4,000 total, although there is a \$2,000 fiscal year cap. Spouses have three years to use all of their MyCAA benefits after starting a program.

### Additional Funding

While many states, colleges and universities offer special military tuition discounts that keep service members within the Post-9/11 GI Bill's annual cap,

some institutions may be more expensive. In that case, it's up to the student to make up the funding shortfall. The good news is that there's a lot of financial aid specifically designed for service members.

Federal Student Aid (FSA), an office of the U.S. Department of Education (DoE), provides a list of organizations that offer scholarships service members, veterans and their families can use for higher education expenses. In addition, each service has a Voluntary Education Program that can help service members identify grants and other financial aid, including federal loans and tax credits.

Many military relief societies and veterans service organizations also offer scholarships for service members, veterans and their family members.

### Spotting Higher Education Traps

Some schools and organizations aren't reputable, however. A Military OneSource education consultant can help you avoid institutions that target military students. According to FSA, deceptive recruitment and enrollment practices to watch out for include:

- Being told your GI Bill benefits will cover all of your expenses, only to learn that you need a loan to complete your program.
- Being pressured to start classes before your GI Bill benefits are verified.
- Being encouraged to enroll in programs that have been falsely approved for GI Bill funding.
- Being promised a nonexistent "military discount" on tuition.
- Being encouraged to take out loans to cover costs while you're waiting for your education benefits to process, only to learn those expenses aren't eligible.
- Being encouraged to fill out a loan application as a "backup plan."
- Being coerced into applying for loans, or, receiving bills for loans that have been taken out without your knowledge or consent.
- Being approached by schools whose credentials are not universally recognized.
- Being promised high-employment rates for education programs that actually have low employment rates.

These types of deceptions can cause serious

financial harm. One way to confirm if an educational institution has had complaints or judgements against it is to search FSA's Borrower Defense Updates page. This site posts news and updates on numerous cases related to student loan fraud.

### Holding Violators Accountable

Fortunately, service members, veterans and their families are fighting back and drawing more public attention to this problem.

The Consumer Financial Protection Bureau's (CFPB) Office of Servicemember Affairs (OSA)'s annual report noted that some colleges and universities have withheld service members' transcripts as a means of collecting disputed fees or debts. The report recommended that educational institutions and policymakers work to ensure transcript withholding does not harm military families, particularly those using GI Bill benefits. Many states — most recently Virginia — have prohibited or regulated transcript withholding.

Congress is also considering a law that would allow the VA to restore GI Bill benefits to veterans whose schools engaged in fraudulent behavior that prevented graduation, certification or degree completion, or decreased the value of their educations.

If you believe you are the victim of education fraud or if your school is engaging in deceptive recruitment or enrollment practices, you can report the incident or file a complaint with one of the following government agencies:

- DoD Postsecondary Education Complaint Intake
- DoE Office of the Inspector General Hotline
- FSA Feedback Center
- CFPB
- Federal Trade Commission

You can also report student aid fraud to most state governments.

To learn more about how to advance your education, and how to utilize and protect your benefits, visit your installation's education center. You can also meet with a trusted personal financial manager or counselor to discuss the financial implications of going back to school. Reach out to your nearest installation and make an appointment with an expert who can help you create a spending plan to achieve your goals.



# TEACHING KIDS ABOUT SAVING MONEY

By Josh Andrews, Courtesy of USAA

**H**elp your kids develop lifelong saving habits. Check out these tips for teaching children of all ages, from toddlers to teens, about saving money.

Teaching kids to save money is no easy task. Humans are naturally programmed to consume. When you compound a child's short attention span with multimedia marketing that's targeted directly at them, it's easy to understand how the last thing on a child's mind is saving money.

Adults, on the other hand, can think more logically to try to curb the impulse to spend, even with all the same factors that tempt them, too. Logic and personal experience are key tools that parents can use to help teach children to save money.

A parent who struggled to achieve their financial goals or who didn't have an emergency fund in place when it was needed doesn't want their children to experience similar hardships. Techniques that teach youngsters how to save money as a kid, adolescent and teenager can help parents have an early and long-lasting effect.

## Early money lessons

To get kids to the point where they understand the value of setting savings goals, first you must pour a financial foundation, starting with counting and money recognition when they're toddlers.

Count everything out loud with your little one listening: the number of toys getting put away into the toy box, how many pieces of food you're putting on their plate, how many drawings of an animal are on each page of their

animal picture book.

At some point, they'll start to parrot you without really understanding what they're saying. What they'll know, especially when you cheer them on, is that they're saying the correct thing.

Buy them a toy bank and play money. Identify which are coins and which are paper, and where each goes in the bank. The actual denominations of the money don't matter right away; you just want them to recognize the difference.

Things happen quickly in the preschool years. Kids will start to understand the concept that a number means an amount and be able to point and count out loud to answer when you ask "how many" questions.

## Elementary money lessons

As children enter elementary school, the two-fold lesson they should begin to understand is that money is earned and that money has value.

At this age, giving kids small chores and an allowance for completing them will quickly teach them that work equals money.

They'll also see that you must take action, swipe a card, count out cash, hold out your phone, write a check, to receive something. This teaches them by example that money has value because money equals getting stuff.

With those concepts understood, you can introduce the idea of a savings goal and how to reach it. For example, when a child sees an ad for a new toy and asks you to buy it, you can explain that the toy costs money and that the child will have to do their chores and save their money to be able to pay for it.

Some visual techniques to help encourage children to save for that toy might be:

- Create a chore chart showing how much money will be earned each time the task is completed. Mark the chart every time a chore is done.
- Collect allowance in a clear jar so kids can literally see how much money they're saving.
- Print out a photo of the item they're working toward purchasing and attach it to the chore chart or allowance jar.
- Use the photo on a progress chart that shows how close the kids are to saving enough to buy it. You might want to help by offering to pay for part of the amount. In that case, you can put a star on the chart to indicate the point where the child has saved up enough money to get your help.

There's a good chance that at some point kids this age will impatiently point to your plastic cards and ask, "Why can't you just pay with those?" This is the time to explain the idea of

debit cards, and how you must already have the money in your bank account to be able to use that card to pay for things.

These years will also offer opportunities to discuss how to prioritize using money. Divvying money into save, give and spend buckets, physically or digitally with money apps, teaches children about how to budget for the things they want now while still saving for the goals they want to reach later.

## Middle school money lessons

The financial framework is in place, and now it may be time to give your kids their first true banking experience. Youth bank accounts are often the first place to start to help reinforce the benefit of the money management habits children have already learned.

Two types of accounts that can help your children are a checking account and a savings account. If they're unfamiliar with the difference between a checking and a savings account, now's the time to teach them. Also, USAA Federal Savings Bank is here to help through our USAA Youth Spending account and USAA Youth Savings account.

While the child is the primary USAA Youth Spending account holder, you will be a joint account holder and keep an eye on things by setting up controls to:

- Allow access to the bank's website and USAA mobile app at the age your bank allows.
- Choose whether your child can transfer money and make deposits.
- Select the accounts and statements your child can view online.
- Sign up for text alerts, such as low account balance.

In this way, the child has the freedom to practice their own financial responsibility, but not so much freedom that could put your family finances in danger if things got out of hand.

Another parental perk is that once a youth banking account is in place, you can deposit allowances or money gifts directly into your children's accounts.

This could also be the time for conversations about the differences between short- and long-term savings goals and setting up multiple savings accounts or buckets for multiple goals. Preteens and young teenagers start to earn money beyond chores at home, like babysitting or mowing lawns. With both youth savings and spending accounts in place, these kids can see a more comprehensive view of their money and be more hands-on about budgeting how much to put in savings versus how much to spend.

## Money lessons for older teens

Older teenagers start to join the workforce and receive their first paychecks. This is when they need to learn about the differences between gross and net income, tax deductions and even the process of filing tax returns.

It's also the time for them to reassess their savings goals, which are more likely to be short term for high-dollar items like the latest devices, or long term for investments like a car, car insurance or a college fund.

Account features like direct deposit and transfers can help teens budget their paycheck to reach those short- and long-term goals. Once they turn 18, their youth accounts can be converted to the bank or financial institution's traditional adult checking and savings accounts.

Just because the account is now an adult account doesn't mean that your child no longer needs guidance. Lessons about credit and investing, topics that parents might benefit from reviewing again themselves, may still need to be taught. Remember, every child is different. Some may grasp these ideas right away; others may take a little longer. That's OK. If you're consistent and supportive, the hard work of teaching kids to save money should pay off, with interest, in the end.



# VEHICLE FINANCING

*Courtesy of Military Consumer*

**B**efore you start shopping for a car, look at your budget. Consider what length of loan makes sense in your situation and what you can afford for a down payment and a monthly payment. When you're considering financing offers, be sure to compare the annual percentage rates (APRs) to make sure you're getting the best deal. Before contacting a dealer, get preapproved for financing from a bank or credit union. This can help you determine whether the dealer's financing is a good offer, and can also be useful in negotiating better terms with the dealer.

**Get a copy of your credit report** before you visit the dealership. Visit [AnnualCreditReport.com](http://AnnualCreditReport.com) or call 1-877-322-8228 to get a free copy. Your credit report has information on your credit history. That can affect whether you can get a loan — and how much you'll have to pay in interest to borrow money. Your PFM can help you figure out what fits into your budget.

**Get an “out-the-door” price of the car in writing before you visit the lot, and before you talk about financing with the dealer.** That means getting the dealer to send you the total price of the car before financing. Ask whether only government charges are excluded. Having this info in writing before you go to the lot will help you compare offers from different dealers, more easily catch extra charges and add-ons that may slip into your deal, and keep your attention on the total cost (not just the monthly payment).

**Know your total cost, not just the monthly payment.** Low monthly payment offers can be tempting, but don't focus solely on your monthly payment. Lower monthly loan payments often mean longer loan terms and higher interest rates. Both of those will greatly increase your overall cost. When calculating what you can afford, use the Make a Budget worksheet from [consumer.gov](http://consumer.gov) as a guide to make sure you have enough income to cover your monthly expenses and a car payment.



**Consider saving for a down payment first.** A down payment reduces the amount you need to finance or lease. That will lower your total financing or leasing costs.

**Ask if you'll need a co-signer.** If you don't have a strong credit history, you may need a co-signer on the finance contract or lease agreement. Co-signers assume equal responsibility for the contract. If you can't pay what you owe, your co-signer will be on the hook. Any late payments will hurt your credit — and your co-signer's credit.

**Compare loans based on the APR.**

- The APR rolls up all financing costs into one percentage. It tells you how much you'll pay for the money you borrow.
- Your credit history affects the APR: a better credit history means a lower APR.
- A really high APR can mean that you'll owe more than the car is worth, if you decide to sell it before the loan is paid off.

**Question any deal if the financing paperwork does not spell out:**

- The APR
- The dollar amount of the total finance charge
- The amount of money you're borrowing
- The total dollar amount of your finance charge plus the money you're borrowing
- The amount of your payments, plus the number and due dates of your payments

**Only sign a financing document that spells all this out — and never sign anything you don't understand, or anything with blanks to be filled in later.** Be sure you get, and keep, your copy of your signed contract, and all other purchase and financing documents you signed before you leave the dealership.

**Having trouble making payments?** See your PFM for guidance and options. Never pay any company up front if they promise to lower your payments or stop repossession of your car. That's a scam.

## COMBAT PAY AND YOUR THRIFT SAVINGS PLAN



*Courtesy of Military OneSource*

If you're earning combat pay, you can use those tax-exempt dollars to help boost your retirement savings. Make the most of this opportunity by learning the rules for contributing combat pay to traditional and Roth Thrift Savings Plans.

### How combat pay contributions work

Become familiar with the rules around combat pay TSP contributions. Traditional and Roth Thrift Savings Plans treat combat pay contributions and distributions differently.

- **Traditional Thrift Savings Plan.** Combat pay is tax-exempt, so traditional TSP contributions won't lower your taxable income. However, you won't have to pay taxes on that money when you withdraw it in retirement, although your earnings on those contributions will be taxable. The rules for traditional TSPs can be complex. The mix of tax-exempt contributions and taxable earnings can complicate retirement planning and rollovers. Be sure to keep detailed records.
- **Roth Thrift Savings Plan.** The Roth TSP provides a unique opportunity to create a pool of retirement savings that is never taxed. Typically, you pay taxes on income you deposit into a Roth TSP, but not on the money you withdraw after retirement. Because combat pay is tax-exempt, you won't pay federal income taxes on your Roth TSP deposits. Your distributions after retirement are also tax-free, including your earnings.
- **High contribution limit.** The IRS allows you to exceed its annual contribution limit when you use combat pay to contribute to your TSP. If you have a Roth TSP, the excess funds will automatically be placed in a traditional TSP. While you can save even more than usual during combat deployments, be sure to consider the future tax implications before contributing the maximum.

### Tips for using combat pay for TSP contributions

- **Choose traditional vs. Roth TSPs strategically.** If you expect to be in a higher tax bracket when you retire, or you value tax-free earnings, consider directing your combat pay contributions to the Roth TSP. Your contributions are already tax-exempt. Your distributions, including earnings, will be tax-free when you withdraw them in retirement. If you choose the traditional TSP, be prepared to pay tax on your earnings when you withdraw.
- **Track your tax-exempt contributions.** Your TSP statements will show the tax-exempt portion of your account. This will help when calculating the taxable and nontaxable portions of future withdrawals or rollovers.
- **Be aware of the annual contribution limits.** Use the high annual additions limit to build retirement savings during combat deployments. Remember that amounts over the elective deferral limit must go to the traditional TSP.
- **Rollover considerations.** If you roll your TSP over to another qualified plan or IRA, make sure that tax-exempt contributions are transferred to a Roth account to maintain their tax-free status.

Combat pay contributions and TSP withdrawal rules can be complicated. Consider consulting a tax professional or a Military OneSource financial counselor to tailor a strategy to your situation. Call Military OneSource at 800-342-9647 or log in to start a secure online chat.



# COLLEGE SAVING FOR MILITARY FAMILIES: Strategic Approaches for Success

By Michael J. Meese (Brig. Gen., U.S. Army), President, Armed Forces Mutual

Military families face unique challenges when planning for their children's higher education, but they also have access to exceptional benefits and opportunities. Despite frequent relocations and deployments complicating long-term financial planning, military families can leverage specialized advantages to create substantial educational opportunities without accumulating excessive student debt.

While over 42 million Americans collectively carry more than \$1.77 trillion in student loan debt, military families can chart a different course by maximizing service-related benefits, utilizing consistent income streams, practicing disciplined saving habits, and taking advantage of tax-advantaged investment vehicles.

## Military-Specific Educational Benefits

The cornerstone of college planning for military families is understanding and maximizing service-related educational benefits:

- **Post-9/11 GI Bill:** This premier education benefit covers 36 months of tuition and fees, provides a housing allowance, and includes a stipend for books and supplies. Service members can transfer these benefits to their children after completing six years of service with a commitment to serve four additional years. These transfer decisions must be made while on active duty and can be divided among multiple dependents in one-month increments.
- **Yellow Ribbon Program:** This initiative partners with participating institutions to help cover tuition and fees at

private or out-of-state schools that exceed the GI Bill's cap, significantly expanding educational options.

- **Military Dependent Scholarships:** Military children have exclusive access to numerous scholarship opportunities, including the Military Child of the Year Award, Fisher House Foundation Scholarships, grants from each military branch's relief society, and many others.
- **Military Tuition Assistance:** Active-duty service members may qualify for tuition assistance programs for their own education, while military spouses may be eligible for the My Career Advancement Account (MyCAA) scholarship.
- **State-Specific Benefits:** Many states offer reduced or waived tuition for military dependents, and some maintain in-state tuition eligibility despite permanent change of station (PCS) moves, providing additional financial relief.

## Save Early and Often

Military families benefit from steady employment with predictable income, facilitating consistent college savings as children grow. Strategic allocation of windfalls from re-enlistment bonuses, deployment pay, or other sources can significantly accelerate college savings.

## 529 Plans: A Great Place Way to Save

The 529 plan represents an ideal tax-advantaged savings account specifically designed for education expenses. These plans offer several compelling advantages:

- **Tax Benefits:** Contributions grow tax-

free and can be withdrawn tax-free when used for qualified education expenses.

- **Flexibility:** Each state offers its own 529 plan, but funds can be used at any accredited college or university nationwide—a tremendous asset for mobile military families.
- **State Tax Advantages:** Some states offer state income tax deductions for 529 plan contributions.
- **Gift Opportunity:** For extended family members unsure what to give a child living far away, 529 plan contributions are a great, meaningful gift with lifelong benefits.

What happens if your child does not need the 529 funds? If your child gets scholarships, attends a service academy, or takes another path, several options remain available:

- **K-12 Education:** Apply up to \$10,000 annually toward elementary or secondary education expenses.
- **Alternative Education:** Use the funds for vocational school or trade programs.
- **Beneficiary Changes:** Redirect funds to other children by changing the plan's beneficiary.
- **Generational Transfer:** Transfer funds to your child for graduate school or to establish education funds for future children (your grandchildren).
- **Retirement Funding:** Under certain conditions, up to \$35,000 can be directed to your child's 401(k) retirement fund.

As long as funds are used for eligible educational or other permitted purposes, withdrawals remain tax-free. If funds must be accessed for non-qualified expenses, they remain accessible, though subject to income tax on earnings plus a 10% withdrawal penalty.



**U.S. Army Reserve Sgt. Joshua Beavers smiles as his wife, Jessica, holds their 3-year old son Ryker during a Yellow Ribbon Integration Program event.** (Photo courtesy of U.S. Army Reserve)

## Strategic Planning for Success

Military discipline and planning principles apply perfectly to college savings. Begin a modest savings plan at your child's birth, then make automatic increases as your financial capacity grows. Thoroughly understand your military benefits, including GI Bill transferability options, and factor these into your service continuation decisions. Research military-supportive institutions, Yellow Ribbon programs, and scholarships aligned with your children's interests and aptitudes.

With disciplined planning and consistent execution, you can provide your children with the opportunity to obtain a quality college education without the burden of student loan debt, preparing them for a successful future.



**Parents of students participate in a college admission class during the Pathways to College & Career Conference on Marine Corps Base Quantico, Virginia.** (Photo courtesy of U.S. Marine Corps)

# CREDIT SCORE MYTHS



By Josh Andrews, Courtesy of USAA

Sometimes, life's biggest steps depend on one number. That can be especially true if you're buying a car, starting a business or buying a house.

Credit scores. What do they mean? How many are there? Why do they differ? This article can help you learn the truth about credit scores, what makes up your credit score, and how you can raise it.

## MYTH 1: My credit score depends on one thing.

**Fact:** According to FICO® credit score models, your score is based on information from five categories. Each category is weighted differently, and its importance varies from person to person.

- **Payment history (35%):** Lenders want to know if you can make payments on time. After all, if you're late on one payment, there could be a greater chance you'll be late on another.
- **Amounts owed (30%):** Lenders want to be sure you aren't overextending yourself, so they're interested in how

much you owe. How much is too much depends on your specific credit profile.

They consider several factors, including:

- > The total amount you owe across all your accounts.
- > The amount you owe on different types of accounts.
- > The amount you owe versus the amount of credit available on revolving credit accounts. This is also known as utilization.
- > The number of accounts with balances.
- > How much you still owe on an installment loan compared to the original loan amount.



- > How long it's been since the last time you opened new credit.
- > Whether you have good recent credit history.

## MYTH 2: My credit score will drop if I get credit counseling.

**Fact:** Credit counseling doesn't negatively affect your score. This is important to understand because some people who could benefit from credit counseling are afraid to seek help. They worry it could send lenders the wrong message.

## MYTH 3: When I check my credit score, it should match the score the lender gave me.

**Fact:** You don't have a credit score, you have credit scores. Accessing one universally agreed-upon credit score would make life easier, but that's just not the case, not even close.

FICO®, the most common household name for credit scores, is a data analytics company that's developed credit score models based on information in your credit reports. And yes, there are more than one of those as well. You have an Experian FICO® credit score based on information in your Experian® credit report, an Equifax FICO® credit score based on that information and a Transunion FICO® credit score based on that report.

If only it stopped there.

FICO® has many models. For example, there's FICO® Score 9 and FICO® Score 8, and a version of each based on information from each credit report. And then there are scores specific to auto, credit cards and mortgages based on information from each of the three credit reporting agencies. And just think, we haven't even touched on the other credit scores beyond FICO®, like VantageScore®, which also has multiple versions.

Lenders can choose product-specific scoring models, such as FICO® Auto Score for an auto loan because there's different risk involved in lending money for different products. They might also pull your credit

- **Length of credit history (15%):** The longer you've had credit, the better your credit score should be, if everything else is in order, of course. If you're newer to credit, take heart: You can still have a good credit score if you take care of business in the other four categories.

- **Mix of credit (10%):** In your wallet or filing cabinet, you probably have several types of credit: think credit cards, retail accounts, installment loans, mortgage loans and finance company accounts. FICO® says people without credit cards are often viewed as a higher risk than those who have credit cards and use them responsibly.

So how do you responsibly use a credit card?

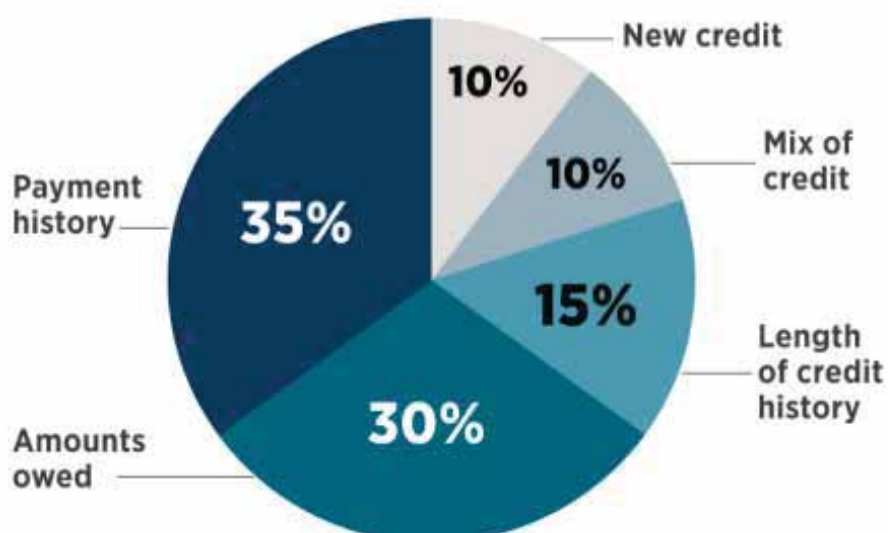
- > Always make payments on time.
- > If possible, pay off your entire balance every billing cycle.
- > Don't charge more than you can afford to repay.

- **New credit (10%):** When you open too many new accounts in a short time, lenders see you as a higher risk. This category considers how many new credit accounts you have.

That information is classified by several factors, including:

- > The type of account.
- > How many inquiries you have.
- > The length of time since those inquiries were made.

## What makes up your credit score



Source: myFico

information from a different credit reporting bureau from the one you checked.

So, is there one particular credit score that matters? No. Here's what does: The story your credit report tells. The score is simply a numbered reflection of what's in your report. If you're declined for a loan or receive an interest rate less favorable than expected because of your credit, focus on the information in your report.

#### MYTH 4:

##### Checking my own credit will hurt my credit score.

**Fact:** Checking your own credit creates an inquiry on your credit report, but not all inquiries impact your credit score.

There are two types of inquiries: "hard" inquiries related to a credit application and "soft" inquiries from looking at your own credit report. Hard inquiries influence your score, but soft inquiries don't.

At least once per year, review all three of your credit reports: Experian®, Equifax® and Transunion®. You can visit AnnualCreditReport.com to get these reports for free.

When you review your credit report, look for:

- Incorrect information, which is more common than you might think and should be disputed immediately.
- Late payments and collections, which can really hurt your score.
- Utilization, which is the amount you owe versus the amount of available credit. The higher your utilization, the lower your score.

Past mistakes don't have to haunt you forever. If you focus on what you can control and improve going forward, your score will follow over time.

#### MYTH 5:

##### A higher credit score means you have more debt.

**Fact:** Credit score models consider the different types of credit you have, from credit cards and auto loans to your mortgage. However, these models don't reward owing more money. In fact, the second largest factor in the FICO® credit score model is the amount you owe. The less you owe, the better.

#### MYTH 6:

##### Getting married affects your credit score.

**Fact:** That's not necessarily true. You don't share a credit score with your spouse when you get married, and you'll continue to maintain separate credit information. However, if you open any joint credit accounts, they'll appear on both of your credit reports. This is where your spouse's credit history can impact you.

Let's say you and your spouse decide to apply for a joint credit card or a home loan. If one of you has bad credit, it could impact your qualification and interest rate, as the lender might not just look at the highest credit score between spouses when making the determination.

#### MYTH 7:

##### Closing a credit account will improve my credit score.

**Fact:** Closing an account doesn't immediately remove it from your credit report and could have the opposite effect. Negative history can remain up to seven years, and positive history remains for 10 years from the last date of activity.

Because utilization, the amount of credit you have available versus the amount of debt you owe, is one of the biggest factors



that impacts your credit, if you close a credit account, you lose the available credit limit on that account. That increases your utilization and could lower your credit score.

If you plan to apply for new credit in the next three to six months, you might want to wait before closing an account.

#### MYTH 8:

##### Credit scores consider income and demographics.

**Fact:** While lenders may consider your income in relation to the amount of debt you owe, income isn't included in your credit report and has no impact on your credit score. Neither does demographic information such as race, origin, religion, profession, disabilities, sexual orientation and military status.

#### MYTH 9:

##### Employers can check your credit score before offering you a job.

**Fact:** Some employers can check your credit history as part of the hiring process. However, they don't have access to your

credit score.

Often, employers in the financial services industry or the military check potential employees' credit history. Why? According to them, it's helpful to know how responsible and financially stable you are.

#### MYTH 10:

##### I can improve my credit score by carrying a balance on my credit card.

**Fact:** While you do need to demonstrate that you can properly use credit cards, which means actually using them, you don't need to carry a balance from month to month, all the while paying unnecessary interest to the card issuer.

When your billing cycle ends for the month, any outstanding balance is reported to the credit bureaus, which shows usage. Paying off that balance in full and on time before the bill is due will not only save you money, but it will also be reflected in the two biggest factors of your credit report — payment history and the amount you owe.

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# INCOME TAX AND RENTAL PROPERTIES

## WHEN YOU'RE IN THE MILITARY



Many military families end up owning rental properties, which can bring special tax challenges. Here's what you need to know to understand the potential tax impact of your rental property.

*Courtesy of Military OneSource*

### Your annual tax return

Each year that you own a rental property, you will need to complete an IRS Schedule E form to report your income and expenses. You'll report the year's income from the property, then reduce your income by your expenses, including mortgage interest, insurance, taxes and property management. You will also depreciate the value of your investment using Form 4562.

The income, expenses and depreciation may raise or lower your overall taxes each year. However, it is important to remember that the depreciation will impact your taxes when you sell.

Rental income and losses are generally considered "passive." That means you can't always deduct all your rental losses right away. The IRS has rules called "at-risk" and "passive activity loss" limits that decide how much you can claim. Form 6198 and Form 8582 help figure this out.

### Taxes when you sell your rental property

When you sell a rental property, you may owe two types of taxes:

**Capital gains taxes.** This is based on the profit made from the sale of your rental property. Determine capital gains by subtracting your purchase price and any improvements from the sales price.

**Depreciation recapture tax** (called "unrecaptured Section 1250 gain"). For residential rental property in the U.S., you must depreciate the building (not the land) over 27 1/2 years. This lowers your taxable income each year, but it also lowers your property's value for tax purposes. When you sell, the IRS makes you "recapture" all the depreciation you claimed, and taxes it as regular income.

Two rules may help military families reduce or avoid capital

gains tax:

**Home sale exclusion.** If the property was your main home for at least 24 out of the previous 60 months, you can exclude \$250,000 of profit if you're single, or up to \$500,000 if you're married and filing jointly.

**Military PCS exception.** If you're on active duty and receive PCS orders, you can "pause" the 60-month clock for up to 10 years while you're away. This means you may exclude capital gains as long as you occupied the primary

residence for two of the previous 15 years.

If you rented out the property after moving out, special rules apply:

- You can't exclude the profit from any time after 2008 when the home wasn't your main residence.
- The tax break has to be split based on how long you lived in the home versus how long it was rented.

Keep detailed records of when

the property was your main home and when it was rented.

Military members who are selling a house should consult IRS Publication 523, *Selling Your Home*. Another good resource for military-related tax questions is the IRS's Publication 3, the *Armed Forces' Tax Guide*.

### Tax help when you need it most

Even when you understand the concepts, you may benefit from professional help with your income taxes. Military families can access free tax assistance from Military OneSource's MilTax service or through the Volunteer Income Tax Assistance program.

MilTax is a suite of free tax services for the military, including easy-to-use tax preparation and e-filing software, personalized support from tax consultants and current information about filing taxes in the military. It's designed to address the realities of military life — including deployments, combat and training pay, housing and rentals and multistate filings. MilTax is 100% free with no hidden surprises.

The VITA program offers in-person tax assistance at military locations worldwide, but VITA support is not available in every state or location. VITA volunteers are specially trained to address the tax questions of military personnel.

To be connected with a MilTax consultant or financial counselor, call Military OneSource at 800-342-9647 or log in to start a secure live chat. Visit the Office of Financial Readiness website for additional tax resources, information and tips.





- **Schedule a monthly transfer from your checking account to your savings account.** This is the perfect solution if you look at your budget and know how much you can save. Just set it and forget it.
- **Split your payroll deposit.** Ask your employer if you can set up a portion of your paycheck to go to your savings account. That way you're guaranteed to save it, and you'll likely never miss it.

Regardless of which method works for you, the important thing is to stay the course.

Life happens. But if you get off track, don't throw in the towel. Instead, focus on how much you were able to save. Then get back at it.

### Where do you keep your emergency fund?

For goals like retirement, it may make sense to invest your money, so you can earn higher returns and manage your risk.

But when setting up your emergency fund, remember those funds are intended for handling the unexpected. The goal isn't to make money on the funds. The goal is to have money you can easily access at a moment's notice.

When considering where to put your emergency fund money, weigh the following pros and cons:

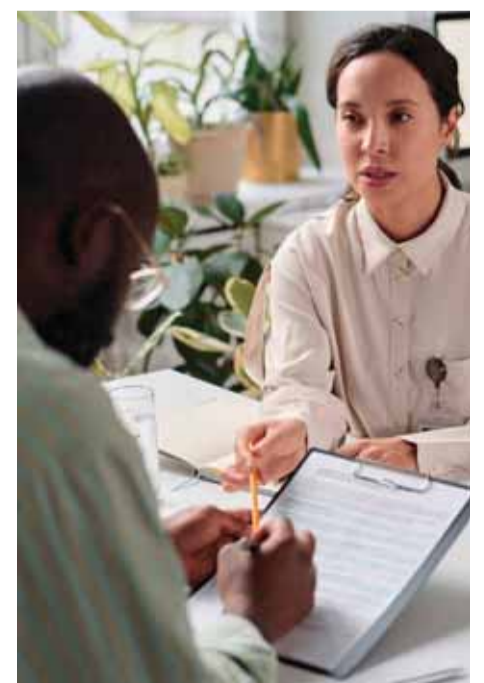
- Can you withdraw your money immediately, known as liquidity, if you need to?
- Are there any fees or limitations to accessing your money?
- Could you lose some of your principal balance if you make a withdrawal?
- In many cases, what's preferred is an FDIC-insured savings account. That way, you can get to your money easier with no stock market risk.

### Start your emergency fund today.

As a financial planner, I've witnessed firsthand how unexpected financial blows can affect members' hopes and dreams.

None of us, no matter our job, is immune to financial impacts. We've seen government shutdowns impact military members and federal employees, which we never would have expected. During the COVID pandemic, we saw major corporations close their doors, and small businesses that once were thriving fail.

If there's a silver lining from the events of the past few years, it's the reminder to be prepared.



# JUMP START YOUR EMERGENCY FUND

*An emergency fund can help you manage unexpected expenses without using a credit card. These money-saving tips can start helping you today.*

*By Josh Andrews, Courtesy of USAA*

**B**efore the pandemic, most Americans were unaware of how a new virus would soon impact their finances. After all, the unemployment rate was 3.6% — one of the lowest since World War II. But in just four months, as businesses shuttered and Americans adapted to life in a pandemic, that number rose to 14.7%.

While things have mostly returned to normal, including the unemployment rate, the lessons learned from this period continue to be in our minds. The main lesson many learned is the importance of an emergency fund.

### What is an emergency fund?

An emergency fund is a savings account specifically for life's curveballs.

COVID-19 is just one example. Think about the deductible you'd have to pay if you got into a car accident, the payment you'd owe for an unexpected health care expense, or, as many of us recently experienced, a sudden pay decrease or loss of income.

An emergency fund isn't meant for big purchases or your dream vacation. It's not intended to cover overspending or a celebratory dinner out.

All those things are important, and you're allowed to have fun. But it's not the

purpose of an emergency fund.

### How much should you set aside in an emergency fund?

That depends on your bills and your life stage. The goal is to save three to six months of your necessary monthly living expenses.

Remember that it's much cheaper, not to mention much less stressful, to borrow from yourself at 0% interest than it is to borrow from a lender at 10%, 15% or 25%. That's why having an emergency fund should be a top priority, even before paying off debt.

If you don't have money in savings and

have an unexpected expense, you'll probably have to resort to a credit card. And that can mean a high interest rate.

### How do you build an emergency fund?

If you're feeling burdened by financial pressures and saving for an emergency fund seems daunting, here's one piece of advice: Keep it simple.

There's no one-size-fits-all strategy when it comes to saving. But there are tried-and-true methods that work if you're committed to investing in yourself. Consider these possibilities:

- **Review your spending and find ways to cut back.** Small tweaks, like packing your lunch a few times a week or re-evaluating your cable plan, can mean significant savings over time.
- **Find a side job.** Extra income might be exactly what's needed to help you save an emergency fund. This one's especially important when cutting back on expenses isn't enough.
- **Take a 52-week savings challenge.** The premise is simple:
  1. Save \$1 this week.
  2. Save \$2 next week.
  3. Save \$3 in three weeks.
  4. Continue adding \$1 every week for 52 weeks.
  5. A year from now, relish over your \$1,378 savings account.



# INFLUENCERS ARE PUSHING THIS ILLEGAL TRICK TO “FIX” YOUR CREDIT REPORT



Courtesy of Military Consumer.gov

**L**ooking for some life hacks or advice about managing money? There's no shortage of online influencers ready to help. But not all advice is good advice (or truthful). And in some cases, what they're telling you might be more than a bad idea — it might be illegal.

Credit matters. What's in your credit report can be used to decide things like whether someone will loan you money, give you credit, offer you insurance, rent or sell you a home, or even hire you. If there's a lot of negative information in your credit report, you also might have to pay more in interest to borrow money.

Some online influencers are telling people they have a fix: file a false identity theft report about a debt they owe. That's advice not to take. Filing a

false identity theft report may leave you worse off — and it's a crime that could get you a fine, imprisonment, or both.

The truth is, credit repair companies can't legally remove information from your credit report if it's accurate and current. But there are things you can do for free to improve your credit. Learn more at [ftc.gov/creditrepair](https://www.ftc.gov/creditrepair).

Not sure what's in your credit report? All three nationwide credit bureaus (Equifax, Experian, and TransUnion) have permanently extended a program that lets everyone in the U.S. check their credit report from each once a week for free at [AnnualCreditReport.com](https://AnnualCreditReport.com).

That's in addition to the free copy each nationwide credit bureau is required to give you once every 12 months if you ask for it at [AnnualCreditReport.com](https://AnnualCreditReport.com) or by calling 1-877-322-8228.

## PROTECTING YOUR PERSONAL INFORMATION

Courtesy of Military Consumer.gov

You can't control what others do with your personal information, but protecting it will help lower your risk of identity theft.

**Create strong passwords.** Making a password longer is the easiest way to make it stronger — aim for at least 12 characters long. Consider using a passphrase of random words to make it more memorable, but avoid using common phrases, song lyrics, or movie quotes that are easy for hackers to guess. Mix uppercase and lowercase letters, numbers, and symbols. Use different passwords for different accounts: don't reuse passwords. That way, if a hacker gets your password for one account, they can't use it to get into your other accounts. A great way to keep track of all your different passwords is by using password manager.

**Use two-factor authentication when it's available.** You get added protection by combining something you know (like a password), with something you have (like a one-time passcode you get by text) or something you are (like a fingerprint).

**Pick security questions only you know the answer to.** If a site asks you to answer security questions, don't give answers that are easily found online, like your zip code, birthplace, or mother's maiden name. And don't use questions with a limited number of responses that attackers can easily guess — like the color of your first car. You can even use nonsense answers to make guessing more difficult — but if you do, make sure you can remember what you use.

**Don't share personal information with anyone who gets in touch to ask for it.** Keep info like your Social Security, credit card, or bank and utility account numbers to yourself — whether someone reaches out online or in an email, a text, or a call. Think about whether you can really trust the request. And never share this information with anyone on social media.

**Check out that call or email.** Not sure whether someone who called or emailed is an impersonator or the real deal? Hang up, don't reply, and check them out. Type the company name into your browser, go to their site, and contact them through customer service to see if they really contacted you.

**Lock up documents** that show any financial account numbers and shred them before you toss them in the trash.

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## 2. You get it done BETTER.

We have award-winning service you can rely on.

## 3. You get MORE military perks.

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## FACTS.



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- Not Insured by the FDIC or Any Federal Government Agency
- Not a Deposit or Other Obligation of, or Guaranteed by, the Bank
- Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested

<sup>1</sup> Early access to direct deposit funds is subject to when USAA Federal Savings Bank receives notice of payment from the payer, which is generally one to two business days before the scheduled payment date. Early access to direct deposit funds is not guaranteed, may be stopped at any time, and may vary between pay periods.

Membership eligibility and product restrictions apply and are subject to change.

All credit cards subject to approval.

Property and casualty insurance underwritten by United Services Automobile Association (USAA), USAA Casualty Insurance Company, USAA General Indemnity Company, Garrison Property and Casualty Insurance Company, NOBLR Reciprocal Exchange, based in San Antonio, Texas; USAA Limited (UK) and USAA S.A. (Europe) and is available only to persons eligible for property and casualty group membership. Each company has sole financial responsibility for its own products. Coverages subject to the terms and conditions of the policy.

USAA Federal Savings Bank offers deposit, credit card, consumer lending, mortgage and other banking products and services. USAA Federal Savings Bank is a Member of FDIC. Credit card, mortgage and other lending products not FDIC-insured.

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