

Consumer Financial Issues - Veterans

Pension Advance Products. An area of concern is so-called pension advances – offers to pay military retirees a lump-sum payout in return for their monthly retirement payments. These products might amount to payment of only pennies on the dollar, and the so-called advances are reported to carry interest rates from 27 to 106 percent, threatening many older borrowers' safe retirement. There are many offers on the internet, often with patriotic-sounding names and logos. *Here's what to do if offered a pension advance:*

- Say no to arrangements that allow a creditor to access the account where you get your benefits.
- Get trusted financial expert advice if you need emergency funds. Other options may be less costly.

Resources: Find answers to common consumer questions at consumerfinance.gov/askcfpb. Tell us your pension advance product experiences at <https://help.consumerfinance.gov/app/tellyourstory>; tag it “pension advance loan.”

GI Bill. An issue affecting student veterans concerns the GI Bill. Specifically, there has been aggressive marketing to veterans and their families by some institutions of higher education, which may also encourage the use of expensive private student loans to pay for the tuition and fees not covered by the GI Bill.

For-profit colleges have an extra incentive to enroll veteran students: the 90-10 proprietary college federal funding cap. For-profit colleges must get at least 10% of their revenue from sources other than Title IV federal education funds administered by the Department of Education. GI Bill benefits are not Title IV funds, and we have heard of questionable recruiting tactics towards GI Bill recipients. *Here are some questions to consider:*

- Have you looked at other schools to compare costs, and will your military benefits cover the cost?
- What do you know about the school, besides the fact that you heard it was “military friendly?”
- Will your credits transfer to another college, or will a civilian employer accept the degree?

Resources: Find Paying for College tools at consumerfinance.gov/paying-for-college/. Tell us your experience at <https://help.consumerfinance.gov/app/tellyourstory>. Submit a complaint at consumerfinance.gov/complaint.

Aid & Attendance Benefit. Severely disabled veterans who are eligible for a VA pension and require daily assistance may be eligible for the Aid & Attendance benefit; the veteran's assets are considered, and must be below a certain threshold. Some individuals and companies use this benefit as a hook to sell services, offering help obtaining benefits but requiring customers to sign up for financial services first, then moving assets into irrevocable trusts for qualification. *Offers to watch out for:*

- A lawyer or “veterans’ advisor” offers to get the Aid and Attendance benefit – for a fee. Federal law prohibits VA recognized advisors from charging to assist with VA claims, yet at times a “consultation fee” is charged up front.
- A claim from a paid advisor that they can get the benefit for you more quickly than anyone else. All VA claims must go through the standard evaluation process, which no one can bypass to get it done faster.
- An offer to help a veteran qualify for Aid and Attendance, if they have too much money, by taking control of their finances and moving assets into an inaccessible trust. This may disqualify them from other benefits.
- Retirement homes using the lure of Aid and Attendance to get veterans to move in on the implied promise they will get the benefit. If the claim is denied, the vet may not be able to afford to remain in the facility.

Resources: VA factsheet: benefits.va.gov/BENEFITS/factsheets/limitedincome/EnhancedorSpecialPension.pdf
Federal Trade Commission (FTC) info: consumer.ftc.gov/articles/0349-poaching-veterans-pensions

Mortgage Advertisements. Several mortgage lenders were recently put on notice by the CFPB and the Federal Trade Commission (FTC) for potential violations of the Mortgage Acts and Practices Advertising Rule. Many of these advertisements seem to be directed at veterans, promising special deals or implying VA approval. Others use the lure of a “no-payment” reverse mortgage to troll for older Americans desperate to stay in their homes. *Veterans should be suspicious of ads with:*

- Official-looking logos implying that the ad comes from a government agency such as VA or HUD. Government agencies guarantee some loans, but are not involved in lending, or in advertising loans.
- Promises of amazingly low rates – which may turn out in the fine print only be in effect for a short period.
- Promises that a reverse mortgage will let veterans stay in their home payment-free. Typically borrowers with these mortgages must keep up with taxes and insurance – and could lose their homes if they don't.
- Announcements of “pre-approval” and large amounts of cash or credit available to you. Typically there's no guarantee that a borrower will be approved for a loan, or the size of the loan, this early in the process.

Resources: Find information about mortgage and other financial products at consumerfinance.gov/askcfpb. Submit a complaint at consumerfinance.gov/complaint. Get FTC info at <http://www.consumer.ftc.gov/topics/home-loans>.

ASK CFPB: <http://www.consumerfinance.gov/askcfpb/>










Get answers to common financial questions; if you can't find your question listed, submit a new one to us.

Tell your story: <https://help.consumerfinance.gov/app/tellyourstory>







Tell us your story, good or bad, about your experience with consumer financial products and services. Your story will help inform how we work to protect consumers and create a fairer marketplace.

Submit a complaint:



Submit a complaint for the following categories:

- | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |  |  |
| Bank account or service | Credit card | Credit reporting | Debt Collection | Money transfer | Mortgage | Student loan | Vehicle or consumer loan | Payday loan |

Once you submit a complaint

- | | | | |
|---|---|---|---|
|  | 1 Complaint submitted
You submit a complaint about an issue you have with a company about a consumer financial product or service. You will receive email updates and can log in to track the status of your complaint. |  | 4 Consumer review
We will let you know when the company responds. You can review that response and give us feedback. |
|  | 2 Review and route
We'll forward your complaint to the company and work to get a response from them. If we find that another government agency would be better able to assist, we will forward your complaint to them and let you know. |  | 5 Review and investigate
Complaint data is shared with state and federal law enforcement agencies. Complaints tell us about business practices that may pose risks to consumers. If we need more information, we'll reach out and let you know. |
|  | 3 Company response
The company will review your complaint, communicate with you as needed, and report back about the steps taken or that will be taken on the issue you identify in your complaint. |  | 6 Analyze and report
Complaints help with our work to supervise companies, enforce federal consumer financial laws, and write better rules and regulations. We also report to Congress about the complaints we receive and post some consumer complaint data. |

How to submit a complaint

-  Submit a complaint online consumerfinance.gov/complaint
-  Submit a complaint by phone 855-411-CFPB (2372); TTY/TDD 855-729-CFPB (2372)
Hours of operation 8 a.m. to 8 p.m. Eastern Time, Monday through Friday
-  Submit a complaint by fax 855-237-2392
-  Submit a complaint by mail Consumer Financial Protection Bureau P.O. Box 4503, Iowa City, IA 52244

Tip! Don't forget to tell us about your military status. If you're submitting your complaint online, you can indicate your status on the "My Information" page of the complaint intake form; **veterans** should mark the box 'servicemember' then 'veteran' or 'retired' from the drop down menu.