

CAP Loan Agreement



Name (Last, First MI)	Social Security Number
Email (<input type="checkbox"/> Personal <input type="checkbox"/> Work)	Phone (<input type="checkbox"/> Cell <input type="checkbox"/> Home <input type="checkbox"/> Work)
Mailing Address	

I understand and agree to the following:

- I am applying for a **\$5,000 loan** issued by Armed Forces Mutual. I must repay this loan through **60 monthly payments** to Armed Forces Mutual. Interest will be charged monthly on the remaining balance at an **annual percentage rate of 2.5%**. Armed Forces Mutual may conduct a credit check before the loan is issued.
- To qualify for the loan, I must be an Armed Forces Mutual Member, which requires purchasing an Armed Forces Mutual **life insurance policy** on my own life and keeping it in force until this loan is repaid. Upon loan repayment, Armed Forces Mutual will reduce my allotment/payment to the monthly premium for the insurance policy. After loan repayment, I may terminate the policy with no additional obligation. **If I allow my insurance policy to lapse or terminate, the outstanding loan balance plus any unpaid interest will become due to Armed Forces Mutual immediately.**
- I must make **monthly payments** from my military pay (or automatic bank draft (EZ-Pay)). If I separate from military service before the loan is repaid, I must notify Armed Forces Mutual immediately and continue payments of principal, interest and premiums by automatic bank draft from my personal bank account. Upon final payment, any excess received by Armed Forces Mutual will be refunded to me. If I die before the loan is repaid, the remaining loan balance and unpaid interest will be deducted from the death benefit from my insurance policy. If I do not pay my account as agreed and it becomes necessary to refer my account to a Collection Agency, I understand that I will be responsible for all collection agency fees to include reasonable attorney fees and court costs.
- My loan funds will be deposited into a **checking account at Armed Forces Bank (AFB)**. If I do not already have an AFB checking account, one will be opened for me at no cost. AFB will send me instructions for using the account and accessing the funds. I am under no obligation to retain the AFB account, and may withdraw the entire balance at any time.
- I agree and authorize Armed Forces Mutual to apply any monies it owes me (including without limitation, monies resulting from premium over payments or refunds, unallocated allotments, or otherwise) to reduce my loan balance.
- If I do not meet all of the requirements for this loan and life insurance policy within 120 days from receipt of application, the application, agreement and Promissory Note may become void.
- Default on loan repayment could adversely impact my credit report/score and my future ability to obtain financing such as for a home, car or lease.

Armed Forces Mutual warrants that it:

- Makes no charges and collects no fees, other than insurance premiums, and loan principal and interest payment, and has no penalty charges for prepayment of the amount due.
- Does not charge for credit investigation or collect fees for filing or recording this instrument.
- Pays the total amount of the loan to the member and has no financial ties with any seller of any property that a member may purchase with the loan.
- Has complied with the provisions of Regulation Z, which implements the "Truth in Lending Act" (Public Law 90-32).
- Makes this loan without reference to race, color, religion, national origin, gender, marital status or age (provided that the applicant has the capacity to enter into a binding contract and is eligible for Armed Forces Mutual membership and life insurance).

CERTIFICATION. I certify that:

- I am a citizen of the United States of America and eligible and competent to negotiate this loan.
- I have read and understand this agreement including the Promissory Note, which by incorporation is part of this agreement.
- I have read and signed the Promissory Note and am returning the signed Promissory Note with this agreement.

To receive this Armed Forces Mutual Career Assistance Program (CAP) Loan, an exclusive Armed Forces Mutual Membership benefit:

- You must meet our applicable criteria bearing on creditworthiness and any other of our eligibility criteria, which we determine in our sole discretion.
- You understand that by completing this form, you are providing 'written instructions' to Armed Forces Mutual under the Fair Credit Reporting Act authorizing AAFMAA to obtain information from your personal credit report or other information from Experian.
- You authorize Armed Forces Mutual to obtain such information solely to determine whether to issue you a CAP Loan. Armed Forces Mutual will report your payment history to consumer reporting agencies.

Signature	Date Signed (mm/dd/yyyy)
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