

## Surviving MilStar Card 101

Read this if you want to maintain or build your credit. Whether you are active duty military, retiree, reserve, or dependent, you can make the most benefits out of your MilStar card by using these smart practices:

- Look at MilStar card statement EVERY month
- Look for TWO most important things on MilStar card statement—Total Minimum Payment Due Amount and Payment Due Date
- Make AT LEAST minimum payment required on each monthly statement
- Ensure payment reaches your MilStar account by Payment Due Date
- PAY OFF New Balance on each statement before or by due date to avoid interest
- Know your limits and minimum monthly payments for each plan—Retail plan total balance divided by 30 months equals minimum monthly payment amount; Uniform plan total balance divided by 8 months equals minimum monthly payment amount
- Ask about Promotion Plans with zero interest

Our fellow military active duty, retiree, reserve, and dependents have shared true stories to help illustrate pitfalls, consequences, and lessons learned.

### Copy of Deployment Order vs Deferred Payments

An Exchange Associate advised a soldier that he doesn't have to pay his MilStar bill while deployed without notifying the soldier that he has to send a copy of his deployment order to MilStar. The soldier stopped making payment. MilStar requested involuntary garnishment from DFAS for every three month's past due payment, and his credit scores went downhill.

### Course of Action

- Send a copy of deployment order to [militarystar@aafes.com](mailto:militarystar@aafes.com)
- Ensure that account is current; no past due payments on account—Deployment Code will NOT apply to delinquent account
- Call or email [militarystar@aafes.com](mailto:militarystar@aafes.com) to confirm deployment status has been quoted on the account

### Prepaid Amount vs Minimum Monthly Payment Required

An airman has over \$3,000 balance on his account. He paid \$500 in January. After receiving several statements showing that he has zero minimum monthly payment, he stopped checking his statement. In June, he made another \$200 payment. He still did not check his statement. In August, he received a letter notifying him that he was late on his July payment. He finally reviewed his July statement. It showed \$75 minimum monthly payment due, even though he just paid an additional \$200 in June.

### Course of Action

- Check monthly statement EVERY month—a large payment will cover monthly payments for no more than six months
- Pay as much as you want but do not ignore even small Minimum Monthly Payment Required

### DFAS Allotment vs Minimum Payment Fluctuation

In January, a military retiree set up a monthly \$75 DFAS allotment for his MilStar account while he had a balance of \$560. In June he bought a new set of furniture and a big screen TV that brings his MilStar

account balance up to \$2,800. He failed to check current Minimum Monthly Payment required on his MilStar statement. In August, he found that his retirement check has been garnished by DFAS.

#### Course of Action

- Check Minimum Monthly Payment EVERY month--Minimum Monthly Payment Amount fluctuates based on ending balance as of statement cutoff date
- Make additional payments to cover new Minimum Monthly Payment Amount at any Exchange store, mail in, bank electronic transfer, or MilStar online payment system

#### Late Payment vs Warning Letter

A sailor's spouse dutifully mails MilStar payments to MilStar regularly, five days ahead of the payment due date. Suddenly, she receives a warning letter informing her of past due payment. When she followed up with the MilStar representative she learned that her payment arrived after the due date. She told the MilStar representative that she mailed her payment in advance of the payment date and believed that the postmark date was considered the payment date.

#### Course of Action

- Pay at the local exchange and keep the receipt until the payment show up on account—NEX, MCX or CGX system is not directly connected to MilStar or AAFES therefore payment may show up on MilStar account within 3 – 5 business day
- Use MilStar Online Payment system at [www.shopmyexchange.com](http://www.shopmyexchange.com)
  - o Click on "Credit Services", Exchange Credit Program site will open
  - o Click on 'Login' and log-on with User Name and Password, you will be directed to ECP program site
  - o Type in 16-digit card number of your MilStar card
  - o Select 'Online Payment' to make payment

#### Incorrect Bank Information to MilStar Online Payment vs DFAS - Involuntary Garnishment

A military retiree set up a recurring payment online. He submitted incorrect bank information. No payments were made to his MilStar account. After three months past due, his account moved to DFAS for garnishment and automatic payment to AAFES. Since the garnishment took place, he thought he did not have to make any payments. However, he did not know that the garnishment is collecting his past due payments while every month he still has a current minimum monthly payment due. Every three months past due payments will move into DFAS and eventually turn into back-to-back garnishment.

#### Course of Action

- Make regular minimum monthly payment in addition to the garnishment to bring account to current status
- Call MilStar representative to set up fixed payment plan for three or maximum six months—it allows system to reset account to the lowest minimum monthly payment amount by using monthly interest fee plus \$25 and lets the garnishment be completed as a future payment instead of past due payment

**Summary:**

These true stories share a common theme. MilStar cardholder neglected to do one or more of the following; 1) review statement every month, 2) pay at least minimum monthly payment due , and 3) make payment by due date.

Do these three things and your credit will work for you.