



# Money on the Move

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# Money on the Move

- ▶ Goal: To assist you in providing quality relocation assistance service that enables your customer to effectively manage their finances while they are preparing for, during, and upon completion of their relocation.

# Money on the Move

## Practical Financial Management Steps to Prepare for Relocation



The totally, error-free, uneventful, non-problematic relocation is like a unicorn...

It exists solely in our imagination!!!

WHY???



# Money on the Move

"We didn't actually overspend our budget.  
The allocation simply fell short of our  
expenditure."

**Keith Davis**

**Author of Organizational behavior books**





## Money on the Move – Air Force Aid Society Statistics

### Move-related Assistance:

- ▶ 2007: 134 loans for \$112,861
- ▶ 2008: 204 loans for \$183,562
- ▶ 2009 (thru 29 Apr): 35 loans for \$26,296



# Money on the Move

- ▶ Practical Financial Management Tips While Preparing for Relocation:
  - Comparative budget/spending plan (current versus projected)
    - Budget: a mathematical confirmation of your suspicions. ~A.A. Latimer
    - Also, ensure you balance and continue to reconcile your bank accounts
- ▶ Intensify efforts to reduce debt
  - Strive to be debt-free
    - Powerpay – <https://powerpay.org/>
    - Decreased spending
- ▶ Open a “Relocation Savings Account”
  - Realistic amount saved based on budget/spending plan
  - Continue after completing the relocation/move



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## Practical Financial Management Tips While Preparing for Relocation:

- Have a garage sale – great way to liquidate unwanted toys, furniture, appliances, plants etc
- Start to use things that you know you can't take with you, like frozen foods or hazardous/flammable materials
- Contact schools, doctors, dentists, accountants, legal rep., and veterinarians to obtain copies of records/Wills
- Don't forget any utility deposits or security deposits that may be refundable
- Arrange a date to stop deliveries (newspaper, milk, bottled water, etc)
- Contact insurance companies to research insurance costs at new location
- Check credit report



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- ▶ Practical Financial Management Tips While Preparing for relocation:
  - **VERY important:**
    - Begin a **PREDEPARTURE EXPENSE WORKSHEET**
    - Make a list of friends, family, and...  
**CREDITORS** who need to be informed of your pending move
    - Research options for transporting and temporarily boarding pets
    - If driving, give added emphasis to vehicle maintenance



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## ▶ Practical Financial Management Tips During Relocation:



- First, address the last minute “money gobblers” that typically occur prior to departure :
  - Cleaning/maintenance of home/quarters
  - Additional child care needs
  - Prescription refills
  - Over-due library materials or video/DVD rentals
  - Snacks for the trip



# Money on the Move

## Practical Financial Management Tips During Relocation:

- ▶ Make sure you have Emergency phone numbers
  - Supervisor at losing unit/Sponsor at your new unit
  - Take old telephone book with you
  - Armed Forces Emergency Services Center 1-877-272-7337
  
- ▶ Pack an “essentials bag”
  - Include a first aid kit, camera, pet food, soap, toilet paper, towels, light bulbs, cleaning materials, a map of the new area
  
- ▶ Hand-carry valuables, high-theft items, important papers



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- ▶ Practical Financial Management Tips During Relocation:
  - **VERY IMPORTANT:**
    - KEEP RECORDS OF ALL EXPENDITURES
    - Where is the information on allowable tax deductible expenses relating to moving??
      - Publication 521 (2008) page 15
      - IRS Form 3903
- ▶ EMPHASIZE – **UNREIMBURSED EXPENSES**
- ▶ Unreimbursed moving expenses are tax deductions in computing your AGI rather than your itemized tax deductions. (above the line)



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## ▶ Practical Financial Management Tips During Relocation:

- Plan, Plan, Plan!!!
  - Plan your travel route
  - Plan for expenses while on leave
  - If traveling with children, add extra money for recreation/entertainment
  - Plan for the unexpected!!





# Money on the Move

After arriving at the new installation/location, the “Money Movement” continues...





# Money on the Move

- ▶ Lodging
- ▶ Groceries
- ▶ Clothing
- ▶ In-processing (travel voucher)
- ▶ Childcare
- ▶ Schools
- ▶ Housing (rent/buy)
- ▶ Spouse employment
- ▶ Financial institution
- ▶ Tricare enrollment



# Money on the Move

## The New Dynamic : Selling/Buying a Home due to Relocation

The American Recovery and Reinvestment Act of 2009 authorizes expansion of Homeowners Assistance Program benefits to:

- BRAC05 organizations without proof of causal relationship
- Wounded Warriors in Transition and Surviving Spouses
- PCSing service member homeowners

# Money on the Move

- ▶ **Benefit Areas:**
  - **Foreclosure**
  - **Government Acquisition**
  - **Private Sale**
  - **Private Sale Augmentation**

# Money on the Move Homeowners Assistance Program

- ▶ **Foreclosure:**

## **Assist after the foreclosure**

**Assistance may include direct cost of judicial foreclosure, expenses and enforceable liabilities according to the terms of the promissory note**

# Money on the Move

## Homeowners Assistance Program

### ▶ Government Acquisition:

Acquire home for 75% of the PFMV or the balance of existing mortgages, whichever is greater...

• PFMV of \$100,000 X 75%	\$75,000	\$75,000
• Balance of existing mortgages	\$65,000	\$95,000
• FMV on date of acquisition	\$80,000	\$80,000
• Payment to applicant	\$10,000	\$ 0

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## Homeowners Assistance Program

### ▶ Private Sale:

Benefit pays up to 95% of prior fair market value (PFMV).

- Prior market value of \$100,000 X 95% = \$95,000
- Applicant sells house for \$75,000
- Appraised value on date of sale \$75,000
- Benefits to applicant \$15,000



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## Homeowners Assistance Program

### ▶ Revised Private Sale Augmentation:

• PFMV: \$100,000	X 95% =	\$95,000	
• Less Sales Price		\$85,000	
• Benefit Payment		\$10,000	
• Mortgage Pay Off			\$98,000
• Sale of Home			<u>(\$85,000)</u>
• Balance of Mortgage			(\$13,000)
• Benefit Payment			\$10,000
• Payment to Payoff Mortgage (by HAP)			\$3,000
• Balance Paid to Applicant			\$0

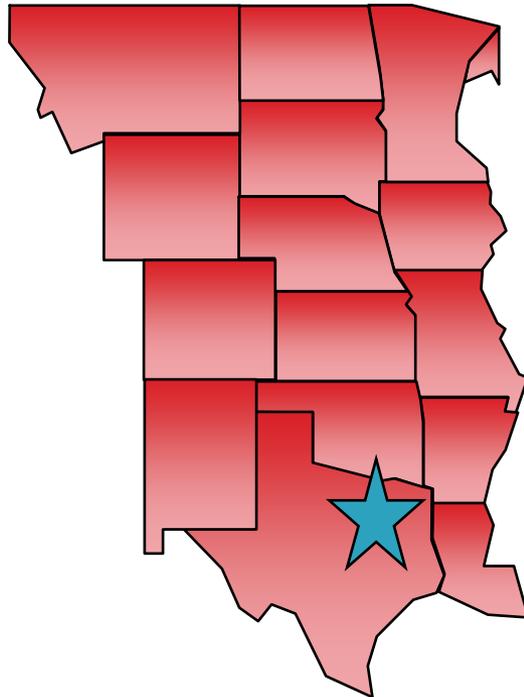
# Money on the Move

## HAP Centers of Expertise

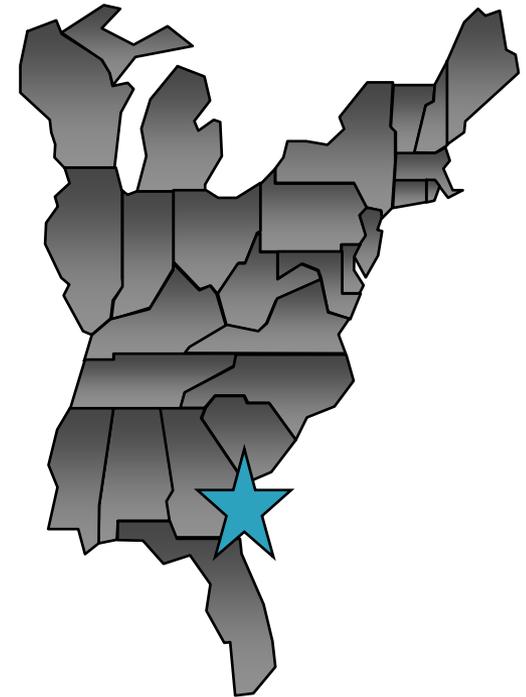
Sacramento District



Ft. Worth District



Savannah District



# Money on the Move Homeowners Assistance Program

<http://hap.usace.army.mil/>





# Money on the Move

- ▶ Money can't buy happiness, but it can buy you the kind of misery you prefer.

~Author Unknown



QUESTIONS???????