NAVY FEDERAL Credit Union | ARMED FORCES VETERANS AND FAMILIES

Our Members Are the Mission

# Guaranteed Asset Protection (GAP) questions and answers

### What is GAP?

GAP[1] is an optional loan protection product that may cover the difference between the outstanding loan amount (after the insurance settlement payment has been applied) and the actual cash value of a vehicle if it's declared a total loss. If your vehicle is totaled in an accident or stolen and not recovered, the insurance settlement is based on its actual cash value, not the outstanding loan balance. This could create a loan "gap"—money you owe on the loan after the insurance company pays its portion. When you add GAP to the loan, the difference may be covered, including up to $1,000 of the borrower's deductible.

### How much does it cost?

Navy Federal charges a flat enrollment fee of $499 for new or used vehicles, which you may pay in a lump sum or finance into your loan. Adding the fee to your loan will increase the cost. California Active Duty and Active Reserve Duty Servicemembers must pay the flat fee instead of financing the fee into the loan. As a comparison, many car dealers charge up to $1,100[2] for the same protection.

### How do I purchase GAP?

GAP is offered to all eligible Navy Federal members during the initial loan application process online, in person at a branch or by phone. If you wish to add GAP to your existing loan, please give us a call.

### What's a qualifying vehicle?

Most new and used cars, pickups, SUVs, and motorcycles, no older than the current year plus 7 years of age and titled for personal ownership (not business use), are eligible. Vehicles cannot be used for commercial purposes, including ridesharing and delivery activities. Primary insurance must be obtained and maintained on the vehicle.

### Does my loan have to be financed through Navy Federal?

Yes. This coverage is available for new and existing Navy Federal loans.

GAP isn't available on Collection Refinance Loans, Consolidation Loans, loans with a loan-to-value ratio of less than 70%, or vehicle loans in the amount of $7,500 or less with a term of 12 months or less.

### How do I submit a claim?

You can submit a claim by calling Navy Federal at 1-866-258-7298 option 1.

### What's the processing time for a claim?

Claims are usually processed within 5 business days of receipt of all required documentation.

### What's the maximum amount that can be claimed under GAP?

$50,000 is the maximum claim amount.

### Can I cancel if I change my mind after I purchase GAP?

You'll receive a full refund if you cancel within 60 days of enrollment. However, after 60 days, the fee is fully earned and non-refundable, and GAP cannot be canceled.

### Can I transfer the coverage to another vehicle?

No. GAP cannot be transferred from one vehicle to another.

**To sign up for GAP, call 1-888-842-6328 or visit your local branch. Scan the QR code to learn more.[3]**

**Call**
**1-888-842-6328**

**Collect internationally**
**1-703-255-8837**

**TDD for the hearing impaired**
**1-888-869-5863**

**For toll-free numbers when overseas, visit navyfederal.org or visit a branch.**

Navy Federal is Insured by NCUA. [1]Your purchase of Guaranteed Asset Protection (GAP) is optional. Whether or not you purchase Guaranteed Asset Protection will not affect your application for credit or the terms of any existing credit agreement you have with Navy Federal. You may choose to pay the fee in a single lump sum or you may finance it into your loan, which would increase the cost. NOTE: California Active Duty and Active Reserve Duty Servicemembers cannot finance the fee. If you cancel your optional GAP coverage within 60 days of enrollment, you will receive a full refund of any fees. Additional information will be provided to you, which will include a copy of the GAP Agreement and Disclosure (NFCU23A) containing the terms of the plan. There are eligibility requirements, conditions, and exclusions that could prevent you from receiving benefits under the plan. You should carefully review the additional information for a full explanation of terms. [2]Reflects car dealerships only. [3]Message and data rates may apply. Visit **navyfederal.org** for more information.

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