

Military StarSM Card Strengthens Troops' Return on Investment

AAFES DALLAS (May 7, 2007) –The use of bank-issued cards by troops at their exchanges costs the military community millions of dollars annually that could be directed to Morale, Welfare and Recreation (MWR) efforts.

Last year alone, bank issued card processing expenses at Army & Air Force Exchange Service (AAFES) facilities jumped approximately 12 percent, ultimately sapping more than \$65 million from the Exchange and, in turn, critical MWR programs in 2006. Since 2001, AAFES has paid more than \$310 million in fees to card issuing banks, resulting in lost revenues for the military community.

“Traditionally, two-thirds of AAFES’ earnings are paid to MWR, while the other third is returned to the military community in the form of improvements, such as technology investments or capital expenditures to enhance the shopping experience,” said AAFES’ Chief Financial Officer Harold Lavender. “With 100 percent of AAFES earnings going back to authorized customers in one way or another, something as seemingly insignificant as credit card processing fees can quickly add up to a quality of life issue.”

One way military families can help reduce costs and strengthen their Exchange benefit is to take advantage of the Exchanges’ exclusive Military StarSM Card. Unlike bank cards, profits generated from the Military StarSM Card are shared with military communities through contributions to the military service's MWR funds. These funds reduce the tax burden of all U.S. citizens, and are used to fund Youth Services, Armed Forces Recreation Centers, aquatic centers post functions and golf courses that are enjoyed by military families across the globe.

“Using the Military StarSM Card is one of the easiest ways for troops to directly impact their Exchange and MWR benefits,” said Lavender. “Reducing these unnecessary expenses can go a long way in maximizing the dividend AAFES annually returns to the military community.”

The Military StarSM Card is accepted at AAFES, Navy, Marine Corps and Coast Guard Exchange activities, as well as the Exchange Catalog and the Exchange Online store at www.aafes.com.

For more information on the Military StarSM Card, visit www.aafes.com and click on the Military StarSM Card icon.

Deploying Troops Discover the STAR® Treatment

In an attempt to ease the financial stress associated with assignment to contingency locations overseas, the Army & Air Force Exchange Service (AAFES) offers two Military STAR® Card options to deploying troops. Military STAR® cardholders on their way to locations in Operations Enduring and Iraqi Freedom may be eligible for a plan that offers a six percent interest rate with no monthly payments and deployment credit limits or an option that also provides six percent interest rate with monthly allotment payments and increased credit limits. A deployed credit limit stabilizes the credit limit for the length of deployment while an increased credit limit raises credit limits while deployed. Further benefits of both options include no annual or late fees, online account management and exclusive promotional offers. While the nearly 60 AAFES PX/BXs located throughout Operations Enduring and Iraqi Freedom do accept other credit cards, the Military STAR® Card offers more benefits and assistance than many other cards. The Military STAR credit program is specifically tailored to service members and their family’s credit needs. Its many financial benefits include a 24 hours 7 days per week online and call center account management capability; exclusive special promotions; and FREE standard shipping on Exchange Catalog and Exchange Online Store purchases at www.aafes.com. Military STAR cardholders are also not subject to over limit, late payment or annual fees which can amount to as much as 37 percent of other credit cards issuers’ income. For more information on the Military STAR® Card, visit www.aafes.com and click on the Military STAR® Card icon.