

Guaranteed Asset Protection (GAP) Questions and Answers

Apply online at
navyfcu.org

Apply by phone
24 hours
1-800-336-3333
In metro DC
703-255-2626

TDD for the
hearing impaired
Weekdays
7:30 am to 7:30 pm
Eastern time
1-888-869-5863

Or visit a branch



What is GAP?

GAP is a loan protection product that covers the difference between the outstanding loan amount and the actual cash value when an auto is declared a total loss. If your vehicle is totaled in an accident or stolen and not recovered, the insurance settlement is based on the 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, that deficiency is covered, including up to \$1,000 of the borrower's deductible.

How much does it cost?

Navy Federal charges a flat enrollment fee of \$199. Many car dealers charge anywhere from \$400 to \$700 for the same protection. And when you add the \$199 to the loan amount during the loan application process, no out-of-pocket expenses apply.

Who can purchase GAP?

GAP is available to all Navy Federal members on qualified vehicle loans during the application process. You can apply for your loan online, by phone or in person. It is also available on existing Navy Federal auto loans. Please call us to add GAP to your existing loan.

How do I purchase GAP?

It will be offered to you during the loan application process or you can call Navy Federal directly.

Is GAP available for refinanced vehicle loans?

Yes, as long as the vehicle qualifies.

What is a qualifying vehicle?

New and used autos, trucks and SUVs, no older than eight years, titled individually. GAP is not available on consolidation loans.

Does my loan have to be financed through Navy Federal?

Yes.

How do I submit a claim?

You can submit a claim at your local branch, through the mail or by calling Navy Federal.

What is the processing time for a claim?

Usually within five days of receiving all the documentation from the member.

What is 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?

A full refund will be given if you cancel within 60 days of enrollment.

Can I transfer the coverage to another vehicle?

No, GAP is nontransferable.

On average, how much will my monthly payment increase if I purchase GAP?

For most vehicles, your monthly payment will only increase by a few dollars. For instance, on a \$24,500 loan for 60 months at 4.5% APR, your monthly payment would be \$457 without GAP; \$460 with GAP. Your overall finance charge would be \$2,905 without GAP; \$2,929 with GAP.

To sign up for GAP, visit navyfcu.org, call 1-800-336-3333, or visit your local branch.

Navy Federal does not consider whether or not you elect Guaranteed Asset Protection in making a credit decision. You have the right to cancel Guaranteed Asset Protection at any time, for any reason. If you cancel within 60 days of enrolling in the program, we will credit the outstanding balance for any fees charged for the program.

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