



## ADVANCE FOR CLOTHING AND EQUIPMENT (ACE) LOAN INFORMATION



### WHAT IS IT?

The ACE Loan is the Advance for Clothing and Equipment Loan. It is an interest free government loan established by Congress to provide funding for mandatory clothing and equipment costs incurred by Midshipmen particularly the large clothing and equipment issue during plebe summer. This loan is similar to “advance pay,” in that it is interest free and in no way affects the credit of the midshipman.

### HOW MUCH IS IT?

The loan is \$8,500 for the class of 2027 and the amount is automatically credited to each midshipman’s pay account once their pay account has been established. It will be reflected in the entitlements section of their Leave and Earning Statement accessible via myPay.

### HOW IS IT REPAYED?

Beginning in October of each midshipman’s plebe year, the repayment of the ACE Loan begins with \$225 monthly deductions from their “Held Pay” accounts. This will **NOT** affect the monthly amount each Midshipman is paid. All Midshipmen are on an automatic schedule to pay back the entire \$8,500 balance before December of their 1/C (senior) year.

### WHAT IF THEY SEPARATE BEFORE GRADUATION?

If a midshipman separates before graduation, any credits from their pay account are applied to the outstanding ACE loan balance. Any remaining ACE Loan balance after that is waived. While the separated Midshipmen are no longer responsible for paying the remaining balance, ***they will be responsible for paying taxes on that balance. It will be reflected as income on next year’s W2.***