

IDA FINANCIAL INSTITUTION GUIDE



Empowering Participants.....Encouraging the Ability to Save

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SECTION 100 IDA Program Overview

101 History

The Indiana Housing Community and Development Authority's Individual Development Account Program is an asset development program for low-income individuals.

State of Indiana

In 1997, Indiana state legislation (I.C. 4-4-28) created the Individual Development Account (IDA) program as an innovative tool to help low-income Hoosiers build assets, attain self-sufficiency, learn personal financial skills, and invest in improving their quality of life.

Indiana is one of the oldest programs in the country and one of the last two programs (Tennessee) that use the state-driven model. Since the program existed prior to Assets for Independence (AFI) program development, Indiana was grandfathered into AFI's program under the Indiana Code passed in 1997. Because Indiana was grandfathered, Indiana is exempt from Sections 407-411 of AFI legislation. This has allowed flexibility in eligible asset purchases, match rates, business plan approval and educational expenses. However, Indiana must follow AFI legislation in the absence of Indiana Code language.

In PY2016, several new asset purchases were added to the program in able to expand participant opportunities for asset building. Vehicle purchases, owner occupied home repairs and one-time principal reduction payments if participants have purchased their home using IDA funds and have additional funds remaining.

Federal

The American Dream Demonstration (ADD) was the first large-scale test of Individual Development Accounts as a social and economic development tool for low-income communities. Initiated by the Corporation for Enterprise Development (CFED) in September 1997, ADD brought together 13 community-based organizations selected through a competitive process to design, implement and administer IDA initiatives in their communities. The study officially ran from 1997-2002. Overall, the ADD established IDAs as an effective savings and asset-building tool.

Studies of ADD revealed several valuable lessons:

- Low-to-moderate income individuals can and do save in IDA programs; in fact the very poorest (under 50% of the federal poverty line) save at rates at least two to three times the rates of those between 150%-200% of the poverty line
- Financial education is important, significantly impacting savings outcomes
- Account holders save primarily through reducing other expenditures and secondarily through increasing income
- The majority of account holders are able to amass critical assets through IDAs
- Monthly account statements arrive like diplomas, become a source of family learning and pride, provide a quantitative measure of progress and build confidence and a sense of economic efficacy

The key elements of effective IDA programs include match rates, parallel account structures, broad-based partnerships, and financial management education and asset-goal specific training programs.

In 1998, the United States Congress passed the Community Opportunities, Accountability, and Training and Educational Services Act of 1998 (also known as the Assets for Independence Act) which led to the creation of a parallel demonstration program that complements the IDA program that is administered by IHCD. The Assets for Independence Act was last amended in 2000.

In 2017, AFI funding was eliminated from the federal budget. However, federal funds will still be used through September 2021, when the last federal program round (IDA016) ends.

102 Program Goals

Asset building is an important addition to the tools used to fight poverty. Individuals escape poverty and achieve wealth through asset acquisition. The IDA program meets these objectives by providing financial literacy education, case management, homeownership counseling and other asset-goal specific training to all IDA participants.

The objective of the IDA Program is to:

- Provide the opportunity for people with limited means in achieving financial independence and becoming financially self-sufficient
- Provide education and training to participants so they obtain the knowledge necessary to purchase an asset and use it in the most effective way
- Assist participants in making positive life altering decisions and create new personal habits
- Assist participants in developing a personal budget
- Encourage participants to set long term goals
- Encourage participants to establish regular or lifetime saving habits
- Familiarize participants and their families with financial institutions and increase their comfort level in dealing with these institutions

103 Program Summary

Individual Development Accounts (IDAs) are matched savings accounts that are designed to help people build assets for increased financial self-sufficiency and long term economic security. IDA holders (called IDA participants) save their own dollars in these accounts for a specified period of time.

After reaching their individual savings goal, these savers receive matching funds to be used for a specific purpose. These purposes include:

- Buying a home
- Start, purchase or expand a small business
- Post-secondary education or job training
- Purchasing a vehicle
- Owner-occupied home repair

In general, IDAs operate similarly to other types of “matched” savings plans, such as 401(k) retirement accounts. With an IDA, the account holder deposits money in a savings account, and the funds are matched by a greater amount from a sponsoring agency. A “ceiling” of dollars and time frames is

established for the match amount, usually based on the term of the program round. Up until the 2018, program rounds were five years long; starting in 2018, program rounds and the corresponding grant agreements with CDCs are now three years long.

104: Participant Behavioral Benefits

According to Michael Sherraden, PhD, an IDA participant and even the family as a whole can expect to experience a range of sociological and psychological changes associated with their overall participation in the program and successfully completing their asset purchase:

- Increase in feelings of control
- Feel more economically secure and more likely to make educational or retirement plans
- Increase in self-esteem or self-worth
- Better family health
- Increase in life satisfaction and happiness
- Better marriages and marital stability
- Increase in children's well-being
- Increase in life skills
- Increased sense of stability
- Changed participants savings behaviors

105 Financial Institution Benefits

For most people, opening a checking or savings account is the first step toward involvement in the financial mainstream, followed by the use of credit products, investments, and insurance. Financial Institutions can use IDAs to tap into new markets by establishing relationships with individuals who may have no banking relationships (unbanked) or only minimal relationships with mainstream financial companies (underbanked).

Intangible benefits also accrue to financial institutions that provide IDAs. These programs generate goodwill throughout communities as well as with existing customers by working with local organizations to assist low-income community members. Local nonprofit organizations that sponsor IDAs routinely recognize the efforts of their financial institution partners, and these initiatives often receive positive local press coverage.

More tangibly, your organization could receive positive consideration from financial institution regulators as their investment, lending, and service performance is evaluated under the Community Reinvestment Act (CRA) at 12 CFR 25 and 12 CFR 195. Each financial institution and situation is different and would be evaluated on its own merits.

Therefore, a sound business case exists for financial institutions to develop strategies to attract low-moderate-income customers. IDAs are a straightforward, low-risk way to appeal to such customers. Although IDAs are unlikely to be profitable in the short term, expanding relationships with these customers may generate profitability over the longer term. If some of the barriers can be overcome, then IDA programs may become more widespread, providing additional opportunities for low-income individuals to join the financial mainstream and for financial institutions to reach out to new customers.

105.1 Why Banks and Credit Unions are a Good Fit

- Learning the basics of banking and using an account responsibly is the first step for a participant to establish good credit
- Using a financial institution instead of check-cashing services saves the participant more money over time
- Money the participant deposits is guaranteed to be available, when all program requirements are met
- Financial institutions allow the participant to save money and earn interest on the money stored in the account
- Promotes stronger ties to the local community

105.2 How Banks and Credit Unions Can Invest in IDAs

- Senior management devotes considerable attention and champions the role of IDAs within the organization
- Contribute funds to support a community organization's administration of an IDA program
- Perform the role of IDA Program Administrator to house your own IDA participant accounts
- Offer a market (or better than market) rate of interest on IDAs
- Offer other incentives for IDA depositors to encourage participation
- Designate a specific employee to be the contact person for IDA participants
- Participate on the IDA advisory committee
- Work with community organization partners to present classes or seminars for financial literacy programs
- Provide in-kind support (class space, materials, etc.)
- Host an IDA "open house" event so participants become familiar with your financial institution
- Add IDA promotional materials in branch lobby's or common area
- Promote IDA participation on bank statements, in newsletters or on the company website

106: Indiana Program Statistics

1. Statistics

- 10,000+ IDA accounts have been opened in Indiana since 1997
- \$2,673,684 have been saved by IDA program participants
- Over \$500,000 in property and income taxes have been generated

2. Assets Purchases (as of 2017)

Asset Type	Number of Purchases
Home Purchases	826
Education	922
Business Start-Ups	289
Owner Occupied Rehab	1,004
Job Training	101
Vehicle Purchases	2
Total	5,657

107: Program Testimonials

"I applied because I knew I could not afford my school bills by the deadlines they were due. This program has taken a huge burden off of my shoulders and I can start each semester stress free."

Maryka T.- IDA participant (SIEOC)

"I think I would have been able to buy a home without the program; however, it would have taken me a long time to do so. I feel like with this program especially with the fast track you are being rewarded for all of the work you put into it."

Jessica L.- IDA Participant (LaCasa)

"The IDA program has been a true blessing and that without it, I never would have learned to put savings aside on a monthly basis."

Theresis- IDA Participant (Pathstone)

"The asset purchase opening up to vehicles is huge for our area. We are in a rural area so there is no reliable public transportation."

Kimberly E.- SIEOC IDA Administrator

"Natalie S. is a great example of an individual that found success in PathStone's Homeownership Education and Individual Development Account (IDA) programs. Natalie was able to purchase a home in early December for her and her two year old daughter just in time to celebrate the holidays in their new home."

Chris A.-Pathstone IDA Administrator

"Indiana leads the nation in IDA state policy."

Corporation for Enterprise Development (CFED). Assets & Opportunity Scorecard. Strength of State Policies: State IDA Program, 2012. Retrieved November 15, 2013.

Section 200 Roles and Responsibilities

Financial institutions across the country offer a variety of savings incentive programs targeted to low and moderate income households. Many of these programs involve partnerships with state and local governments and community-based organizations. One such partnership is the IDA program.

Financial Institutions provide banking assistance to the residents of the State of Indiana utilizing and IDA are served by a Community Development Corporation (CDC, i.e. agency), a private, nonprofit corporation whose mission is community based. One of your most important relationships as a partnering financial institution is with the IDA Administrators of the CDC. While the CDC Partner is responsible for determining eligibility and guiding participants through the program, the Financial Partner holds the personal funds deposited by the IDA participant as well as the parallel or match federal funds. Financial institutions are at the heart of the IDA program. The financial institution establishes and services the savings accounts for the program participant and safeguards the funds until it is time for them to be withdrawn once the participants reaches their goal.

201 Your Partners

Administering the IDA program takes a team, with each member doing an assigned task to ensure low-income IDA participants have the opportunity to achieve their goals. Strong partnerships between all team members are vital to that success.

201.1 Indiana Housing and Community Development Authority (IHCDA or State)

The Indiana Housing and Community Development Authority is designated by Indiana Code 4-4-28 as the administrator or authority for the Individual Development Accounts.

- Receives federal and state funds to administer Indiana's IDA program
- Develop statewide program manual based on state and federal legislation
- Provide trainings to CDC IDA Administrators and financial institutions
- Oversees program compliance and administration through contracts and monitoring
- Awards state and federal funds to CDCs
- Processes all financial claims and return of funds
- Maintain ownership of both state and federal match funds until expended by the participant

201.2 Community Development Corporation IDA Administrators

A community development corporation is a private, nonprofit corporation:

- (1) whose board of directors consists primarily of community representatives and business, civic, and community leaders; and
- (2) whose principal purpose includes the provision of:
 - (A) housing;
 - (B) community based economic development projects; or
 - (C) social services that primarily benefit low income individuals and communities.

Community based organizations have experience working with the target population and generally have an existing relationship with a potential participant, their family or friends.

- Develop a program budget to administer the IDA program to participants within their agency
- Gather information from local community needs assessment(s) on the target IDA population
- Marketing and recruitment of participants into the program (listed below are examples)
 - Housing Programs
 - Microenterprise/Small Business Programs
 - Education/Career Counseling Services
 - Free Tax Preparation Services
 - Credit Counseling Programs
 - Workforce Development Programs
 - Financial Institutions
- Administers the program in their area on behalf of IHCD
- Conducts outreach, pre-screening, intake, eligibility determination, and case management activities
- Provide or arrange for training in money management, budgeting, and related topics
- Tracking savings and encouraging savings
- Works directly with the financial institutions and other community-based organizations
- Acts as a trustee for each account including approval or denial of an individual's withdrawal request
- Submit claims to IHCD in order for IHCD to transfer money to the financial institution
- Assist the participant with their asset purchase
- Closeout and report requirements

202 Memorandum of Agreement (MOA) –formerly Memorandum of Understanding (MOU)

The relationship between the State of Indiana (IHCD) and the financial institution is governed by a written agreement. To become a participating IDA Financial Institution, each institution must complete a Memorandum of Agreement (MOA) with IHCD. These MOAs are signed for a 3 year term (previously 5 years) to cover the totality of the IDA grant period entered into with each CDC.

If a financial institution works with multiple CDC Program Administrators within one program round, only one MOA is required. Each partner is listed on the document, check all that apply.

Furthermore, if the IDA program is granted an extension, an MOA revision will be sent to cover the new program closeout date.

203 General Requirements

This information provides a brief overview of what is expected from a financial institution as they become a partner in the IDA program:

- Sign a Memorandum of Agreement (MOA) with IHCD, which oversees the statewide IDA program
- Acknowledge that IHCD contracts with CDCs to administer the IDA program

- Establish a holding account for match funds that the CDC claims for participants, from which the funds can be dispersed to individual match accounts. The funding in this account must be kept separate from all other accounts managed by the CDC.
- Establish two (2) joint, custodial parallel accounts per IDA participant
 - Participant Individual/Personal Savings Account where participant savings will be deposited
 - Account for match to be deposited with the CDC listed as the custodian and the participant listed as the beneficiary
- Permit deposits to be made to an IDA account by either the IDA participant or the CDC, on behalf of the IDA participant
- Deposit state and/or federal match dollars in the amount indicated and delivered by IHCD through ACH transfer into the respective parallel IDA match accounts
- Ensure that both of the IDA accounts have restricted access protocols:
 - Participant can deposit only
 - Any account withdrawals have been authorized by the administering CDC through the use of a signed IDA Asset Purchase Withdrawal form
 - No ATM bank cards, online banking and/or telephone banking features are allowed for the participant
- Ensure financial services related to the establishment and maintenance of the IDA accounts are at no cost to the IDA participant as the account holder
- Guarantee all IDA accounts earn at least the market rate of interest
- Ensure funds dispersed for emergency withdrawal will be drawn from the IDA participants personal savings account and never the parallel match account
- Ensure that checks are made payable to a third-party vendor
 - IDA participants may not be remitters of any check except for approved emergency withdrawals by IDA Administrator
- Ensure IDA participants have access to a monthly banking statement
- Provide the IDA sponsoring agency with monthly statements of all deposits and withdrawals from each designated IDA account
- Establish an IDA contact person for your financial institution
- Partner with the CDC to assist in educating staff on the IDA program
- Adopt procedures to ensure that all information from or about the IDA participant will be handled and maintained in a confidential manner
- Provide the IDA Administrator and/or IHCD the status of IDA accounts upon request
- Maintain accounts in accordance with applicable state and federal regulations
- Work in conjunction with the IDA Program Administrator to closeout accounts after three years of being opened, unless explicitly told otherwise by CDC staff.

Section 300: Establishing an IDA Program within your Business

Implementing any new program incurs cost. Costs may include expenses such as labor or supply costs related to lost revenue from no account fees and indirect overhead due to maintaining accounts. Have a realistic understanding of the costs involved in establishing the financial institutions portion of the IDA program. Taking a long-term view rather than relying on a traditional break-even analysis may be more appropriate when evaluating fiscal performance of the IDA program.

301: Identify Time Commitment

These basic guidelines allow each financial institution to properly plan for the initial time it will take in setting up an IDA program. The longer the business is associated with the IDA program it is expected that you will find ways and develop processes to reduce these times.

- Executing the Memorandum of Agreement – 1 labor hour
- Maintaining an ongoing partnership with the IDA Program Administrator – 1 hour/month
- Member Services Staff Education & Training – 1 labor hour/quarter
- Depositing IDA match funds- 1 labor hour/quarter
- Developing Internal IDA Operating Procedures – 2 labor hours
- Adding IDA Program to company website- 1 labor hour

302: Assessing Staffing Demands

It is import that each financial institution select a staff person who will oversee the IDA program. This individual should be the point of contact for the CDC IDA Administrator or IHCD. They might also be the individual who coordinates any IDA specific training to Member Services staff.

303: Implementation and Training

Communication to affected personnel is an important part of implementing any new program or updating them to changes. An effective method of communicating and distributing information on the IDA program and it program requirements could be in the form of an internal newsletter, memorandum, or other type of official notice that circulates to employees within an organization.

304: Partnering with the CDC

Working with the CDC partner is key to the success of the IDA program. It takes both partners working together to assure the appropriate education is provided and that funds are available when the participant is ready for their asset purchase.

The CDC partner can also assist the financial institution in marketing the program to perspective participants as well as showcasing the financial institution as a valued program partner. As a partner they should be available to provide basic training to Member Service staff, financial institution management or governing board on the importance of the IDA program and program requirements.

Things a financial institution may want to consider in choosing a CDC Partner:

- Professionalism

- Capacity
- Proven program performance
- Communication and responsiveness
- Innovation
- Recordkeeping
- Accountability

305: Internal IDA Operating Procedures

Financial institutions should have written Standard Operating Procedures (SOP) for the IDA program to protect personal savings and match funds provided by the state. These procedures should ensure the integrity of the program as well as assist when staff duties are reassigned. Because the IDA program has specific programmatic requirements it will be up to each financial institution to determine how internally they will accomplish meeting the program objectives. An SOP should have the following basic framework:

- Lead financial institution contact information
- Designated financial institution back up and contact information
- CDC IDA Administrator contact information
- Account set up process
 - Account naming convention
 - Account holds to authorized staff
- Depositing match funds process including how to set up account restrictions
- Withdrawal process
- Account authorization, verification, and access
- Fraud notification process
- Reporting requirements to the CDC
- Possible IDA marketing approaches to customers
- Possible IDA training methods for staff

IHCDA Recommendation: Financial Institutions are strongly encouraged to keep a copy of the IDA operating procedures at each local branch or be available through a shared company drive.

Section 400: Administering the IDA Accounts

401: Administrator Account Set Up

In addition to working with two accounts per IDA participant, the CDC will also have two of its own accounts: one for its administrative funds and one for holding match funds. The CDC is eligible for up to \$750 per account it is awarded in a program round, and that funding must be kept separate from match funds. The CDC can use an already active account to collect the administrative funds it claims from IHCD, or it may set-up a completely new account.

The holding account for match funds is set-up so that IHCD does not have to collect and manage information on hundred individual match accounts. Instead, when the CDC makes a claim for one or multiple participants, IHCD will transfer the total amount of match claimed to the CDC's holding account, from which the funds can be dispersed to the individual accounts using a list of accounts and amounts provided by the CDC. Funds from this holding account should never be transferred to the CDC's account for administrative funds, or any of its other accounts; the funds should only go to the participants' accounts.

402: Participant Account Set Up

Financial institutions will work with the local CDC Program Administrator to establish two interest bearing savings accounts for each qualified IDA participant:

- One account for the participant's personal savings deposits
(e.g. *Justin Training IDA **Personal** Account*)
- A second account for the IDA program match deposits
(e.g. *Justin Training IDA **Match** Account*)

IDA participants are required to open an IDA personal savings account with an initial deposit of at least twenty-five dollars (\$25).

Accounts should be flagged as "IDA" accounts and should have participant access limited or restrictions added to the accounts as a control mechanism:

- Both accounts are joint custodial accounts with the CDC Program Administrator designated as the custodian
- Deposits only
- No ATM, online banking and/or telephone banking features
- Participants cannot close their own account without authorized permission
- Account holds to limit access to authorized company staff

Financial services related to the establishment and maintenance of the IDA accounts are at no cost to the IDA participant as the account holder.

403: Deposits

Financial institutions will allow **personal** savings deposits to be made into an IDA account by:

- The IDA participant

- The CDC Program Administrator on behalf the IDA participant
- Direct deposit from the participant's employer

On at least a quarterly basis, the CDC will review the deposits and process claims to IHCD for the required match funds. Once the claims are approved, IHCD will transfer the bulk **match** funds for each agency to the corresponding financial institution for deposit. The CDC will provide your financial institution a spreadsheet so you can distribute the funds to the appropriate IDA participant.

If there are any issues regarding a transfer payment from IHCD to your financial institution contact IHCD through our claims department at claims@ihcd.in.gov.

404: Withdrawals

Reference: Appendix- IHCD IDA Asset Purchase Withdrawal Form

Ensure all withdrawals (from either personal and/or match accounts) have been authorized by the CDC Program Administrator. This is proven by the signed withdrawal form to be presented to the financial institution *before any funds may be withdrawn by a participant*.

Ensure that checks (for purposes of an asset purchase) be written to a third-party vendor. IDA participants MAY NOT be listed as remitters on any check, unless for purposes of an emergency withdrawal.

The financial institution must ensure that funds disbursed for Emergency Withdrawals be withdrawn from only the IDA participants' personal savings.

405: Banking Statements

Reference: Appendix- Outcome Tracker IDA Bank Upload Format

Provide the CDC with monthly statements of all deposits into and withdrawals from each designated IDA account.

IHCD Recommendation: Provide electronic reporting to at least the CDC to minimize expenses and make it more cost-effective.

Provide the IDA participant a monthly electronic or paper banking statement that detail deposits into the personal and match accounts so they have the ability to track the growth of their accounts.

404.1 Release of Information

Reference: Financial Institution Release of Information Form

Select financial institutions require that a customer sign off on any banking account information being provided to another individual or business beyond the primary account holder, even if they are part of a custodial account. Therefore, IHCD has developed a Financial Institution Release of Information form for the CDC IDA Administrator. Upon request, they can provide these executed documents for your files.

406: Closeout

Reference: Appendix- IHCD A IDA Account Closeout Form

When an IDA is closed, the CDC will complete a closeout form and provide it to the financial institution.

The personal savings balance (plus interest) will be

- (1) be provided to the participant when the participant is present, or
- (2) subject to the banks policy on Indiana Unclaimed and dormant account status

Any remaining match funds (both federal and state) will be sent back to the IHCD A when the account is closed.

The CDC Program Administrator will provide the financial institution with an executed IDA Account Closeout Form.

In instances where the Financial Institution is not able to close out an account with a CDC they can contact IHCD A to close the account. This option is only available extenuating circumstances and should not be used on a regular basis.

407: Indiana Unclaimed Property

Each year millions of dollars are turned over to the Indiana Attorney General as unclaimed property. The purpose is to help return these funds to their rightful owner and dormant IDA funds are no exception. Any financial asset in an IDA participant account with no activity by its owner for an extended period of time (after the IDA account closeout) is considered unclaimed property. In accordance with Indiana law, property is considered “unclaimed” when the holder of the asset, after a legally specified period of time (IDA considers this a financial institution decision), is unable to find or contact the owner. The law (IC 32-34-1-26(h)), requires business entities and others to review their records each year to determine whether they are in possession of any abandoned funds that is reportable, and prepare an annual report of abandoned property.

A holder is a bank or other financial institution. The holder must turn over the property to the Indiana Attorney General’s Unclaimed Property Division after attempts at contacting the rightful owner have been unsuccessful. The financial institution and your CDC partner should collaborate on this effort because the CDC has likely been trying to contact the IDA participant prior to providing the closeout documents to the financial institution.

Section 500- Common Question and Answers

IDAs

Q: Are IDA Programs giveaway programs?

A: No, matches on participants are not “giveaways.” Participants earn savings match by saving their own hard-earned dollars and taking other steps to prepare for the future, including completion of a financial education course and attendance at asset-specific training. Providing match dollars is a way to help hard working low-income families and individuals build a more stable and secure future. Everyone benefits when more members of a community have the tools they need – the productive assets – to provide for themselves and their families. This same thinking has been behind government initiatives like the Homestead Act of the nineteenth century and the GI Bill following World War II.

Financial Institutions

Q: Who is considered a “financial institution”?

A: Indiana Code 4-4-28-3 defines a financial institution as a bank, saving association, credit union, or any other institution regulated under IC 28 or federal law.

Q: Do a Financial Institution’s activities in connection with Individual Development Accounts (IDAs) qualify for favorable consideration under the Community Reinvestment Act (CRA)?

A: Partnership in an IDA program may qualify for favorable consideration in a Financial Institution’s Community Reinvestment Act (CRA) evaluation under the lending test, the investment test and the service test.

Memorandum of Agreement (MOA)

Q: Does the entire Memorandum of Agreement need to be returned or just the page with the signature?

A: Please return the entire document with original “wet” signatures and all required supporting documents, if any, at the same time.

Q: Do we need to submit more than one Memorandum of Agreement, if we work with more than one CDC?

A: No, the front page of the MOA allows for a financial institution to check multiple CDC’s that they work with.

Q: Can a financial institution partner with one CDC and not another CDC who also administers the IDA program?

A: Yes

Fees

Q: Can the IDA accounts be charged fees?

A: No, these accounts may not be charged fees.

Withdrawals

Q: Does the CDC Program Administrator need to be present during withdrawals?

A: This is not required by IHCD, but it is encouraged. Some agencies serve so many clients that it is not feasible for them to be present with the participant for the withdrawal. In either case, the participant must provide an approved and signed withdrawal form, and the bank has the right to contact the agency if they question the validity of that form.

Q: What is a withdrawal form?

A: A withdrawal form is either the IHCD approved withdrawal form or a CDC created withdrawal form. The CDC withdrawal form must be on company letterhead that has both the participant signature and CDC IDA Administrator signature. It should also provide the exact amount of funds to be withdrawn from the participant and match accounts.

Q: Can withdrawals from a participant account be done without a withdrawal form?

A: No, the financial institution would then be responsible for replacing any funds if the expense was unallowable or made out to the incorrect third party recipient.

Q: Can IHCD sign off on the withdrawal form instead of the CDC IDA Administrator

A: Yes

Q: Does the financial institution need to see back-up documentation for the withdrawals?

A: The signed IDA Withdrawal Form is the only form of documentation that that is needed for the bank to process a withdrawal or closeout. The responsibility to approve the eligibility and amount of the withdrawal rests with the CDC, so the financial institution does not need the back-up documentation.

Q: Can an IDA participant withdrawal program funds from multiple financial institution branch locations?

A: Yes, as long as the branch locations are familiar with the IDA program operations.

Q: What if any funds are released to the IDA participant without the appropriate signed documentation?

A: Contact the CDC Program Administrator immediately so they can contact the participant and have the funds returned to the appropriate accounts.

Fraud

Q: What does the financial institution do if it suspects fraud from an IDA participant?

A: Notify the CDC IDA Administrator immediately so they can begin an investigation. They will then notify IHCD.

Conclusion

IDAs are an important community development tool. They provide for a unique partnership or collaboration between financial institutions and community-based not-for-profit organizations. This relationship establishes a pathway for each participants to grow and succeed in the program. By combining the matched savings accounts with financial education classes, asset specific training and case management, the IDA program assists participants in changing their behavior around savings and spending, show them how to set goals and plan for the future. Over the course of the program they will have moved into the financial mainstream and gained new opportunities associated with their financial institution.

THANK YOU

Thank you for being a part of the IDA program. Your partnership and participation are essential to the overall success of the program. Through this simple service, many lives have been transformed, more people have become more financially empowered, and new legacies have been created.

IDA Asset Purchase Withdrawal Form

Request:

- ☐ Approved
☐ Denied
☐ Pending

ORGANIZATION NAME: _____

Award Number IDA-0 -0 Participant SSN: XXX-XX-

IDA PARTICIPANT NAME: _____

FINANCIAL INSTITUTION NAME: _____

Savings Account # _____ Match # _____

Purchase Type:

- | | | |
|--|---|---|
| <input type="checkbox"/> Business | <input type="checkbox"/> Job Training / Education | <input type="checkbox"/> Primary Residence (Home) |
| <input type="checkbox"/> Motor Vehicle | <input type="checkbox"/> Owner-Occupied Repair | <input type="checkbox"/> Emergency (SAVINGS ONLY) |
| <input type="checkbox"/> Re-Assignment ROF | | |

Description of Purchase: *(Provide a general purchase type description)*

Is Required Supporting Documentation Attached?: ☐ Yes ☐ No

Withdrawal Amount

Savings: _____

State: _____

*Note: Calculate by knowing the amount requested and the participant's match rate, represented as a ratio of X: 1, where **1** represents the client's savings and **X** represents the match rate.*

Total Savings: _____

Total Match: _____

**Total
Withdrawal:** _____

To calculate participant savings amt:
 $\text{Purchase Total} / X + 1 = \text{Part. Savings}$

To calculate match amount:
 $\text{Part. Savings} * X = \text{Match Funds}$

Check Payable to Third Party Vendor: _____

Important Note: IDA participants should be listed as a remitter on the check ONLY if this is an Emergency withdrawal. If this is an Emergency Withdrawal, ONLY savings funds should be used, not match.

Participant Signature

Date

IDA Administrator Signature

Date

IDA Account Close-Out Form

ORGANIZATION NAME: _____

Award Number IDA-0 -0 Participant SSN: XXX-XX-

IDA PARTICIPANT NAME: _____

FINANCIAL INSTITUTION NAME: _____

Savings Account # _____ Match # _____

Account Closing:

☐ Graduated

☐ Reassigned

☐ Non-Graduated

Type of Non-Graduated

☐ Voluntarily Closed

☐ Moved out of State

☐ Terminated (non-compliance)

☐ Abandoned (no activity)

☐ Other: _____

Notes:

(Provide general close-out description)

Is Supporting Documentation Attached: ☐ Yes ☐ No

Amount Returned to Participant

Savings: _____

Interest: _____

Total Returned: _____

Amount Returned to IHCD

Total: _____

Non-Graduated

I understand that closing my IDA account forfeits my ability to use any remaining matching funds and that I am also excluded from future participation in Indiana's IDA program. My savings are being returned to me and any matching funds are being returned to IHCD.

Participant Signature

Date

IDA Administrator Signature

Date

Graduated

I understand that I have met all the program requirements by making an asset purchase. I am settling all accounts to remove myself from the program in good standing. I will receive any unused savings from my account and any matching funds are being returned to IHCD. I understand that I am excluded from future participation in Indiana's IDA program.

Participant Signature

Date

IDA Administrator Signature

Date