

Personal Investment Enterprise

Individual Development Account Fact Sheet

1. What are IDAs?

Individual Development Accounts (IDA's) are matched savings accounts funded by public and private sources. These accounts are designed to help low-income and low-wealth working families save exclusively for the asset goals of first-time homeownership, post-secondary education or business capitalization.

2. Who is eligible?

Personal Investment Enterprise is open to individuals and families who live in Boulder County or Broomfield County and who meet income and asset requirements

3. Who holds the savings accounts?

All accounts are held at partnering banks.

4. Who administers this program?

Foothills United Way and Boulder County Community Action Programs administer Personal Investment Enterprise jointly. 17 partner agencies work with the Program to help identify and counsel participants.

5. How much assistance can a participant receive?

For every dollar a participant deposits in his/her savings, Personal Investment Enterprise will deposit matching funds on a 4:1 ratio up to \$4,000.00.

6. What are the minimum monthly deposit requirements?

The minimum monthly deposit is \$33.00 per month of earned income.

7. What are the training requirements?

Training requirements include financial literacy training and asset-specific training for all Participants. The financial literacy course is four 2-hour classes. Each participant also completes a specialized asset training class dependant upon his/her savings goal.

8. How can a participant withdraw from the Program?

If a participant stops contributing earned income to his/her IDA account, the Program will refund the saver's deposits but none of the matching funds.

9. Can a participant withdraw funds from the Program?

A participant may withdraw funds in the event of a medical or family emergency. The funds withdrawn must be from the participant's savings and not from the matching funds. Withdrawal of funds does not remove the participant from the program,

10. How are the funds disbursed?

A vendor check will be issued to the company, institution or individual furnishing all or a part of the savers asset goal (a mortgage company, home inspector, wholesale supplier, community college, etc.)

11. What affect does an IDA have on income tax?

The IRS has ruled that only the participant's interest income earned on the savings account is taxable. Since match funds are paid directly to the vendor (Title Company, business supplier or education institution) on behalf of the participant, the IDA funds are not taxable.

12. Will opening an IDA affect other government assistance (SSI, SSDI, etc.)?

No. Federal policy states that any “asset that accumulate in IDAs—including an individual’s contributions, matching contribution and interest—from being considered when determining eligibility or benefit levels for any Federal program that considers assets or interest income”.

13. What is the minimum/maximum savings period?

Participants are required to stay in the program for a minimum of six months. The maximum participation is 30 months: however a saver may petition for additional time to reach his/her goal.

14. Can IDA funds be used with other assistance programs (down payment, low-interest business loans or scholarships)?

Yes. Savers that are also eligible for other assistance programs are encouraged to leverage their savings to achieve their goals more quickly.

15. Does a participant need to be employed to qualify for an IDA?

Yes, at least 30 hours/week with some exceptions for full-time students, disable, and elderly participants. Federal regulations clearly states that deposits made into IDA’s must come from earned income.

16. What happens if a participant’s income increases?

Once a participant qualifies for the IDA Program he/she remains qualified until the asset goal is purchased.

17. Where can a participant purchase his/her asset?

First time homeownership savers must purchase housing in Boulder, Broomfield, Larimer or Weld County. Small business and postsecondary education assets do not have restrictions.

18. Are savers required to pay back matching funds?

No, Ida funds must be used for asset purchase: however, participants are NOT required to reimburse the matched IDA savings.

Individuals or families interested in more information about Personal Investment Enterprise can attend regularly scheduled orientation sessions. Enrollment applications are distributed during these orientations. To find out the dates and locations of upcoming orientations, or to receive addition information, call 303-441-3998.

Website:

<http://www.bouldercountypie.org>

**Boulder County Community Action Programs
303-441-3998 or email ngallo@bouldercounty.org**

Or

**Foothills United Way
303-444-4013 x111**