

lowans \$ave!

Individual Development Accounts (IDA's) for First Time Home Buyers

What	<i>lowans Save!</i> is a special savings program where people in Southwest Iowa with limited incomes save a dollar and are matched a dollar to save for their first home.																		
Income Guidelines	<p>Participants must have earned income and be at or below 200% of poverty, and/or be eligible for the Earned Income Tax Credit (EITC). Earned Income is defined as taxable income gained from working as an employee and/or net earnings from self employment. Adjusted Gross Income (AGI) is used to determine income eligibility.</p> <p>The 2006-2007 Income Guidelines for the <i>lowans Save!</i> program are:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #003366; color: white;">Family Size</th> <th style="background-color: #003366; color: white;">Income Level</th> </tr> </thead> <tbody> <tr><td>1</td><td>19,600</td></tr> <tr><td>2</td><td>26,400</td></tr> <tr><td>3</td><td>33,200</td></tr> <tr><td>4</td><td>40,000</td></tr> <tr><td>5</td><td>46,800</td></tr> <tr><td>6</td><td>53,600</td></tr> <tr><td>7</td><td>60,400</td></tr> <tr><td>8</td><td>67,200</td></tr> </tbody> </table>	Family Size	Income Level	1	19,600	2	26,400	3	33,200	4	40,000	5	46,800	6	53,600	7	60,400	8	67,200
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Money Match	<p>With an <i>I-Save!</i> Account every dollar of saving is matched with another dollar. Participants must make a minimum deposit of \$25.00 in their account each month. For example, if you deposit \$25 a month in a savings account, <i>lowans Save!</i> will deposit \$25. If the second month you deposit \$40 then <i>lowans Save!</i> will deposit \$40.</p> <p>The maximum amount that can be matched is \$1000 per person. It is possible that a couple can each contribute up to \$1000 and each receive the \$1000 match.</p> <p>Of the maximum \$1000 match, \$500 comes from the federal government and \$500 comes from a local match, currently the Iowa Finance Authority.</p> <p>Note: Qualifying first time home buyers may <u>also</u> be able to access additional money for down payments and low interest loans through special programs administered by the Iowa Finance Authority, local financial institutions and/or local housing organizations.</p>																		
Time	A participant must be in the program a minimum of 6 months before a withdrawal can be made. Participants have up to August 2007 to complete all program requirements and purchase a home.																		
Savings Account	The <i>I-Save!</i> account is a normal savings account set up through a US Bank location in Iowa selected by the participant. The match money is kept in a separate account. Participants will receive a monthly statement showing their individual savings plus the amount of matching money earned.																		



Education	Participants will receive financial education and home buyer education training to help them make sound decisions about the use of their savings.
Goal	When the savings goal is met, the participant requests a withdrawal. At this time they will also meet with the program manager and review what they have learned to help them use their money wisely. Then the savings amount and match money are withdrawn by means of a check made payable to the vendor the participant is purchasing the asset (home) from.
Application	Applications are available from Mary Beth Kaufman, SW Iowa Making Connections Coordinator, phone: 712-755-3104 or 877-256-0801. Participants will need to attend an orientation session and sign a savings agreement.
FAQ's	<p>Q. Can the account be used for other purposes? A. No. The idea behind lowans Save! is that the savings will be used to buy something of value that will benefit you and your family.</p> <p>Q. What if someone in my family is receiving some form of public assistance? A. The I-Save! account is disregarded for the purpose of determining eligibility to receive any assistance or benefit authorized under family assistance. Also, the I-Save! is exempt as a resource for all public assistance and medical assistance.</p> <p>Q. Can I make emergency withdrawals? A. Emergency withdrawals are discouraged and are not allowed within the first six months you are in the program. After six months, if you need to make an emergency withdrawal, you must get permission from the lowans Save! program manager. You must repay your account the amount you withdrew within one year. Only your savings can be withdrawn. You do not have access to the match funds until you complete the program.</p> <p>Q. What if I miss my monthly deposit? A. One of the purposes of lowans Save! is to establish a regular pattern of savings. If you fail to make a deposit for a period of three months, you may be terminated from the program. Your savings and the interest earned may be put into a non-lowans Save! account, or withdrawn from the bank, but you forfeit the match money if you do not complete the program.</p> <p>Q. What if my income goes up, or I lose my job after joining the program? A. lowans Save! certifies your eligibility for the program at the time you apply. You can remain in the program even if your income increases or you become unemployed, as long as you continue to follow the program guidelines.</p>