

Individual Development Account Application FAQs

What is an IDA?

An Individual Development Account (IDA) is a matched savings account that is established for the specific purpose of securing an asset.

What is a matched savings account?

Your savings is matched at a 4:1 ratio - \$4.00 for every \$1.00 you save, up to a pre-determined savings goal. Your Asset Coach will work with you to determine your goal.

When can I withdraw my funds?

In order to receive the matched funds as well, the following must be complete:

- You may withdraw your funds after 6 months of regular deposits;
- Graduate from Financial Management course, prepare a household budget and Self Advocacy Portfolio;
- Complete an asset purchase plan for your intended asset showing the use of the funds.

What asset purchases are available under this plan?

- Creation or expansion of a business,
- First time home buyer (have not owned a home in the last three (3) years),
- Education (college or vocational institute that accepts federal aid).

Am I eligible for an IDA?

Income

ONE of the following must be true:

- You are eligible to receive TANF (Temporary Assistance for Needy Families) assistance, <http://www.hsd.state.nm.us/isd/tanf.html> or,
- You are eligible to receive the EITC (Earned Income Tax Credit. See line 64A of 1040 for Federal, Line 14 of PIT – RC for State, to see if you qualify), <http://www.irs.gov/Individuals/EITC-Multilingual-Page> or,

- The adjusted gross income of the household falls under 200% of the federal poverty guidelines (see table below).

200% of Federal poverty guidelines for 2014

Size of Family	Annual Income Limit	Size of Family	Annual Income Limit
1	\$22,980	5	\$55,140
2	\$31,020	6	\$63,180
3	\$39,060	7	\$71,220
4	\$47,100	8	\$79,260

Net Worth

Net Worth of the household (excluding one vehicle and one home) falls under \$10,000.

Earned Income

You, or someone in your household, must have Earned Income. Generally, this means the income that you declare on your tax form.

Do I have to have a job?

You or someone in your household must have Earned Income, as defined by the IRS.

What is a household?

Anyone that you live with and share full living expenses and are required to file taxes together.

Will this impact my State benefits, including Financial Aid?

IDA's will **NOT** put your federal or state benefits at risk.

What are the benefits of an IDA?

Through financial planning and education, understanding debt and your spending, it is possible to put aside funds in order to reach your financial goal.