



Individual Development Accounts (IDA's)

Individual Development Accounts (IDA) are special savings accounts designed to help qualified individuals or couples save money to buy their first home, start their own business, or pay for educational costs.

How IDAs Work

Monthly deposits are made to an IDA account for a certain period of time. For example, regular deposits are made for two years. At the end of the two years, the deposits total \$1,000 and then the \$1,000 is “matched,” which means that an organization, (bank, religious organization, foundation, state or local government) deposits an equal amount of money into the IDA savings account. In this example, it is \$1,000. This is called a one-to-one (1:1) match. As a result, the IDA account now has a total of \$2,000.

In some instances, organizations provide a 2:1 match or better. For example, \$1,000 is deposited over a two-year period. The organization providing the match deposits \$2,000 into the savings account.

Eligibility

There are many IDA programs across the country and each has its own eligibility requirements. However, most IDA programs will require the following:.

- Complete the application process
- Meet employment eligibility guidelines
- Meet household income guidelines
- Participate in financial literacy courses
- Use the money you save for a special purpose
- Open a savings account
- Make monthly deposits

Benefits

The following benefits are received by participating in an IDA program:

- Money to help you reach your goal
- Credit repair assistance
- Financial management training

Finding an IDA Program

The Internet is an excellent source for finding an IDA program in your state. In fact, many of the IDA programs across the country are listed on the IDA Network's web-site, which is sponsored by the Corporation for Enterprise Development (CFED). The IDA Network's web-site address is www.idanetwork.org.

The following instructions will help you navigate the IDA Network's web-site in order to obtain a list of IDA programs in your state.

1. Access the IDA Network's web-site (www.idanetwork.org)
2. Select "State Pages"
3. Select your state

Your loan coordinator may know of an IDA program in your local community. If you do not have access to a computer, visit your local library or ask your loan coordinator to help you get a list of IDA programs in your state.