AFI Webinar: Choice Neighborhoods
May 11, 2015 1:00 pm ET

Miss Appel-Newby: The Department of Housing and Urban Development. I'm so used to saying Health and Human Services. We're hosting today's webinar via the Adobe connect platform and so if you have any questions you can use the Q & A pod that is to the right. We're going to have Q & A session at the end of the presentation, but if you have questions during the presentation don't hesitate to submit them via the Q & A pod.

At this point we've muted all participants for sound quality. This webinars being recorded and it will be made available on the AFI Resources Website at the address shown here and we'll send out an email when it does get posted.

And then if you need a copy of the materials sooner, you can always reach out to us at the AFI Resource Center for a copy of the slide deck before it gets posted if you'd like that.

Our presenters today are Pamala Lawrence with the Department of Housing and Urban Development. Myself, Emily Appel-Newby from the AFI Resource Center to talk about the AFI side of things. And then we have a special guest from Jackson, Michigan; we have Miss Tammy Farnum, who is going to speak about their experience operating an AFI project for home ownership and other goals.

So with that I want to turn it over to Miss Lawrence to welcome you all to the webinar and to explain why we thought this would be a good idea.

Miss Lawrence: Thank you Emily and welcome to the webinar all who've joined the call please spread the word about this wonderful resource. I know it's not new, but we have so many new players that come into the human services game with in public house and Section 8, I think it's worth continuing to uplift the market. That's why I wanted to be a part of this webinar is that I've myself worked at a Housing Authority for 10 years and now working at HUD, know how important it is to create a comprehensive continuum of resources that truly support our residents and our consumers in becoming independent economically.

And I know that the essence for independents is one of those rungs along that continuum of services. But often it doesn't get implemented in concert with the other HUD programs that do exist. And so I wanted to take a few moments just to uplift how HUD is committed to economic self-sufficiency as well as independence from subsidies and even moving forward out of public housing and Section 8 into home ownership.

This first slide that you'll see, there are 7 programs that I've uplifted and no means would it be to indulge everything that HUD has to offer, but they are some of the core programs that support our self-sufficiency programming. I'm going to specifically talked about the first two today in the next slide; it's the Earn Income Disregard Program, for give my acronyms a little twisted on this slide, it's EID; and then the Public Housing- Housing Choice Voucher, Family Self-Sufficiency Program, which has an escrow account. I believe that many are familiar with our H. O. M. E Program; which is Home Investment Partnership Program that allows for individuals who are 80% of area meeting income to Assets resources for home ownership.

We also have a Comprehensive Housing Choice Voucher Home Ownership Program that allows those that are on Section 8 to take that voucher and move towards self-sufficiency through home ownership if they're working as an individual who is earning an income and even for disabled population.

And then the 5th and 6th and 7th items identified are specific programs that HUD offers varies communities to grant opportunities to help residents to become self-sufficient. Our new Assisted Jobs, plus and so welcome to those grantees who have just recently been awarded the Jobs Plus Grant. The Hope 6 Program, which was housing the neighborhood, which is coming to the end of its life if you will as a grant program in choice neighborhoods, which is taking its place as a revitalization program; focusing on housing, neighborhood and people.

So we have 7 programs that really support economic self-sufficiency and in some levels active independence. Can you flip to the next slide for me, in length?

The two I wanted to talk about today, are closely aligned to the Assets for Independence Program. And we have the HUD Earned Income Disregard Program, sometimes you'll hear people reference as the Earned Income Disallowance Program, same one. You see two columns of information, the work incentive and eligibility, why we're offering a disregard of income years back, it started in the '90s and has been updated further to allow other target housing to be included. It was to incentivize our residents to go to work. The often residents were a bit apprehensive in going to work because as soon as they took on new income their rent went up, then it was no longer viable for them to pay for child care and transportation and other work related expenses.

And so the way the Earned Income Disregard Program is structured it gives you 24 months of disregard, 100% of your new income for the 12 months, 50% disregard for the second 12 months and that can be spread over a 48 month period of time. So that allows for people to start and stop employment as they're trying to explore the work world and get stabilized and to take job promotions and to go back to school and get training. And so that clock can stop and start for that disregard still incentivizing our residents in public housing as well as disabled persons who are in the CHIP program, the H. O. M. E. program, the HOPLE, which is Housing Opportunities for Person with AIDS and disable individuals on the Section 8 Voucher Program.

So one time, life time use of Earned Income Disregard and then once that income after the full 24 months of working you would then have a reassessment of your income and rent would then be calculated based upon your new income. And so that's a strong program for helping resident to transition into the work world and not face higher rent costs, particularly when they're testing the world.

And then if you'll flip to the next slide. The Family Self-sufficiency Program; there used to be two programs, the Public Housing Program and the Housing Choice Voucher Program, just in recent years those programs have been combined. And so the eligibility is pretty much the same. What you see is that this program focus around helping resident become

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I think you're on the call. So what is specific about the escrow account is that it provides an incentive for residents to move to the next level once they complete this journey of becoming independent, economically independent, no longer depending upon any welfare assistance. And so you'll see that residents become employed. They're independent from welfare. And one they accomplish that goal of being employed for at least 12 months; they then get the escrow payment, which is generated by the increased amount of rent they're paying from this new earned income. Different from the EID, is that one does not charge new rent on your income the FSF program does charge rent, but then you're credited this money back through the escrow account. And we've seen many people in with escrow payments of $10,000, $12,000 because they've taken advantage of education training programs that truly move them into livable wage types of employment.

And so both of these programs work well in concert with the Assets for Independence in that they move both to employment, which is one of the requirements for the Assets for Independence is that they will match earned income. And so you can see how they can be used as a continuum of moving people to the point of having a savings and investing for future opportunities.

And so I'll be available for further questions if you have any at the end of the call. And so Emily may I turn it back over to you to give details of the Assets for Independence Program.

Miss Appel-Newby: That's wonderful, thank you so much for that background and information about how all these strategies can fit together. Because I'm sure that the sites that we have on the call today are probably more familiar with the HUD program and so it's great to see how we can tie these altogether.

The AFI Resource Center provides support to AFI Assets for Independence Grantees as well as applicants. And so I wanted to tell you – and so we're doing this blast to reach out to all the different place based initiatives across the different agencies. And so that's why we came to partner with Pamala and we're seeing some really great opportunities for cross collaboration and so I'm just really excited about this.

The AFI Program is a discretionary grant program administered by the Office of Community Services and the Administration for Children and Families, which is part of the U.S. Department of Health and Human Services. And it's one of the key Human Services Agency that works on economic and social well-being of families, individuals and communities; so a lot of programs that you're probably familiar with because of your – through working

with your low income clients, Head Start and Childcare ,
Welfare and CFBG among others.

The AFI; the Assets for Independence Program was created by Congress in 1998 to demonstrate an asset based approach to increasing self-sufficiency for low income individuals and families. So there's income support mechanisms; such as SNAP or food stamps and cash assistance from TANIFF and then there's the asset building approach which is kind of the taking it to the next level. If the income support stub is either a safety net, then asset building is a ladder that takes people to the next level of financial security. And by helping them build financial assets, so tangible things; such as buying a home or intangible; such as their educational attainment.

And so the Assets for Independence Program does this by funding projects operated at community based organizations or governmental agencies across the country that provide individual development accounts or IDAs and related asset building services to low income people. So IDAs, if you haven't heard of this approach before, they're matched savings accounts with a specific goal of helping people purchase an asset. And we'll explain a little bit more about how IDA's work in the next couple of slides.

And then AFI IDAs in particular, AFI funded IDAs may be used to purchase a home, to capitalize a business or to fund post-secondary education and training. So you can see how each of these might tie into building wealth for an individual family and that align so well with the goals of the Choice Neighborhood Project. Also just for on the individual level and the family level, but also on the community level because obviously communities are stronger when you have a higher rate of home ownership and local business ownership and a higher average income from people who have higher educational advantage. You can see how it all ties in.

So our goal in reaching out to these place based initiatives is they kind of realize that the Office of Community Service that AFIs fit in well. AFI IDAs it in well to a lot of the goals of the federal place based initiatives. And so when they were writing the funding opportunity announcement this year, four Assets for Independence for new grantees, they put in some bonus points in the funding opportunity announcement for projects that work with place based initiatives. So in order to get these bonus points you don't have to be the lead agency on a place based initiative rather you have to get some buy in and some collaboration from the leader of the place based initiative; that your AFI project and the place based initiative is going to work together on some mutual goals; referral of mutual client. And so that's why we're doing this outreach to a bunch of the different place based initiatives, including Choice Neighborhoods. So the Jobs Plus Program is not included on the list of place based initiative that receive that receive bonus points, but there are – there's another section of bonus point for collaborations with other – specifically with other public agencies that serve a lot of the low income and needy populations that are of concern of interest to AFI

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Miss Appel-Newby: ….and so I think that a lot of the Jobs Plus programs would be able to get bonus points under a different section of the funding opportunity announcement which I didn't highlight here, but it's the same kind of thing. You need to talk about your collaboration and document your collaboration.

And so this webinar and the others in the series that I'm doing reflect HHS's interest in bringing asset building to the place based projects to have an increased amount of synergy and just a recognition that we're all working together on poverty elevation and building self-sufficiency for families. So let's bring all the strategies together that we can.

So with that I'm going to get into a little bit more detail about how these IDAs actually work and then we're going to turn it over to Tammy in a few minutes here, so that she can explain how they work in Michigan in particular.

So these next couples of slides are how AFI works. How AFI IDAs work from the participants perspective. I think that's a helpful way to see it. And I have a graphic representation next. So Kim is our imaginary low income mom. She wants to purchase her first home. She identifies an AFI grantee in her community; maybe it's at the local Housing Authority. And she applies with them and they determine she's eligible and so she opens her IDA and she safes $55 a month from her job so she saves that for 3 years. And she's working on building her credit and she's taking home ownership classes. And she's taking financial education and she's getting her taxes done and claiming the EITC. And so she's trying to save towards her goal of $2000. And they're going to offer her a 2 to 1 match rate.

So that means she's going to save $2000 and then she's going to receive $4000 from the AFI grantee in matching funds. And kind of behind the scenes where the AFI grantee gets this $4000 from; they get $2000 from the federal AFI program and $2000 of it from non-federal funding sources that they have brought to the project. That's a requirement of all AFI grantees that they have to raise an equal amount to their AFI grant from non-federal sources. So this could be private sources like foundations or corporate donors, it would be local or state level, public sources or it could be earned income generated by the entity its self.

So this is kind of graphical representation of how these AFI IDAs work. So you see that in the light blue box Kim is saving her $2000 then she gets the $4000 of matching so she has a total of $6000 available for her home. And again, home ownership is not the only purpose. It can also be for post-secondary education or training or capitalizing a small business.

And a point that I want to make here is for any of those goals the amount of money that the person can save and the amount of match that you can offer may or may not cover the entire out of pocket cost for the individual to make that asset purchase. And so what we fully expect grantees to do is to help their participants tap into other sources of financial assistance. And if you're in home ownership already, you probably already know about all these other sources of assistance that you can connect participants with. And so the IDA is just an additional tool, an additional source of financial assistance that you're going to layer in and use to help them achieve their goals.

So that's kind of how I would want potential grantees to think about using the IDA as an additional tool in their tool box to help the families they work with achieve their asset purchase goals.

So then quickly just who are the eligible participants? It's an individual who's a member of a household that is eligible for TANIFF in the state. Or an individual who is a member of a household that meets both the two test. There's an income test and a net worth test. On the income test basically they have to be under 200% of the federal poverty guidelines. And on the net worth test they have to have net worth of less than $10,000 excluding the value of a primary residence and one vehicle.

So we look at eligibility at the household level, so obviously that 200% of the federal poverty level; those are actually the HHS annual poverty level guidelines. And there's a link to those on our website. And obviously as your household size goes up, the income limits on that go up as well. And I can send anyone a link to that if they're interesting in seeing that.

So kind of seeing that a little bit about how IDAs work and what they can be used for; I wanted to turn it over to Tammy to share a little bit about how IDAs have been helpful in her work at the Community Action Agency in Jackson, Michigan. Are you ready Tammy?

Miss Farnum: Yes, I am thank you Emily.

I just want to comment on I'm very excited to hear Pam talk from HUD and I'm gonna get into this a little bit later about how well the two programs; the IDA and the FSS programs really work well together. This is a really great partnership, so I'm very excited to be part of it. And our Community Action Agency, as Emily mentioned, we're in Jackson Michigan. We're an actual tri-county organization where we have 3 counties; Hilldale, Lenawee and Jackson. And Hilldale and Lenawee are very rural and Jackson has urban mixed with rural in it so that makes up our tri-county area.

We have over 60 programs that we operate within the 3 counties and some of them include weatherization programs, Headstart, the Volunteer Income Tax Assistance Program, W.I.C, Adult Literacy, the IDA Program, Housing Counseling Services. Most recently we added supportive Services for Veteran Families Program. And we have transitional and permanent supportive housing programs. We also do some rehab.

So to me the Action Agency; a little bit of history with the IDA program, is we are the regional coordinator for our area. And we have 8 counties in our region. And so what we do is we apply for the accounts through AFI and then we distribute them to our, we call them program sites. So our participants that receive the account across the 8 counties, their goal when they enter the IDA program is they are getting into it to purchase a home, receive a secondary education, start a business or even expand their business. And one of the reasons for some of our participants is they really want to achieve financial independence. Whether they're single moms, just recently people who had a financial hardship or they've went through a divorce or medical and they really want to build their assets.

So what happens after they enter the program is they do have to attend what we call asset education for each one of the programs they're in. So if they're buying a home they have to take home buyer education. And if they're starting a business they have to do a business plan and they have – we have like a series of business plan classes that they do one on one with our IDA coordinator. And they also have to do a career assessment if they are looking at a secondary education.

So they receive the education and they also have to take all three programs, they have to take financial management classes. So it's a requirement of the program. So when they come out of those classes and they get to purchase their asset, not only are they purchasing the asset that they got in the program for, but they now have learned additional asset building techniques that can help them. They've increased their credit score, because we do pull a credit report. And our statistics show that most of our clients, their credit score has increased since beginning the IDA program.

They create a steady savings program. One of the benefits of this IDA program is because we require that they save for a minimum of six months and they have to have; and we call them qualifying months; and they have to save $20 a month for that month to be a qualifying month. And that gets them in the habit of savings, because one way to create a steady savings program is to make it a habit. And that's the first thing that we teach them. So they end up coming out of the program with a steady savings program. Because even though they've reached their savings goal, we still have them save the money until they purchase so that way that habit still continues.

They have also created a budget. We do require that to be in the file so that they're looking at what they can afford to purchase, they're track in their spending to see if they're ways that they can cut back and save more. And that's one thing that's done in the very beginning of the programs. They also have stability. They end up with this financial security and it really makes them feel good.

Next slide please.

So our mission here at Community Action Agency, our actual mission is to help families achieve self-sufficiency. So this IDA program really helps us fit that mission in helping participants reach their goal of financial independence by building assets.

So in addition we do have other programs that help them reach those assets. As I was mentioning the financial education, but we also do one on one individual financial coaching where we can sit with them one on one and set some longer-term goals and put them in touch with resources that can help them; whether it's financial planning. We have a lender who comes and speaks at our financial management classes and talks about the benefits of investing. We have an agency that comes in and so not only do you get the lender's view but you get an investment company – financial investment company view. So they can continue to build on their assets even after being in the program.

We also run the Volunteer Income Tax Assistance Program. And actually our local Housing Commission is a partner in that; where they allow us to use their facility to hold the vita tax clients that we see during this time.

A little bit of demographics on our participants; since – for the last – we were in the original pilot back in 2001, 2002; so these numbers don't include that they just include since 2004. We've 572 savers. We've had 60% of them were employed full-time. With our IDA program you have to be employed, you have to be working even if it's 5 hours a week you have to be working. So we have 60% of our participants were employed full-time and 40% part-time. The average age range of our participants, the largest is 39% from where they are ages 30 to 39, and 22% are 40 to 49. That's our largest percentages. 72% are women; 28% are men. We have 62% are single adult households. The majority of that 62% do have at least 1 child in the household. So we do have a lot of single parents in this program. The income range is we have 45% of our participants are between 100 and 150% below poverty level and then 29% are between 150 and 200%.

And this is important to look at when you're thinking about an IDA program because the lower the income the more time spent that your caseworker is probably going to spend on them. As well as it will help you figure out how you want to – how much down payment assistance you want the match to be for your demographic area. That's one thing to look out for.

We've had 242 graduates. We 86 that are currently enrolled. So you'll notice that there's a little bit of a difference in the number that we've had total come into the program versus how many have graduated. And part of that is because you screen your participants in the beginning to enroll them but not all of them will continue to stay in the program. You will have some that will drop out. We hope not to have any of that but we do. So then you just enroll somebody else in that same slot.

Our average that our participants save per month is $66.62. So total since the last few years we've had our participants have saved $514,000 well 514,079. So that's a pretty good number.

And what great about the IDA program is you can use it in addition to other resources. Emily was saying you don't want it – the IDA is to assist with other programs. It really does work well because when you looking at participants who might be getting a special down payment assistance through your state, that they may be using federal dollars already with their program, so the IDA program usually compliments that other federal program because they're separate funds. So you are able to use them and layer so different down payment assistance. And same with schools and businesses; you can use it in addition to scholarship that students are receiving. As well as businesses; a lot of times you get start up loans. In our area there's really no grant for business startup so this really helps someone that is trying to expand their business. Like we had a participant who owned his own camera, photography business and his equipment was so out of date that he just was not getting – he wasn't able to be competitive. And his income had declined very much. He was still working so he was able to enroll in the IDA program, save enough money and got matched and was able to purchase new equipment, new up to date and he's been able to do a lot with like graduation, seniors and weddings. So it can really help clients.

So our match rate, how we have ours set up is for home ownership our participants receive a 3 to 1 match and for business and education accounts they receive a 2 to 1 match. The savings time frame for our program is it's a minimum six months. They have to be in the program for at least 6 months. And they have to have six qualifying deposits. They can be in the program for 3 years, that's how long they have to save their money. And then they have another year in addition to that to purchase their asset. But that can't necessarily be for everyone because it depends on when they come in your program during the grant cycle because the grant cycle is a five year. So if you had somebody that you filled the slot and they didn't stay in that slot, they like moved out of state or they decided to end the program. So you have that slot available but you already might be two years into your grant so then that person coming in is only going to have 3 years or less to save their money and purchase. So that's why I say depending on the grant cycle.

So we require that they save a minimum of $1000 and maximum. That's their goal. Their goal is $1000 because that's what they get matched on, they get matched on 1000. So if it was for home ownership they'd get $3000, if it was for business/education they'd 2000. So we encourage though that they continue to save every month to keep that habit going. So we actually have set up where we're requiring them to save until they purchase their asset. We do require that they save at least $20 a month. They could save 5 a week as long as it equals 20 a month.

So our staff works about 20 hours a week on this program. So one thing it works well having other programs that your staff works in because they do complement each other. But things that our staff has to do during the week is their day to day activities include doing out reach. They're going to realtor vendor shows. They're talking to lenders. They're going to DHHS now, right that's what it's called; Department of Health and Human Services. We actually have a booth in their lobby that we go and visit twice a week to get the word out of IDA program. So in addition to lenders and realtors you want to make sure you're targeting out in the community.

Once you receive application; we send out applications to IDA possible participants that are interesting in the program because there is a qualifying process that they have to go through. And there's a lot of paper work. But you have to make sure that they are eligible for the program.

So once they're eligible for the program you can enroll them and do an orientation. And then there's data entry. And then there's the case management because you want to make sure that they're successful in reaching their asset. So you want to make that you're working with them and helping them reach that goal. And we also require those financial management classes and home buyer ed and the career assessment, which we do all at our office. You can partner with other agencies that may offer that if you don't do that at your agency.

And then there's follow up because with this program once they do they orientation, they take their classes, their credits okay. They've done their career assessment. They've done their business plan. But yet they just need time to save. Sometimes there can be a disconnect because they're just saving monthly. So you want to try to keep them engaged as often as possible; whether it's sending them a newsletter, different things that are happening in your agency or in the community or just checking in with them to see how they're doing. We do send out quarterly account statements to let them know how they're doing with their match saving, which

I'll talk about in a little bit. But anything you can do to keep them engaged. So we call that follow up.

And then there's the reporting. You do have to report on this program. So across our region and state we use outcome tracker and that is our data base system. And it's where all of our clients get entered when they get enrolled. And you fill out their application goes in that system. When they opened their account and then you enter their monthly deposits. And you can enroll them in classes on this data base. You can set up activities for them on this data based. It's great. It's a great tracking tool. I can pretty much run all my reports out of this What's the average savings? How often is it taking them to reach their goal? So you can get a lot of data. And with funders they want that data.

Outcome tracker also – because the participants receive match funding, when you receive your grants you deposit your match funds that you're going to pay the participant in an account at a bank and that earns interest. And so what VISTA Share does; it's also called Outcome Tracker, sorry about that. Outcome Tracker/Vista Share, it actually tracks that match interest and so you can send your participants quarterly statements that show, okay you've deposited this much so you're already at this match and you've earned this match interest. And it kind of keeps them excited and, "Oh I've earned this much" and they really – and sometimes they save more just to try to reach that goal. So it's a great, great tool. So we use that and we actually use it state wide.

So our partners that we use are our programs sites. Those are the agencies that we've partnered with and that we're the regional coordinator for. In our area, as I said there's 8 counties. So there's a program site in each county. We partner with different community organizations to help us let participants know about the program, including realtors and lenders. Our funders for our program are we have different – we've had different foundations and different lenders and United Way.

Our funders – but our biggest funder is called the Michigan State Development Housing Authority. And I apologize I forgot the word housing. But they are our state wide housing authority. And they have agree to fund our IDA program on a state level so when I was talking about our state and region using Vista Share/Outcome Tracker, the state – our state helped fund that for us per and so we have so many licenses per state. And they also provide the direct service for our program sites to administer the program and pay for the technology. So they are a great. And they provide the match as well.

There are four of us regions in Michigan and we each apply separate for the AFI grant but our match funder is the state for all four of our regions. We're very lucky here in Michigan to have them as our main partner. But like I said we use a mixture of – we use the state, we use non-public resources because you do need to have multiple funders for this program.

We also have several in kind resources to help us with the program. We use the library. We use schools that let us use their meeting room. We partner with the colleges for our education component. We partner with the Small Business Association of Michigan. And a couple of our counties they're specific business relationships that they have so we try to utilize as many of those resources as possible to help our participants reach their goal.

The benefit of the IDA program, it really does match our mission. And our mission is to help our participants achieve self-sufficiency. And it complements our other programs. I was saying the FSS program because we actually facilitate an FSS – Family Self-Sufficiency Program here for the State of Michigan. Our Michigan State Housing Development Authority for the vouchers in our county. And the programs work so well together because you have with the FSS they have 5 years; it's a 5 year program. Well that's what this grant is. And so participants can be working in both together. And the ultimate result is they can really have a great asset purchase at the end of those 5 years.

It also is a factor in us receiving funding for some of our other programs. Some of the foundations like that fact that we have the IDA program and other programs. So then they will fund it as – they'll fund us because we have three of the programs that they're interested in.

It helps us with outreach. It helps us with our other programs. We have Home Buyer Education that we do here. So the IDA and that complement each other as well. So it's another benefit.

Challenges for the IDA program can be funding. This is a 5 year program and so you want to make sure that you can get the match money and it doesn't really cover the direct service. You want to make sure that you're able to pay yourself or pay other program sites for doing all the work. So it does take some staff time. And the participants don't; some of them don't end up graduating. So then you have to find more participants.

Some of our counties have a waiting list so that's pretty easy they just take them on the waiting list. But some of our more rural counties don't so you want to make sure that you screen really well to try to get participants that are going to stay in the program. But they don't all that's impossible. But as long as you're trying and doing outreach you should be able to have a pretty good data base and possibly even a waiting list.

One issue that we ran into as a challenge was lenders and investors not understanding the IDA program. So they didn't want to accept our letter saying that they're in this program and it's a grant; well we don't call it a grant it's a matched savings account. They think it's a grant so then there's all this paperwork and they're not understanding how it works. So we've had to really try to explain that to them,

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which we have been able to reach them. FHA has been wonderful so.

And I think is that it? Oh, I have one more slide. Just things to ask yourself when you're preparing for the IDA program are, can you commit because this is a 5 year program? And do you have sustainable funding? Can you provide the education and if you don't then just make sure that you have partners in the community that can provide what your participants need in order to successful graduate from the program. And are there banks in your area that are willing to hold the accounts?

We gave a memorandum of understanding with our banks that we require them to – they are required to like not charge fees like maintenance fees or if they go below a certain balance that sort of fee. So we ask that they don't do that. And they have to give us statements or give them to the participant. There has to be some sort of communication. So you want to make sure that your bank is willing to do all the things that you need them to do.

And then do you have a system in place that you can track the clients. Because you do have to pay for Outcome Tracker but also you want to make sure that you're keeping track of all your drawdowns that you're doing. So we actually have a finance grant manager who handles all that so I don't have to. But it's a great program and it's been very good for our participants and our agency.

Miss Appel-Newby: Thank you so much Tammy. I love how you were able to talk about how there was so much synergy with the other programs. And then I especially loved what you said about how funders really like to see that synergy also. I think that that really builds off what we're trying to do by connecting with the place based initiatives and just other cross agency partnerships in terms of saying like the federal government has made a priority in funding collaborations and looking for placing where you're working together. And it's great to see that private funders are doing that too.

Miss Farnum: Sorry I think I went over my time a little bit.

Miss Appel-Newby: Oh, no worries. Yeah. No worries. I think you the most important information because anything that I'm going to be saying can be looked up on the internet on the AFI Resource Center at any time. But your perspective is kind of what we really wanted to share.

So I'll just – I think that that – feel free to start entering questions into the Q & A box if you have questions based on what I've said or what Tammy has said or even earlier what Pamala let you know about. And I'll just go over – just really quickly some key AFI requirements in case you're thinking that this could be a good fit for my organization. I've touched on a lot of these already and Tammy did too.

The cost sharing; the requirement that grantees provide 100% cash match from non-federal sources. So if you're going to apply for $100,000 from AFI you need to find $100,000 from non-federal sources. So that's why I'm really happy that Tammy talked about the different sources that her project uses. And it's such a variety both in terms of for profit and private non-profit sources as well as public sources. She basically has it all covered.

There a limitation on the uses of funds. I mean every grant obviously has ways that they want you to spend their money. 85% of the project funds must be used to match participant IDA savings. So that's the money – it's kind of a pass through, that's what's going to your participants to help them purchase their assets.

There are again the qualified expenses is limited to 3 things; the first time home purchase, capitalizing a business or post-secondary education or training. And then there are rules around matching participants savings in terms of you want to set a savings period that people have and a match – a cap that you can offer that on the federal level there's a maximum of AFI funds that the individual can receive is $2000 and then with the non-federal that another $2000. So it's affectively a fact of $4000 per person. And then of course there's rules about how you have to engage financial institution to hold onto – to hold these IDA accounts because they're real savings accounts.

And so basically AFI has these federal requirements like all grant programs do. But then there's a lot of way that you can taylor the way deliver the project to your community. So like what Tammy was saying about the requirements that they have in terms of financial education and home ownership training and they're really found that those are the keys to success in terms of keeping people on track with their savings and then also on track to make that asset purchase. So it's really all about knowing your population and knowing what are their strengths and weaknesses and where can you provide programming that will help them get there.

And I want to hear Tammy's opinion about this too, but I think that the people – you have to find the right subset of your target population who is in the best position for AFI for an IDA for saving.

Miss Farnum: I agree.

Miss Appel-Newby: Tammy how do you think about that?

Miss Farnum: Yeah, I totally agree and one thing you want to do is screen your participants because if somebody has a lot of student loans that they're going to be paying on then maybe and it's gonna put them in a very high debt load that they're not going to be able to afford a house payment, then they may need to wait before they enroll in your program. So you definitely need to look at that. They need to be able to within – and if you enroll somebody and there's only two years left in the grant you've got to be able to make sure that they're gonna be able to purchase in that time frame. If you partner with Habitat and I did not mention them. I'm glad I'm having the opportunity, but they're a great partner in this IDA program, is Habitat for Humanity. But if their house is going to take a while to be built and they're not going to close they may not – you got to be careful when you actually enroll them. They may need to wait until the next grant that you apply for. That's just an example.

Miss Appel-Newby: Not that's a great point, yeah. So you know Tammy's mentioned about Habitat ties in that last bullet point that I have there about the viability of the project with regard to asset purchases. So that questions basically asking is there – if you're going to go for home ownership, is there affordable housing stock in your area. So that's where – it's another thing that make Habitat a pretty good partner for AFI IDA projects is they're kind of creating new affordable housing stock.

Upcoming webinars; in two days we're doing, Understanding the AFI program which a lot more about the AFI requirements and the basics of setting up a program. And then on the 27th we're going to look into more depth about developing resources and partners because that's a big first task for a lot of new applicants.

So I'm gonna flip to this slide that has the contact information for the AFI Resource Center. You can see our website there. Grantee locator, if you want to find out if there's already an AFI grantee operating in your geographical area. Even if there is you can still submit an application and that's not a problem. And then our help desk phone number is 866-778-6307 or the email is info@idaresources.org and we have a couple of technically assistance providers who can help you think through if an AFI IDA program is good fit for your organization.

The question about does the money have to be spent in the 5 year time frame or just obligated? And it actually has to be spent in that 5 year time frame. So you get your grant, you get the award announcement probably on September 30th so October 1st you get to launch your program and you start recruiting people and they start their process of savings which can be as short as six months and then any time up – you can put a limit on how long they have to save. Tammy does your project have a limit on how long in terms of time people can take to reach their goal?

Miss Farnum: Yes, three years.

Miss Appel-Newby: Three years. Yeah and that's pretty much the maximum you can allow them because even if you started on day one, they still need time to find their house after that probably. So that take a little bit more time. And so they need to make their asset purchases like I said before your 5 year time frame is up. Before your 5 year grant award period is up.

Another point to make oh shoot that I was going to make there was that some asset purchases you don't have to do all the payouts all at once. And it really depends on what's most convenient. For home ownership usually you do make the entire payout all at once because you know when you go to closing you're gonna just write the check to the closing agent. But for example somebody who is doing higher education, they might chose to access them money a little bit each semester. So maybe a quarter during semester one a quarter during semester and so on and so they're not going to use it all at once. So again if they're payouts are going to be spread out that's another thing that you have to take into account in planning out your time line. And part of the application process is that whole time line 4 year, 5 year project. This is when I'm going to start enrolling projects and then I'm enrolling participants and then by X date I'm going to stop enrolling people, that's going to be the cut off for when new people can join the project.

The application of course is very thorough but it's all good stuff helping you think about what you're going to need to run a successful project.

So that's all the questions that we have had submitted so far, so we're going to – so I'll just give a last call if people have any questions about what they heard. And thank you so much to Tammy. You're presentation was great. I feel like I learned something new about – I feel like I definitely learned something new about your project and about how it's operated and I really like to hear how you have all the different funders coming in together and the synergy there.

Miss Farnum: Well thank you and I'm very happy to be on this. I enjoyed it very much so thank you for asking me.

Miss Appel-Newby: Great. Well maybe I'll call on you again in the future.

Miss Farnum: I would love that. And I learned a lot from Pamala so thanks Pamala. And you Emily, I learned, I wrote a couple things downs.

Miss Lawrence: You're quite welcome.

Miss Appel-Newby: Yeah I was going to thank you Pamala so much for hosting this and recruiting everybody to come. Thanks so much. All right. We don't have any new questions that came in and so we'll go ahead and wrap it up right on time.

Unknown Speaker: Thank you Emily for orchestrating this.

[End of Audio]