

Indiana's Individual Development Account Program

SAVINGS PLAN AGREEMENT

Participant Name: _____

Administering
Agency: _____

Administrator Name: _____

The following Agreement outlines my responsibilities as a Participant and what can be expected from the administering agency under Indiana's Individual Development Account ("IDA") program (the "Program").

The Participant agrees to:

Establish IDA: I agree to open a savings account, which will be used only for the purposes of the Program, within 2 weeks of completing Financial Literacy Training. I understand that the savings account is a "custodial account", which means the administering agency listed above, will act on my behalf as a custodian regarding the funds in the account, in accordance with the Program requirements. **I understand that I will not have access to an ATM card, telephone banking, online banking or other PC banking services and if I do gain access to the account by any of these means and withdraw funds from the account, I will be required to repay these funds and may be subject to prosecution.** The IDA Administrator will open a match account that will contain the State and Federal match funds.

Minimum Monthly Savings: I agree to make a sincere effort to make regular savings deposits, in the manner selected below, into this savings account from my earned income. I understand that I may be disqualified from the Program if I do not meet at least my minimum regular savings obligation. I also understand that my missing more than three (3) deposits may result in my termination from the Program. Furthermore, I am aware that if I miss a deposit, I must contact the administering agency's IDA Administrator immediately to discuss my situation.

Regular Savings Obligation Options (please choose one):

- ☐ Weekly Deposits (approximately \$5/week)
- ☐ Bi-weekly Deposits (approximately \$9.70/bi-weekly)
- ☐ Monthly Deposits (approximately \$21/month)
- ☐ Quarterly Deposits (approximately \$62.50/qtr.)

Workshops: I agree to attend Financial Literacy and Asset Goal-Specific Training (homeownership, education/job training, small business start-up) within one year of enrolling in the program. I understand that my failure to complete these trainings will prohibit me from accessing funds for withdrawal or result in dismissal from the Program.

Designation of a Use: I understand I must choose an asset goal at this time, however, I also understand I will have the opportunity to change my savings and asset goal at a later time as needed.

Asset Goal (please choose one):

- ☐ **Education/Job Training:** (tuition, laboratory expenses, the cost of books, computer and software costs, the payment of room and board to an accredited institution, and other related costs)
- ☐ **Home Purchase:** (to purchase a primary residence, located in Indiana for the Participant or for a dependent of the Participant)
- ☐ **Small Business Capitalization:** (start a small business located in Indiana or to purchase or expand an existing small business located in Indiana)
- ☐ **Owner Occupied Repair:** (to perform necessary repairs on a primary residence, located in Indiana)
- ☐ **Vehicle Purchase:** (purchase of a vehicle for employment, job training, or education)

Savings Plan

	Projected Annual Savings	Projected Annual Match Earnings	Total Annual Savings & Match
Year 1			
Year 2			
Year 3			
Year 4			
Totals			

Savings and Budget Workplan: I agree to develop a Savings and Budget Workplan and to make a sincere effort to meet the goals set in this plan. I agree to make contact (in-person or over the telephone) with the IDA Administrator at least once every three (3) months to discuss progress toward these goals.

Withdrawals: I understand that I can make a withdrawal from my savings and/or match account, only when authorized by the administering agency (except for withdrawals as a result of a legal process). I also understand that I must submit my request for withdrawal at least two (2) weeks prior to the date funds are needed. Furthermore, I understand that withdrawals for an asset purchase are conditioned upon my compliance with meeting my savings plan obligations and other applicable Program requirements as outlined by my IDA Administrator.

Emergency Withdrawals: If I am allowed to make an emergency withdrawal, the match funds may remain in my match account if the following criteria are met:

- 1) I must redeposit the funds withdrawn for the emergency withdrawal back into my account within twelve (12) months after the date of the emergency withdrawal.

- 2) Additional deposits of my earned income into my account will not be eligible to be matched until the full amount withdrawn for the emergency withdrawal has been replaced.

My failure to redeposit the emergency withdrawal funds into my account within twelve (12) months of the withdrawal date will result in forfeiture of my matching funds in direct proportion to the match ratio (used at the time of the deposit of the funds) and the amount of the emergency withdrawal. These funds will be returned to Indiana Housing and Community and Development Authority ("IHCDA").

Amendments to This Savings Plan Agreement: This Savings Plan Agreement may be amended or modified only by a written document executed by both parties.

Unauthorized Withdrawal or Unauthorized Use of IDA Funds: I understand that any unauthorized withdrawal (for emergency or otherwise) may result in my immediate termination from the Program. I also understand that if I am terminated from the Program, I will receive only the money I have saved, plus interest earned on my savings, and will forfeit the right to receive any matching funds or interest earned on those matching funds. Once I close my account, I forfeit the right to participate in the Program again in the future.

I will promptly repay to the administering agency or IHCDA any matching funds that I used for a purpose other than the Asset Goal that I identified in this Saving Plan Agreement. I will also promptly repay to the administering agency or IHCDA any matching funds that I obtained based on forgery, theft and/or misrepresentation.

Program Terms: I understand that I must use all match funds earned during my eligible match period, for an approved asset purchase, within twelve (12) months of receiving my last match opportunity or risk losing all match.

Program Evaluation/Monitoring: I agree to participate in the evaluation of the Program, facilitated by either the administering agency or IHCDA, which may include filling out a survey or participating in an individual or group interview. I also agree to cooperate in Program monitoring conducted by the administering agency, IHCDA, or the U.S. Department of Health and Human Services, which may include providing additional income documentation or additional documentation regarding my asset purchase.

The Administering Agency agrees to:

Matching Funds: The administering agency will submit a claim to IHCDA for match on all of my deposits (from earned income) for four consecutive years, up to \$1,000 annually. My deposits will be matched at a rate not to exceed 4:1. The administering agency and I understand that the matching funds should not be placed in my savings account, but must be kept in a separate parallel account managed by the administering agency. The administering agency, on behalf of IHCDA, guarantees that my savings will be matched as described above for four (4) consecutive years, if I comply with the Program guidelines as outlined by the administering agency.

Workshops: The administering agency will provide or refer me to the required Financial Literacy and Asset-Goal-Specific Training, as appropriate.

Account Statements: The administering agency will send me regular statements documenting my account status and my total matching funds received to date.

Disbursing Matching Funds: I understand that matching funds will not be disbursed to me, but paid directly to the asset vendor (i.e. title company, educational institution or business equipment supplier). I understand that if I follow all Program rules and regulations, meet the necessary savings goal to purchase the selected asset, and complete all required training, the administering agency will disburse matching funds to a third party vendor, on my behalf, for the asset purchase.

Disbursing Beneficiary Funds: The administering agency will distribute the balance of my personal IDA and matching funds, as appropriate, in accordance with IC 4-4-28-7 upon my death. If the beneficiary is a member of my family, and qualifies for an IDA account, both IDA savings and matching funds will be rolled into a new IDA, within ninety (90) days notice of my death. If the beneficiary is a non-member of my family or does not qualify for or want an IDA, the administering agency will distribute the balance of my personal IDA savings, less any matching funds, directly to the designated beneficiary.

Grievance Process: IHCDCA offers a process for anyone participating in the Program that has a grievance with the Program. In accordance with IC 4-4-28-15, if the participating individual is denied authorization to withdraw money, said participant may appeal the administering agency's decision to IHCDCA under rules adopted by the authority under IC 4-22-2.

All Parties agree to:

Under the penalties of perjury and fraud, the undersigned agree to abide by all Program rules and regulations and meet all responsibilities as a participant or administering agency, as applicable and contained herein. Each party certifies that he or she has the authority to execute this Saving Plan Agreement and make this Saving Plan Agreement fully binding upon the parties.

Participant Signature

Date

IDA Administrator

Date

Witness

Date