



Individual Development Account Program (IDA) Savings Plan and Participant Agreement

- Abide by the rules of NHCD and Velocity CU as outlined in the IDA Program Guidelines, or be terminated from the program.

II. IDA NHCD Duties and Responsibilities

NHCD agrees to the following:

- Be responsible for directly or through referral, training for all IDA participants. This includes both Financial Education training and Asset training in any one of the following qualified asset categories: home ownership, post-secondary education, or small business development.
- Assist all IDA participants in developing a long-term savings plan, which should include:
 1. Information and training in managing credit or credit repair.
 2. Counsel all IDA participants in the selection and acquisition of their asset.
 3. Protect the participant's privacy by securing personal and financial records and keeping all such information confidential.
 4. Work with Velocity CU to manage the IDA bank account.
 5. Match the participants' savings on a monthly basis as set forth in this agreement.
 6. Monitor and track participants' savings and training.

III. Savings Account

- The IDA participant will open a savings account in his/her name and social security number at Velocity Credit Union, a local financial institution designated by NHCD. The IDA Participant can deposit into, but may not withdraw, from this account. **If an unauthorized withdrawal transaction is made, the IDA participant will be automatically terminated.**
- The money deposited by the IDA Participant and the interest earned in the account is the property of the IDA Participant. Match money is allocated to participants on a monthly basis and is reflected on the Match Savings Statement.
- The IDA match funds shall be deposited in a Reserve Fund. The Reserve Fund will be held at Velocity Credit Union in the name of the City of Austin Individual Deposit Account Program.
- Velocity Credit Union will provide all IDA participants with a timely and accurate monthly account statement listing. NHCD will provide an accurate monthly account statement of accumulated savings and earned match and account activity. Statements will be emailed unless indicated differently.



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IV. Withdrawals

- Withdrawals for the purchase of an approved asset will be matched, and funds dispersed directly to the vendor. See the Qualified Withdrawal section of the IDA Program Guidelines and Procedures for more information.
- Unapproved withdrawals will not be matched and will result in termination of the Participant from the IDA Program. Emergency withdrawals will not be matched and are only available to the participant in accordance with the Program Guidelines which state that the participant must sign an emergency withdrawal agreement form prior to the withdrawal, and those emergency expenses can only be used for medical expenses, payments necessary to prevent eviction or foreclosure, or necessary living expenses following the loss of employment.
- All withdrawals must go through NHCD or they will be considered unapproved. This includes withdrawals that take place when a participant is terminating from the IDA Program. See the IDA Program Guidelines and Procedures for more information.

V. IDA Match Rate

The savings of the IDA participant will be matched at the time of the purchase of an approved asset at the rate of three dollars of match money to one dollar of IDA participant's savings.

Participants may save at a rate varied from the amount listed in Section I above. However, savings will only be matched as follows:

- Minimum of \$25/month
- Maximum of \$200/month
- Maximum of \$2,000 total

VI. Designated Beneficiary

Participants are required to designate a beneficiary for their IDA Account with the financial institution. In the event of a participant's death, proceeds of the IDA Account, not including any match funds earned, will be dispersed according to the Assets for Independence Act.

VII. Contract Changes

This contract can be modified or changed in writing with agreement of all parties, provided that any modifications are consistent with IDA Program Guidelines and Agreement.



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Certification

By signing below all parties certify that they have read and understand the contents of this agreement and agree to meet the responsibilities as outlined.

IDA Participant

Print name: _____

Signature: _____ Date: _____

Neighborhood Housing and Community Development



Print Name: _____

Signature: _____ Date: _____

Title _____

Velocity Credit Union

Account Number _____

Print name: _____

Signature: _____ Date: _____

Title: _____