



Individual Development Account

Saver Handbook

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**Habitat for Humanity of Oregon
IDA Program**

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Dear IDA Program saver:

Congratulations on being accepted into the Individual Development Account (IDA) program where you will receive \$5 for every \$1 you save up to the total savings goal established in your Savings Plan Agreement. We are excited to help you achieve your financial goals.

Habitat for Humanity of Oregon (Habitat Oregon) is the IDA Program Administrator that reviewed your application, and works behind the scenes with the local Habitat for Humanity office that you enroll with to ensure your program success. Through this program, you will gain access to match funds, and the opportunity to receive training and education to help you prepare for purchasing or repairing your home as an asset.

The IDA providers working in partnership with the Habitat Oregon IDA Program include:

- Bend-Redmond Habitat for Humanity
- Columbia County Habitat for Humanity
- Habitat for Humanity of Lincoln County
- Habitat for Humanity Portland Region
- Rogue Valley Habitat for Humanity
- Tillamook County Habitat for Humanity
- Umpqua Valley Habitat for Humanity

Habitat Oregon works in collaboration with other fiduciary organizations as part of the Oregon IDA Initiative (<https://oregonidainitiative.org>). The Oregon IDA Initiative is administered by Neighborhood Partnerships (<https://neighborhoodpartnerships.org>). The collective goal of the fiduciary organization network is to support individuals like you in achieving life goals.

This IDA Saver Handbook provides information about IDAs and the expectations of your participation in the program. Please read this handbook carefully and refer to it when you have a question. You are also encouraged to contact your IDA Specialist who is there to help you understand the program requirements, connect you to the required training components, and serve as a resource to support you.

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Your Individual Development Account

Once you are accepted into the IDA Program and you develop a plan to save money according to your financial situation, as it is documented in your Savings Plan Agreement, **your next step as an IDA saver is to open a new savings account.** This account is known as an Individual Development Account or IDA.

You will save money in this account until you reach the savings goal you established. Habitat Oregon will track the progress you make with your savings. As Program Administrator, Habitat Oregon commits to match up to \$5 for each \$1 you save up to the savings goal that you have committed to in your Savings Plan Agreement.

Most IDAs are **custodial accounts**, which are joint accounts opened by the saver at Umpqua Bank where Habitat Oregon has established a partnership. Custodial accounts help the Program Administrator keep track of your savings progress. Depending on your location and the financial institutions in your area, you may need to open a **non-custodial account**, which is a regular savings account at a bank or credit union of your choice.

For custodial accounts:

- Your IDA account will be held jointly between you and Habitat Oregon, your Program Administrator.
- The IDA account will require two signatures for every withdrawal in the future, yours and Habitat Oregon.
- **Your IDA account cannot be used in place of a personal account and should only be used for IDA savings.** This means that it cannot be used for cashing checks, depositing payroll, social security, or receiving tax returns. If you deposit funds into the IDA that are for general use and not to meet your IDA savings goal, please contact your IDA Specialist for an excess funds withdrawal.

For non-custodial accounts:

- The non-custodial account is a traditional savings account dedicated for IDA savings at a bank or credit union of your choice.
- You will be asked to proactively communicate with your IDA Specialist about financial deposits and withdrawals.
- **Your IDA account cannot be used in place of a personal account and should only be used for IDA savings.** You will still need to open a new savings account for your IDA that is separate from accounts where you keep household funds, cash checks, deposit payroll, social security or receive tax returns.

All funds that you deposit in your IDA account belong to you, whether you have a custodial or non-custodial account. Please note that your IDA savings account funds and interest earned are subject to legal processes including garnishments outside the IDA Program.

Remember

- For custodial accounts, the IDA account is held jointly between you and Habitat Oregon.
- The funds in your IDA (savings account) belong to you.
- IDA funds should be kept separately from other household funds.

Savings Account Opening

For opening a custodial account with Umpqua Bank, you will receive an enrollment authorization letter from Habitat Oregon via email. Please print and take that letter to Umpqua Bank when you go to open your IDA account; be sure to do so before the deadline date listed in the letter. To find the Umpqua Bank location nearest to you, visit <https://locations.umpquabank.com>.

For opening a non-custodial bank account, you are encouraged to choose a bank or credit union that is easy for you to access on a regular basis. If you need help identifying a bank or credit union where you can open your account, ask your IDA Specialist.

As you prepare to open your account, consider setting up automatic transfer, or bill pay from your regular personal checking or savings account, for consistent deposits timeliness.

To open a bank or credit union savings account, you will need the below items.

- Your enrollment authorization letter (emailed to you by Habitat Oregon for opening an Umpqua Bank custodial account)
- Two forms of identification (e.g., driver's license, social security card, matricula card)
- Your first deposit in cash or check
- If you wish to set bill pay or automatic transfer from your regular checking or savings, fill out the form required by the bank or credit union for this purpose

You will need to notify your IDA Specialist of your new account number, amount of first deposit, and account opening date. In addition, a digital copy of the first deposit receipt must be sent to your IDA Specialist. This information is your proof of enrollment in the IDA Program.

Remember

- Open your savings account by the date indicated on your enrollment authorization letter.
- Provide your IDA Specialist with your new account number, first deposit amount, and account opening date.
- Opening your IDA savings account defines your "enrollment date" in the program.

Savings Account Progress

The IDA Program **requires that you make progress in your savings goals** according to your Savings Plan Agreement.

For most people, the best way to save money is committing to deposit a monthly amount. If your savings plan is not based on a fixed monthly deposit amount, remember that your savings goals are still time-bound. You are highly encouraged to make a deposit of some amount each month into your IDA account. Lump-sum deposits (e.g., Earned Income Tax Credit (EITC), tax returns) are allowed and can help make up for missed months.

If you have problems making deposits regularly, talk to your IDA Specialist. They will help you hone your monthly budget and stay on track to achieve your goal; or they will help you change your goal and timeline as needed. Any changes to the initial Savings Plan Agreement will need to be documented by your IDA Specialist using a **Savings Plan Amendment**.

You are responsible for obtaining and keeping your savings account number and being aware of the balance in your IDA. You are also expected to maintain good recordkeeping and save your deposit slips for your own records.

Remember

- In order to remain in the IDA Program and qualify for receiving match funds, you are required to make progress in your account toward your savings goal as committed in your Savings Plan Agreement.

IDA Progress Statement

If you want to access information about your balance and earned match at any time, you can sign up for access to the **Online Portal**. The Online Portal also allows you to update your address and retrieve IDA Program forms. Please ask your IDA Specialist to contact Habitat Oregon to get you started.

Your bank or credit union may also send you savings account statements. Habitat Oregon will prepare quarterly **IDA Progress Statements**, which will be emailed to each saver. Habitat Oregon staff can also produce IDA Progress Statements from our database upon request. If you have a custodial account, your IDA Progress Statement will show your total savings as of the end of the **previous month**; the match money you have earned so far; the remaining balance you have to save; and the total IDA funds (savings and match) available. For non-custodial accounts, the IDA Progress Statement will display the same details as stated above, including the latest balance update received from the saver's account. Please review both the Habitat Oregon and your bank or credit union statements for accuracy and be sure to notify your IDA Specialist if you see an error.

Remember

- Habitat Oregon receives custodial accounts bank statements the first week of each month, so your IDA Progress Statement reflects your **previous month's** balance.

Training Requirements

Preparation, training and skill development are key components of the IDA Program, in addition to the deposits and match. As a saver, you must complete two types of training before you can use your IDA funds for your goal. One training requirement focuses on financial education to increase your financial capability skills. The other training prepares you to be successful with the asset you are saving to purchase.

Financial Education

Your IDA Specialist will give you a list of accepted courses to satisfy the financial education requirement at no additional cost to you. The financial education classes provide you with information about:

- Banking basics
- Money management
- Household budgets
- Personal and consumer credit
- Investments and insurance
- Protecting assets

You are required to complete **no less than eight (8) hours of financial education** in order to access match funds. These hours can be completed through a combination of one-on-one coaching and classes (online or in person).

Asset-Specific Training

The **asset-specific training** will prepare you to purchase what you are saving for, and have long-term success maintaining it. You are required to complete **no less than six (6) hours** of this training in order to access your match funds.

The IDA Specialist will connect you with a training expert in your area or may complete the asset-specific training with you themselves. Your IDA Specialist will give you a list of accepted courses or activities to satisfy this requirement at no additional cost to you.

If you decide to change your asset goal, you will be required to complete specific education for the new asset.

Match Funds Access and Asset Purchase

To be eligible for matching funds, you, as the saver, must meet the program requirements. These requirements include:

1. Being enrolled in the program and saving for at least three months
2. Completing the financial education requirement
3. Completing asset-specific education before requesting match funds for the asset type

To earn the full amount of match funds reserved for you to purchase the asset you have been saving for, you must reach your full savings goal. Additionally, any deposits made after you reach your savings goal will not be matched.

In case of a financial emergency, you can request a matched emergency savings withdrawal or a leave of absence, as outlined in the Emergency Situations section of this Saver Handbook (page 10).

Withdrawal Request

When you are ready to use your IDA funds, after all program requirements have been met, you will fill out a set of forms necessary to request a withdrawal. To make your first purchase, please complete and send the following to your IDA Specialist:

- Proof of financial education completion (at least eight hours)
- Proof of asset training completion (at least six hours)
- Current itemized invoice for item(s) being purchased (for home repair)
- Completed Withdrawal Request Form with required attachments

Remember

- If your asset requires that you purchase from more than one vendor, you will need an invoice and withdrawal form for each vendor.
- You only have to turn in each training verification once.

Access to Your IDA Savings Account Funds

Once you turn in the documents listed above to your IDA Specialist, they will review and submit them to Habitat Oregon for processing. When the withdrawal request has been processed, you will receive an email with the notification authorizing you to withdraw funds from your IDA bank account.

If you have a custodial account:

- Copies of this authorization will also be emailed to your Umpqua Bank and to your IDA Specialist.
- You cannot access your savings account funds without this authorization letter.

You are expected to use the funds from your IDA account to purchase the assets you saved for according to your Savings Plan Agreement. You are required to withdraw a portion of your IDA savings as authorized with each match withdrawal.

For custodial accounts, **the letter authorizing such withdrawal is good for 60 days.** If you do not withdraw your funds within 60 days, please contact your IDA Specialist, as the bank may require a new authorization.

If you need to access your IDA savings for personal financial needs, you should notify Habitat Oregon about this situation, request an authorization letter, and discuss any effects on your IDA savings plan or match funds availability. Savings withdrawn without authorization from Habitat Oregon will not be matched.

Remember

- Once your funds withdrawal authorization is issued by Habitat Oregon, you must withdraw your portion of your IDA savings within 60 days.
- Discuss with your IDA Specialist any effects on your IDA savings plan or match funds availability if you need to withdraw funds for an emergency.
- Savings withdrawn without Habitat Oregon's authorization cannot be matched.

Vendor Payment

When possible, matching funds will be paid directly to the vendor(s) selected by the saver.

- If you are buying a home, your earned match funds will be wired directly to the title company.
- If you request that the check is mailed directly to the vendor, please alert the vendor as well. You will provide the vendor with the funds from your IDA bank account directly.
- If you request that the match funds are mailed to you, then you will receive your withdrawal authorization in the mail, as well as a check from Habitat Oregon for the matching portion of your purchase. Along with the withdrawal authorization, your envelope will contain a letter with vendor instructions. Please give this letter to the vendor, along with the two checks: one from Habitat Oregon and another from your IDA savings. The match funds come in the form of a third-party check and some vendors have a difficult time accepting this type of payment. Consult with your anticipated vendor before submitting your request to make sure that they can accept third-party checks. If there is a problem with this process, please communicate this to your IDA Specialist so they can advise you about options for paying the vendor.

Savings and match funds will be released according to Habitat Oregon's established timeline. Checks are generally issued twice a month; please be sure to plan accordingly as your desired withdrawal approaches.

Please take into consideration that mail delivery times vary across the state. If two weeks have passed since you received your withdrawal authorization via email, and your check has not arrived in the mail, contact your IDA Specialist so that a new check can be issued. In order to ensure checks do arrive, please update your current address on each withdrawal request.

Repair Purchase Documentation

In the case of home repair matched funding withdrawals, if you hope to make multiple matched withdrawals, make sure to keep a copy of the receipt from each purchase and send it to your IDA Specialist. You will not be able to request more funds or make additional purchases until previous receipts are on file.

Deadline to Purchase Your Asset

You are expected to purchase your asset and close your IDA savings account, if custodial, no later than six months after the Savings End Date on your Savings Plan Agreement. If you do not plan to complete your purchase within six months of your Savings End Date, you should request an extension of your spending timeline with Habitat Oregon.

Emergency Situations

Financial emergencies can disrupt any household's stability and be stressful situations to deal with. While the IDA Program recommends that you have a separate savings account for financial emergencies or unexpected circumstances, we understand that the need to withdraw from your IDA savings account to cover emergency expenses or pause saving can sometimes be unavoidable.

If your household has a financial emergency, you have some options to consider, which include:

- Amend your savings plan to reflect your ability to make progress in your IDA
- Request a Matched Emergency Savings Withdrawal from your IDA savings account
- Take a leave of absence from the program

If you choose any of these options, your IDA Specialist will have you complete the appropriate paperwork. Habitat Oregon will review your request and let you know your next steps.

Matched Emergency Savings Withdrawal

If you experience a financial emergency, you are able to request a Matched Emergency Savings Withdrawal at the same match rate that you are enrolled in the IDA Program. You may access up to \$600 from your savings and \$3,000 in match funds. Emergency withdrawals should be for a minimum of \$300 in match.

To be eligible for Matched Emergency Savings Withdrawal, you must:

- Have been enrolled in the program for at least three months
- Have enough IDA savings (based on your match rate) for the amount of match funds you are requesting
- Have completed your financial education requirement

After making a Matched Emergency Savings Withdrawal, you do not have to re-deposit the savings you just withdrew. If matched funds remain from your original goal, you may continue to save towards the remainder of your initial savings goal. Your total match allocation does not change, which means **that the emergency withdrawal reduces the match amount that will**

be available for your intended goal. IDA Program savers are encouraged to decide what qualifies as an emergency for themselves.

Leave of Absence

A leave of absence allows you to take a break from making consistent progress in your IDA savings account. If you would like to request a leave of absence, contact your IDA Specialist.

For Habitat Oregon to consider your leave of absence request, you must have made deposits in the program for at least six months. Your leave of absence can last no more than six months. Once you have returned to the program, you are still expected to meet your savings goal by the end date included in your Savings Plan Agreement. Savers are allowed to take one leave of absence while enrolled in the IDA Program.

Voluntary Early Exit

There are some situations that warrant leaving the program early to resolve a financial crisis or other life change. In these situations, discussing your options with your IDA Specialist will help determine if exiting the program early is the best option for you.

Involuntary Early Exit

In addition to you deciding to exit the program voluntarily prior to completion, Habitat Oregon reserves the right to dismiss you from the program due to program violations.

Below are the **reasons why you could be exited early from the IDA Program.**

- Relocating outside of Oregon
- Not opening your savings account by the deadline included in your enrollment authorization letter
- Not making progress towards your savings goals in accordance with your Savings Plan Agreement
- Not communicating with your IDA Specialist or cooperating with their program requests

Involuntary Exiting Process

In the case that the IDA Administrator deems necessary to initiate the Involuntary Exiting Process for a saver, Habitat Oregon will mail the saver a written notice 30 days prior to the final decision for program dismissal. This notice explains the steps that can be taken to resolve the issue and opens the opportunity for the saver to petition a review. If Habitat Oregon does not receive a response from the saver within the 30-day notice period or if the saver does not or cannot comply with the requested solution parameters to stay in the program, Habitat Oregon will follow up with a formal written communication of program dismissal. This later communication will confirm the saver's exit from the program and will authorize the withdrawal of any balance remaining in the saver's IDA savings account. The saver forfeits all or any remaining matched funding in the case of an involuntary early exit.

Anyone who leaves or is dismissed early from the program may reapply after 6 months.

Remember

- Keeping in communication with your IDA Specialist in case that issues arise can help you examine available options.
- The funds that you have deposited in your IDA savings account including any interest credited to your account, are and will always belong to you, even if by the reasons listed above, you become dismissed by the IDA Administrator, or you voluntarily decide to exit the IDA program.
- For a custodial account, the bank will require you to bring an authorization letter from Habitat Oregon to withdraw your IDA savings.

Account Term

Once you have completed all the program requirements, you could become eligible for a matched withdrawal after a minimum of three (3) months from your account opening date. The longest preferred timeline for completing your saving goals is 36 months.

If you need more time to complete your savings goal than what you originally planned, you can request an extension to your savings period. Extending your savings period will not increase your reserved match funds.

Beneficiary

You can designate an individual to receive the balance of your IDA account in the event of your death.

- If you open a custodial account, you will be asked to name a beneficiary when you complete your IDA Savings Plan Agreement. You can modify this designation by letting the IDA Program Administrator know.
- If you open a non-custodial account, the bank or credit union will ask you for this information.

If the designated individual qualifies for an IDA account, then your savings account balance and matching funds can be used to establish a new IDA for this person. If the designated individual does not qualify for an IDA, or does not want one, then your savings balance will go directly to them, without any matched funds.

If a saver cannot be located by Habitat Oregon and the IDA Program Administrator, and three years have passed, funds must be remitted to the Oregon Department of State Lands under the Unclaimed Property Law.

Amendments

If needed, you can request to change the terms in your initial Savings Plan Agreement. An amendment can be requested to adjust the timeline to reach your saving goal or to your savings goal itself. Any changes to your Savings Plan Agreement terms, must be documented by the IDA Specialist via a Savings Plan Amendment.

Habitat Oregon has the right to amend this Saver Handbook, as well as other program documents including the Savings Plan Agreement. Savers will receive a 30-day written notice of any change. Program updates and effective dates for these amendments will be posted at <https://habitatoregon.org/ida/savers/>.

Program Evaluation and Data Collection

You will be asked to participate in two confidential evaluations of your financial experiences throughout the program. One survey is included in the IDA application prior to your program enrollment and another will be provided after your last IDA match withdrawal — or graduation from the program.

Neighborhood Partnerships, the state IDA Program Administrator, collects data from program participants. You were informed of this during your enrollment via the [Oregon IDA Initiative Privacy Statement and Terms of Use disclosure](#). This data collection helps Neighborhood Partnerships effectively monitor the IDA Program so that it is operated according to State law. It also helps the organization learn how the program is working, so that others might benefit from the IDA Program.

Neighborhood Partnerships publishes reports and other promotional materials on the outcomes of the program using aggregate data that does not disclose savers' personal information. All published reports and materials are available at the Oregon IDA Initiative website (<https://oregonidainitiative.org>), or upon request.

Remember

- Your participation in the program evaluation is voluntary and refusal to participate does not impact any program benefits.

Program Completion and Graduation

You will complete and graduate from the IDA Program once you have reached your savings goal; completed your financial education and asset-specific training; requested to withdraw your funds and your match funds; and purchased your asset.

Once you have spent all of your funds, your custodial account must be closed. If, within 60 days from your final purchase, any match funds are returned to Habitat Oregon by a vendor,

you will be given an additional 30 days to use the funds towards your asset goal. Any match returned after that timeframe will not be available for reuse. Any participant savings returned to Habitat Oregon will be sent to the saver. If Habitat for Humanity staff is unable to locate you, these funds will be sent to the State of Oregon as unclaimed property.

Remember

- Keeping the custodial savings account open after purchasing your asset is not an option.
- Non-custodial accounts can remain open after reaching your goal according to the saver's discretion, but will not be eligible for additional matched funding.

Maximum Number of Accounts

The Habitat Oregon IDA Program allows each saver to participate twice, with only one enrollment at a time. Depending on their first successful IDA match amount and enrollment period, savers would need to follow the Oregon IDA Initiative wait periods before applying again.

Below are the considerations for the Oregon IDA Initiative wait periods for accessing IDAs more than one time.

- If the saver received \$6,000 or less from their previous IDA, they must wait one year from the previous IDA's open date.
- If the saver received between \$6,001-\$12,000 from their previous IDA, they must wait two years from the previous IDA's open date.
- If they received between \$12,001-\$18,000 from their previous IDA, they must wait three years from the previous IDA's open date.

If you are interested in applying for the program for a second time after you complete your first IDA, you may ask your IDA Specialist for more information.

IDAs and Taxes

Savers do not have to report the IDA funds - savings or match - when filing their taxes. However, there may be some tax implications in certain situations.

For more information on the interaction of IDAs and taxes, consult a tax professional and view the following links:

- IRS ruling on the treatment of IDA funds: <https://www.irs.gov/pub/irs-drop/rr99-44.pdf>
- Neighborhood Partnerships' guide: <https://oregonidainitiative.org/ida-tax-related-issues>

Continued Engagement

Be sure to keep your contact information current with your IDA Specialist. Having access to your current address, phone number and email helps the Program Administrator carry future program evaluation.

You may also be invited to participate in creating a success story or provide testimony about your IDA experience for state legislators or other stakeholders. IDA savers' testimonies support the advocacy work done by Habitat Oregon and the Oregon IDA Initiative to secure funding for the IDA Program for more Oregonians. Your voluntary participation in these activities is highly encouraged.

Remember

- Sharing your IDA journey with lawmakers can positively influence future program funding.

The Habitat Oregon team is here to support you on your IDA journey. Happy savings!