



Michigan IDA Partnership

-A Project of Oakland Livingston Human Service Agency- Statewide Report for January-March, 2010

Introduction

This last quarter MIDAP and MSHDA were pleased to announce the receipt of five federal Asset for Independence (AFI) awards totaling \$514,822 that will support 250 new IDA accounts in Michigan. The awards are particularly significant given that there were only nine awards nationwide. The award is more evidence of the effectiveness of the MIDAP team; providers and funders. The major funder was MSHDA with \$375,000 used for match.

When Michael Sherraden the father of IDAs (and recently named one of the 100 most influential people in the world by TIME Magazine) conceived of this idea it was based upon the premise that the poor do not spend there way out of poverty they save there way out. As the IDA program has proven over the last 10 years in Michigan, when the low-income are given the same incentives to save as higher income families they will. But IDAs are not the sole answer. We want to create the life time opportunity and habit of savings for all. There are a number of pieces of federal legislation that together would make this happen.

One significant piece of proposed legislation, HR 1961, would improve the Savers Credit. Only 5.9 million households currently use the savers credit. The bill would expand eligibility to household incomes up to \$65,000 and provide a \$500 match for singles and a \$1,000 match for families. This would expand use to approximately 50 million households.

As this quarterly report shows incentives to save work. Encourage your elected officials to support this and other legislation that will bring more Americans into the economic mainstream

Statewide Accomplishments

- Over 23 qualified withdrawals were processed in the state during this quarter, for a grand total of 1,621.
- The Michigan Individual Development Account Partnership (MIDAP) is pleased to announce funding from the most recent round of Assets for Independence (AFI) Grants that the Department awards annually. In total, \$1.8 million was awarded to organizations nationwide, and MIDAP is the proud recipient of five of the nine grants. The accounts (250) will be disbursed later this spring and divided equally amongst the five Regional Coordinating Organizations.
- After much anticipation, the MIDAP website is finally underway and available for viewing at its permanent home: www.MIDAP.info. The purpose of this website is to provide helpful information for savers, technical information for program sites, and statistical information for funding sources. There is also information on how to make a contribution to the IDA tax credit.
- More than 20 Michigan IDA program sites came to support the program by attending the IDA tax credit session at the Affordable Housing Conference, in Lansing. The purpose of the session, led by NMCAA and OLHSA, was to educate the attendees about the passing of the tax credit, and how IDA program sites may market the tax credit in their communities.

Accomplishments at Specific Regions:

- Inner City Christian Federation (ICCF) covering the west region, reported 0% attrition this quarter amongst their program sites. The IDA site staff have been busy engaging savers with strong savings habits, household budgeting, credit building and repair, and financial management training.

- United Way of Southeast Michigan (UWSEM) covering the Detroit region, reported lowering their attrition rates by streamlining program forms and integrating new policies.
- Oakland Livingston Human Service Agency (OLHSA) covering the thumb region, completed their annual program site assessment. The purpose of the assessment is to make sure both the program site and the RCO are following best practices, procedures and other contractual obligations. All sites are currently meeting standards.
- The Northwest Michigan Community Action Agency (NWMCAA), covering the northern region, created a survey for program sites to distribute to their IDA homebuyer graduates. The survey's purpose will be to receive feedback about their home purchase, and whether or not they still own the home or has it gone into foreclosure. A SASE will be included, and those who return the survey may be entered into a drawing in order to promote participation.
- Community Action Agency –Jackson (CAAJ), covering the southern region, visited each program site in March. The meeting included an in-person audit, and a review of current program operations. Findings were minimal, and all sites were operating within MIDAP guidelines.

Summary of Progress

Number of IDA participants

Statewide	Funded	Filled	Available	% filled
All funds	2086	1987	99	0.95
Old funds (2001-06)	1384	1369	15	0.99
New funds (AFI 07)	533	517	16	0.97
New funds (AFI 08)	169	101	68	0.60

Asset Investments Summary Table

As of March 31, 2010

Homeownership Accounts	1140
Education Accounts	291
Business Accounts	186
Total Asset Investments	1,621
Total Participant Savings Used	\$1,720,047
Total Match Amount Used	\$4,676,683
Current Mortgages Leveraged	\$89,758,975

As a state, Michigan IDA numbers continue to grow. Significant number changes from last quarter:

-Total accounts filled went from 1,947 people to 1,987 people

-23 qualified withdrawals occurred during this quarter

Statewide Funding Update and Plans for Expansion

OLHSA continues working on fundraising efforts for MIDAP, in order to commit non-federal funding sources for the Assets for Independence 2010-2011 grant cycles. The accounts received earlier this year will provide another 250 people with IDAs in Michigan. Unfortunately, many others are put on hold as we wait for funding for more accounts. In addition, several more IDA program agencies housed in communities where IDAs are needed, will have to turn away eligible participants because they can no longer afford to staff their programs.

During the next several months, MIDAP will pursue several avenues to market the IDA tax credit. Program sites will aid in this effort as they roll out the marketing materials in their own neighborhoods. In doing so, the word about both the IDA program and their agencies will reach many more that may have been considered unreachable, and could help propel the program on several levels.

Current Strengths & Areas for Improvement of the Michigan IDA Partnership

Strengths:

- The new MIDAP website will allow our network of RCOs, program sites, clients and partners a sufficient way to gather and share information.
- RCOs report that many of their IDA clients are apparently taking advantage of reduced home rates, due to foreclosures in their communities.
- Four of the five RCOs submitted success stories this quarter. Please see page 4 of this report.

Areas for Improvement:

- United Way is in the process of identifying new strategies when working with small business accounts, and how to ensure sustainability for these small businesses.
- Some sites in the Southern tier network report temporary recruitment difficulties, due to many prospective clients not wanting to stay in the program for the 6-month minimum because of the Homebuyer tax credit ending.
- Program sites in Michigan are eager for new accounts. In the Thumb region alone, there are over fifty names of eligible potential participants waiting for word that the funding is in place and accounts may be opened.

Participation in MIDAP Training and Capacity Building Services

- RCOs are now equipped to train program sites on how to market the IDA tax credit. All program sites will receive a FAQ form and a PowerPoint presentation that achieves the following: explains an IDA, summarizes MIDAP, outlines current funding sources in Michigan, and finally, describes the basics of the tax credit. The presentation also allows room for program sites to share about their agencies and a most recent IDA success story. These marketing pieces may be shared in their communities at local clubs, organizations, etc.
- Due to the recent report by CFED on IDA homebuyers and foreclosure rates (Weathering the Storm), OLHSA is asking all five regions and their program sites to begin collecting similar data here in Michigan. This kind of information will likely show what CFED's study revealed, which is that the training and counseling received with IDAs are keeping foreclosure rates significantly down (3.1%), when compared to non-IDA home purchases (6.5%).
- RCOs participated in regional program site meetings, statewide RCO calls, IDA network list-serve and AFIA related emails and webinars. Recent call topics include: gathering post-purchase data, website updates, tax credit marketing and funding updates

Technical Assistance Analysis (provided to RCOs and/or Program Sites with description of type of TA provided, including any data accuracy/management issues).

- Toby Budd, CAA Jackson, developed several reports for Outcome Tracker that will assist OLHSA in pulling the data needed to complete an accurate and up-to-date statewide report.
- At the new website and under the For Sites tab, over 50 different forms and handouts can be downloaded by IDA program sites across the nation. The forms are there so that nobody has to reinvent the wheel, and are an integral part of why working within a collaborative is so successful. These forms include: FAQ, presentations, marketing components, client forms, eligibility questions and answers, several program tips and training pieces.
- Two RCOs report having to house IDA clients from a recently closed program site, until a new partner may be identified. The program sites in these regions either had major reconstructing issues and or loss of staff.

IDA Success Story

Contributed by Macomb County Community Service Agency (Thumb Region):

For Kristine DeWitt, living in government subsidized housing “wasn't enough for me.” She sought to move out of poverty through education and homeownership. In addition to taking these steps in her own life, Kristine helps other families become homeowners as an employee at Macomb County Habitat for Humanity. This made Kristine a unique participant in MCCSA's Individual Development Account (IDA) Program, as she is both a human services colleague and customer.

Macomb County Community Services Agency's (MCCSA) IDA Program helps qualified families save money for a down payment on a home. After being accepted into the program, Kristine made monthly contributions into an individual development account, a special bank account separate from other accounts. The \$1,000 saved is matched at a 3:1 rate through MCCSA and used to the down payment and closing costs on the purchase of a first home in Macomb County. People enrolled in the program must also complete 35 hours of homebuyer and financial education seminars.

Kristine heard about Individual Development Account Programs from a Habitat for Humanity office in another county. Kristine did some research and found the program in Macomb County administered by MCCSA. She intended for it to assist her Habitat for Humanity participants. However, eventually Kristine became a participant in both Habitat for Humanity and MCCSA's IDA Program.

Kristine had always rented. She was raised in poverty and had always lived in government subsidized housing. However, Kristine longed for more for herself and her two children. Kristine enrolled in MCCSA's IDA Program in March 2009. She completed the savings and education goals by December. The home Kristine purchased is a new home built by Habitat for Humanity in Roseville.

Importantly for Kristine is that her new home is a stable, consistent environment for her son who is autistic. Her son does not have to worry about moving, something the family had done frequently in the past. Kristine hasn't stopped working on the home since she moved in. Her projects have included enclosing the basement stairs to create storage space and building a shelving unit in the laundry area.

An added benefit for Kristine is the experience as a participant helps her do her job better. She has a complete understanding, both the good and frustrating parts, of being a participant and homeowner through MCCSA's IDA Program and Habitat for Humanity.

Applicants to the IDA Program must be current Macomb County residents and meet income and other eligibility requirements. For more information on MCCSA's IDA Program, please call 586-469-7378 or visit www.macombcountymi.gov/mccsa/ida.asp.

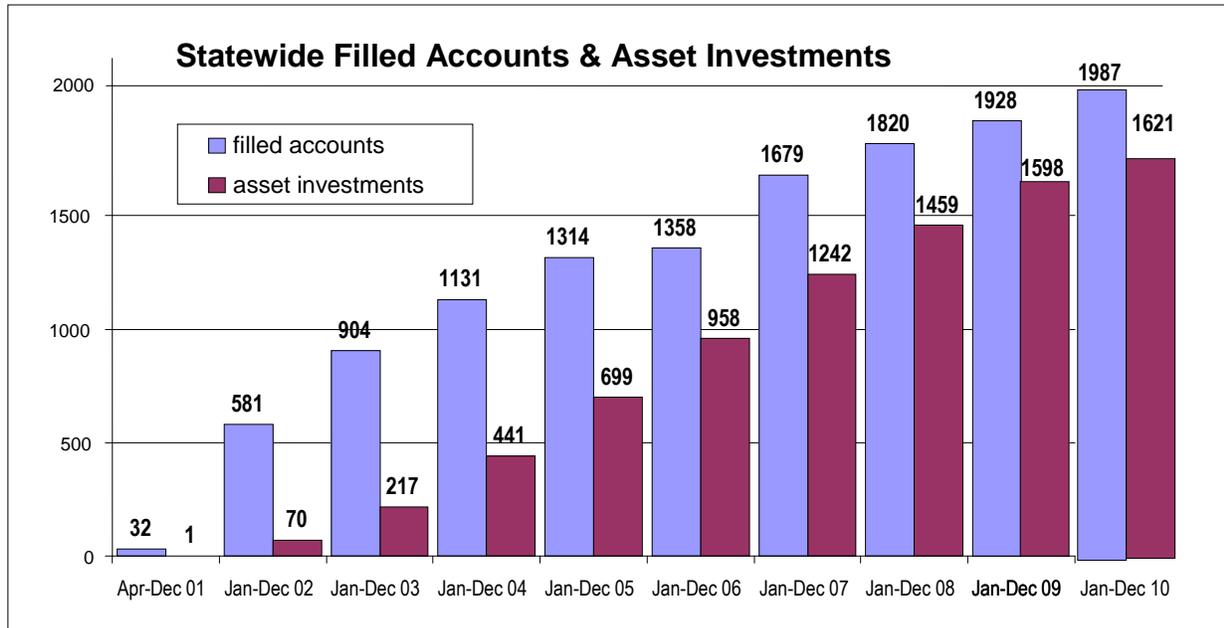


Attachments

- **Updated State of Michigan IDA Fact Sheet**
- **Regional Reporting breakdowns (Thumb, South, West, North and Detroit)**
- **Cities of Promise breakdown**



MICHIGAN IDA PARTNERSHIP
 A PROJECT OF OAKLAND LIVINGSTON HUMAN SERVICES AGENCY
PROGRAM STATUS UPDATE
MARCH 2010



Asset Investments Summary Table	
As of March 31, 2010	
Homeownership Accounts	1,140
Education Accounts	291
Business Accounts	186
Total Asset Investments	1,621
Total Participant Savings Used	\$1,720,047
Total Match Amount	\$4,676,683
Current Mortgages Leveraged	\$89,758,975

In addition to the quantitative impact of the growing number of IDA Asset Investments, the program is also **having a qualitative impact** on its participants including:

- **All** participant graduates indicate they **continue to have a savings goal** after the program.
- **94%** of graduates **continue to create and use household budgets**.
- **90%** of graduates **feel more economically secure**.
- **72%** of graduates are **satisfied with their current financial situation**.

The Michigan IDA Partnership is a successful model for IDA collaborative programs. The number of accounts opened, savings by participants, and asset investments demonstrate that with the right tools and support low- and moderate-income households save for their futures. The challenge now is securing sustained and continued funding of approximately \$1 million in non-federal funds, which in turn makes federal AFI support possible. Funds have been allocated by the Michigan Department of Human Services and MSHDA, and new tax credit legislation is promising, but it is not enough. Without stable support IDA program sites cannot continue to operate quality programs. The coming year will require us to reconsider the MIDAP operations and our fund-raising strategy. Your help and ideas will be needed. Please contact Susan Mosqueda at susanm@olhsa.org or 248-209-2790, or Don Jones at donj@olhsa.org or 248-209-2620.

Michigan IDA Partnership (www.midap.info) is sponsored in part by Michigan State Housing Development Authority

STATUS OF IDA ACTIVITY IN MICHIGAN FACT SHEET MARCH 2010

IDA (Individual Development Account) activity is strong in Michigan. The Michigan IDA Partnership (MIDAP), originally created as a partnership between the Michigan Department of Human Services (DHS) and the Council of Michigan Foundations, has created a statewide program with **over 2,250 IDA Accounts** funded. IDAs help working poor families save toward buying their first-time home, attaining post-secondary education, or starting a small business. In Michigan, IDAs have helped individuals **save over \$1,720,047!**

Since 2001, MIDAP has:

- Established **5 IDA Program Regional Networks** to reach a statewide goal of 2,000 IDA Accounts
- Raised and received non-federal and federal match dollars to support statewide accounts in 2007, 2008, and now 2010. This year, **another 250 accounts** will be available in the state of Michigan
- Expanded the number of **IDA Program Sites from 5 to 50**
- More than **1,987 accounts** are filled, and **95% of all funds are allocated to an IDA participant.**

OUTCOMES:

The *Independent Evaluation Report* through Year Three (3) of the project found that the **typical IDA Participant is a 33-year-old unmarried** woman with some college education, a full-time job, a **monthly household income of about \$1,700** (\$20,000 annually), and **two children** living at home. Nearly 80% of all participants plan to purchase a home, 10% intend to use their account for a business, and 10% for education. Additionally:

- **Regular savings** by participants **went from 25 to 71 percent**, and 87 percent report they expect to save regularly in the future.
- 99 percent have been **affected positively by being in their IDA Program** and 84% believe the financial management education classes have helped them save.
- 90 percent are **more aware of their credit rating**. Families showed, on average, a **12% to 23% increase in their credit score** depending on the credit score source.
- 83 percent report they are **more likely to work or stay employed** since opening their IDA

Through March 31, 2010, **1,621 IDA Participants have made an asset investment** (1,140 homes purchased, 291 education account uses and 186 business account uses). The mortgages **leveraged to date exceed \$89 million.**

Leveraged \$3.5 million in private sector funding, \$5.5 million from the **state of Michigan (including DHS and MSHDA funds)** and \$2.9 million in **federal Assets for Independence Act (AFIA)** funding (All 5 Regional Coordinating Organizations [RCOs] have received AFIA support).

IDA POLICY TO CONTINUE GROWTH:

1. **Develop annual State Support for IDA Accounts through DHS and MSHDA existing budgets**
2. **Implementation of state IDA Tax Credit Act, PA 514**
3. **Passage of the federal Savings for Working Families Act**

For further information, including evaluations please contact:

MIDAP Program Coordinator at OLHSA:

Susan Mosqueda, 248-209-2790

Don Jones, 248-209-2620

Southern Region:

Community Action Agency (Jackson),

Jennifer Fitch, 517-788-6495, jfitch@caajlh.org

Western Region:

Inner City Christian Federation (Grand Rapids),

Sue Ortiz, 616-336-9333, sortiz@iccf.org

Northern Region:

Northwest Michigan CAA (Traverse City),

Karen Emerson, 231-947-3780, kemerson@nmcaa.net

Thumb Region:

Oakland Livingston Human Service Agency (Pontiac)

Heidi Henderson, 248-209-2691, heidih@olhsa.org

Detroit Region:

United Way for SEM (Detroit), Monica Esquivel,

313-226-9487, monica.esquivel@liveunitedsem.org

FOR MORE INFORMATION, PLEASE GO TO WWW.MIDAP.INFO

IDA Regional Reports:**Southern Region****RCO: Community Action Agency (Jackson)****Number of IDA participants**

South	Funded	Filled	Available	% filled
All funds	470	400	70	0.85
Old funds (2001-06)	216	216	0	1.00
New funds (AFI 07)	125	119	6	0.95
New funds (AFI 08)	129	65	64	0.50

Asset Investments

South	Total	HO	ED	BUS
All funds	294	263	18	13
Old funds (2001-06)	216	186	18	12
New funds (AFI 07)	77	76	0	1
New funds (AFI 08)	1	1		

Participants who have made qualified withdrawals for Asset Investments in the Southern Region have:

accessed match funds of \$ 791,039
 leveraged mortgages of \$23,660,843

Attrition Rates

South	Enrolled	filled	% Attrition
All funds	861	400	0.54
Old funds (2001-06)	618	216	0.65
New funds (AFI 07)	170	119	0.30
New funds (AFI 08)	73	65	0.11

Funds leveraged for participants

South	Savings	match	mortgages
All funds	\$350,700	\$791,039	\$23,660,843
Old funds (2001-06)	210,559	587,883	17,731,362
New funds (AFI 07)	105,196	200,156	5,855,482
New funds (AFI 08)	34,945	3,000	73,999

(Match is equal to all match dollars used for past qualified withdrawals. Savings is equal to those dollars saved and used for past qualified withdrawals, and also dollars saved and in an active account at quarter ending)

Western Region

**RCOs: City Vision, Inc. (Grand Rapids) for 2001-2006 funding,
Inner City Christian Federation (Grand Rapids) for 2007 and forward funding**

Number of IDA participants

West	Funded	Filled	Available	% filled
All funds	361	377	-16	1.04
Old funds (2001-06)	253	253	0	1.00
New funds (AFI 07)	108	124	-16	1.15

Asset Investments

West	Total	HO	ED	BUS
All funds	318	236	22	60
Old funds (2001-06)	253	186	19	48
New funds (AFI 07)	65	50	3	12

Participants who have made qualified withdrawals for Asset Investments in the Western Region have:

accessed match funds of \$ 795,088
leveraged mortgages of \$20,453,681

Attrition Rates

West	Enrolled	filled	% Attrition
All funds	710	377	0.47
Old funds (2001-06)	562	253	0.55
New funds (2007)	148	124	0.16

Funds leveraged for participants

West	savings	match	mortgages
All funds	\$ 337,354	\$795,088	\$20,453,681
Old funds (2001-06)	247,321	628,852	15,742,080
New funds (2007)	90,033	166,236	4,711,601

(Match is equal to all match dollars used for past qualified withdrawals. Savings is equal to those dollars saved and used for past qualified withdrawals, and also dollars saved and in an active account at quarter ending)

Northern Region**RCO: Northwest Michigan Community Action Agency (Traverse City)****Number of IDA participants**

North ALL	Funded	Filled	Available	% filled
All funds	404	368	36	0.91
Old funds (2001-06)*	299	284	15	0.95
New funds (AFI 07)	105	84	21	0.80

*Includes 35 completed accounts at FiveCAP, which is no longer a MIDAP funded site.

Asset Investments

North	Total	HO	ED	BUS
All funds	315	242	54	19
Old funds (2001-06)*	284	217	49	18
New funds (AFI 07)	31	25	5	1

Participants who have made qualified withdrawals for Asset Investments in the Northern Region have:

accessed match funds of \$ 903,818
 leveraged mortgages of \$12,156,336

Attrition Rates

North	Enrolled	filled	% Attrition
All funds	549	368	0.33
Old funds (2001-06)*	426	284	0.33
New funds (2007)	123	84	0.32

Funds leveraged for participants

North	savings	match	mortgages
All funds	\$ 362,043	\$903,818	\$12,156,336
Old funds (2001-06)*	297,802	821,154	10,231,349
New funds (2007)	64,241	82,664	1,924,987

(Match is equal to all match dollars used for past qualified withdrawals. Savings is equal to those dollars saved and used for past qualified withdrawals, and also dollars saved and in an active account at quarter ending)

Thumb Region**RCO: Oakland Livingston Human Service Agency (Pontiac)****Number of IDA participants**

Thumb	Funded	Filled	Available	% filled
All funds	397	391	6	0.98
Old funds (2001-06)	257	257	0	1.00
New funds (AFI 07)	100	98	2	0.98
New funds (AFI 08)	40	36	4	0.90

Asset Investments

Thumb	Total	HO	ED	BUS
All funds	306	237	30	39
Old funds (2001-06)	257	200	26	31
New funds (AFI 07)	46	34	4	8
New funds (AFI 08)	3	3		

Participants who have made qualified withdrawals for Asset Investments in the Thumb Region have:

accessed match funds of \$ 761,442
 leveraged mortgages of \$19,278,691

Attrition Rates

Thumb	Enrolled	filled	% Attrition
All funds	726	391	0.46
Old funds (2001-06)	535	257	0.52
New funds (AFI 07)	146	98	0.33
New funds (AFI 08)	45	36	0.20

Funds leveraged for participants

Thumb	savings	match	mortgages
All funds	\$338,018	\$761,442	\$19,278,691
Old funds (2001-06)	228,272	634,730	16,318,859
New funds (AFI 07)	90,359	117,712	2,684,832
New funds (AFI 08)	19,387	9,000	275,000

(Match is equal to all match dollars used for past qualified withdrawals. Savings is equal to those dollars saved and used for past qualified withdrawals, and also dollars saved and in an active account at quarter ending)

Detroit Region**RCO: United Way for Southeast Michigan (Detroit)****Number of IDA participants**

Detroit ALL	Funded	Filled	Available	% filled
All funds	454	451	3	0.99
Old funds (2001-06)*	359	359	0	1.00
New funds (AFI 07)	95	92	3	0.97

*Includes 121 completed accounts at Michigan Neighborhood Partnership, which is no longer a MIDAP funded site.

Asset Investments

Detroit	Total	HO	ED	BUS
All funds	388	166	167	55
Old funds (2001-06)*	343	158	133	52
New funds (AFI 07)	45	8	34	3

Participants who have made qualified withdrawals for Asset Investments in the Detroit Region have:

accessed match funds of \$ 1,425,296
 leveraged mortgages of \$14,209,424

Attrition Rates

Detroit	Enrolled	filled	% Attrition
All funds	977	451	0.54
Old funds (2001-06)*	872	359	0.59
New funds (AFI 07)	105	92	0.12

Funds leveraged for participants

Detroit	savings	match	mortgages
All funds	\$ 331,932	\$1,425,296	\$14,209,424
Old funds (2001-06)*	291,921	1,296,626	13,666,567
New funds (2007)	40,011	128,670	542,857

(Match is equal to all match dollars used for past qualified withdrawals. Savings is equal to those dollars saved and used for past qualified withdrawals, and also dollars saved and in an active account at quarter ending)

Cities of Promise (COP)

All Cities of Promise IDA funds reported here relate to the 2007 funding restricted to use in these eight cities. The number of City of Promise participants in some Cities may exceed the amount of funding specifically restricted to a City of Promise.

Number of IDA Participants

Statewide				
New funds (2007)	Funded	Active	Ever enrolled	% Attrition
All COP	132	197	294	0.33
By City				
	Funded	Active		
Benton Harbor	15	15	34	0.56
Muskegon Hghts	15	4	7	0.43
Detroit, Htrmk, HP	46	87	121	0.28
Pontiac	26	43	63	0.32
Flint	12	20	28	0.29
Saginaw	18	28	41	0.32

Asset Investments & Funds leveraged by participants

Funds Leveraged for participants					
Cities of Promise	total savings	match	mortgages	qw save	reg save
All COP	\$ 143,206	\$ 202,500	\$ 3,434,986	\$ 65,739	\$ 77,467
Benton Harbor	11,161	28,786	935,900	9,959	1,202
Muskegon Heights	1,992	3,000	75,000	1,000	992
Detroit, Htrmk, HP	63,064	81,339	504,500	20,929	42,135
Pontiac	34,431	48,735	1,042,179	18,529	15,902
Flint	11,761	9,000	223,000	3,000	8,761
Saginaw	20,797	31,640	654,407	12,322	8,475

City of Promise Qualified withdrawals

Statewide	Total	HO	ED	BUS
All COP	75	52	10	13
Benton Harbor	12	12	0	0
Muskegon Hghts	1	1	0	0
Detroit, Htrmk, HP	25	10	9	6
Pontiac	23	17	1	5
Flint	3	3	0	0
Saginaw	11	9	0	2

Participants who have made qualified withdrawals for Asset Investments in the Cities of Promise
 have saved \$ 143,206
 accessed match funds of \$ 202,500
 leveraged mortgages of \$ 3,434,986