



Michigan IDA Partnership
-A Project of Oakland Livingston Human Service Agency-
Statewide Report for October-December, 2010

Introduction (Karen Emerson—Northwest Michigan CAA)

Northwest Michigan Community Action Agency, Inc. (NMCAA) program site is proud to announce the 100th IDA recipient in a 10 county rural area in northwestern lower Michigan. The IDA program that began in 2001 with 15 homeownership accounts, has grown to over 191 accounts for business, education and homeownership. Regional Coordinator and Program Site Manager, Karen Emerson said, “Reaching our 100th IDA qualified withdrawal is truly a great moment in our IDA history at the agency. IDAs are helping people become self-sufficient and an essential tool in helping people break the cycle of poverty and we are excited to be part of the process.”

IDAs are focus of the future of NMCAA as they partner with the Poverty Reduction Initiative (PRI) and the Northwest Michigan Tax Coalition (NMTC) within the region. What a great way to teach low-to- moderate income people financial management skills and provide asset specific training with incentives to save!

Angie Cranney, of Harbor Springs, is the one-hundredth successful graduate of the Individual Development Account (IDA) Program sponsored by the Northwest Michigan Community Action Agency (NMCAA).

Ms. Cranney first heard about the IDA Matched Savings Program from the local Women’s Resource Center. She had been owner and operator of an archery store since 2007 and after learning more about IDAs, she decided to join the program in March of 2008. Her goal was to improve her website to expand the on-line sales part of her business. The mission of Archer Full Throttle is to offer quality hunting and archery equipment at a low price and give the best customer service in the industry. Since the redesign of her website was completed, Angie reports that on-line sales have doubled and now account for 98% of her total sales with products being shipped world-wide.

The hardest struggle she faced in achieving her goal was ignoring people who told her she would fail. Instead, she got up each day and focused on the number 10, because that is the percentage of small businesses that actually do succeed.

Statewide Accomplishments

- Nineteen IDA clients successfully purchased their asset during this quarter, for a grand total of 1,701.
- Over \$68,000 were raised in 2010 from donations for the Michigan IDA tax credit. These dollars will help match and support additional IDA accounts across the state, in 2011.
- New partners continue to surface for RCOs and their program sites.
- Commitments are currently being processed for a potential 2011 Assets for Independence grant request.

Accomplishments at Specific Regions:

- Inner City Christian Federation (ICCF) covering the west region, introduced 95 of its IDA clients to the Introduction to Homeownership series this past quarter. Two financial management training sessions were also offered this quarter, and succeeded in graduating 39 clients from the program.

- United Way of Southeast Michigan (UWSEM) covering the Detroit region, is tailoring its IDA program to two Center for Working Family Agencies: Southwest Housing Solutions and Goodwill Industries. Working with a limited number of agencies housing larger account loads will be easier to manage than working with several agencies only housing 1-3 accounts.
- Oakland Livingston Human Service Agency (OLHSA) covering the thumb region, conducted meetings with Common Ground and Peer Choices, to further its goal of offering IDAs to people with a disability in Oakland County. OLHSA sites also are heavily marketing the program this spring to various groups and individuals.
- The Northwest Michigan Community Action Agency (NWMCAA), covering the northern region, sent out over 100 tax credit fliers to CPAs and financial advisors in neighboring communities. In preparation for another program year, all program sites are receiving updated forms and trainings on policies and procedures.
- Community Action Agency –Jackson (CAAJ), covering the southern region, saw 6 clients graduate and purchase a home this quarter. A continued partnership with Habitat for Humanity has helped clients reach their home-ownership goals, and an increase in Education IDAs is underway in the region.

Summary of Progress

Number of IDA participants

Statewide	Funded	Filled	Available	% filled
All funds	2336	2023	313	0.87
Old funds (2001-06)	1384	1369	15	0.99
New funds (AFI 07)	533	505	28	0.95
New funds (AFI 08)	169	122	47	0.72
New funds (AFI 10)	250	27	223	0.11

Asset Investments Summary Table

As of December 31, 2010

Homeownership Accounts	1,210
Education Accounts	296
Business Accounts	195
Total Asset Investments	1,701
Total Participant Savings Used	\$1,812,163
Total Match Amount Used	\$4,917,369
Current Mortgages Leveraged	\$93,937,073

Significant number changes from last quarter (cumulative totals):

	Through Sept.	Through Dec.	Difference:
<u>Qualified Withdrawals:</u>	1,682	1,701	+19
<u>*Filled Accounts:</u>	2,015	2,023	+8

*Terminated accounts will make the # of Filled Accounts smaller than if only new growth (clients) was shown.

Statewide Funding Update and Plans for Expansion

The October-December quarter proved to be exciting, as tax donations rolled in alongside other requests, and new partnerships and discussions for 2011 account loads carried on. As MIDAP waits to hear AFIA RFP dates for later this year, the main question (how many accounts can be yielded from the currently raised dollars) turns into another question: how many accounts could be opened if funding wasn't an issue?

While certainly every program could reach and do more with sustainable funding, IDAs have the ability to go on and on, long after the asset has been purchased. Credit counseling, budget creating, how to save, training for

either a first-time home, small business or post-secondary education, and a greater understanding of financial concepts and products are just some of the long-term benefits of the program.

Each year as RCOs work with their program sites to determine where the accounts are most needed and MIDAP works to raise funds for another round, the hope remains the same—that each year the problem will become less and less about the funding, and more about stretching the program's outer limits.

Current Strengths & Areas for Improvement of the Michigan IDA Partnership

Strengths:

- ICCF reported that even if an IDA client is terminated from the program (due to inability to save, moving out of area or loss of interest in the program), the partnering agencies that are in place are able to continue supporting these families through other services and community relationships. Keeping the client engaged in developing their credit and sustaining solid savings habits will ultimately aid them in their goal to one day purchase their first-time home, with or without an IDA.
- As RCOs move forward to work with their agency partners in 2011, the ability to recognize their strengths and weaknesses has become second-nature. Many of these sites have been on board since 2001, and are becoming more secure with their programs. Program site staff handle operations that once were only capable by their RCO: train new staff, find referral partners within their communities, incorporate best practices, fix data issues, and analyze their needs for accounts.

Areas for Improvement:

- This past quarter, many program sites were frustrated by bank issues: fees posted on no-fee accounts, late statements, new staff at banks unaware of qualified withdrawal procedures, bank employees allowing unauthorized non-approved withdrawals, and the inability for sites to find banks that will work with their clients due to low credit scores and low purchase prices on foreclosures (resulting in high risk and not cost-effective transactions). This is a reminder of how constant the work is for program sites to renew and maintain these partnerships, and the critical roles they play in IDAs.

Participation in MIDAP Training and Capacity Building Services

- RCOs will continue to discuss each month on their monthly calls the marketing of the Michigan IDA tax credit. Conversations are already underway with the IRS and the Financial Planning Association of Michigan, and another flier push will also occur as individuals prepare their taxes and begin to make decisions for donations in 2011.
- RCOs completed their annual AFIA data reports to congress, this past November and December. These reports consist of multiple questions in several areas, including: Program design, Program partners, Client demographic information, Training graduates, Funding partners and amounts, Financial Institution partners and overall totals, Current Deposit activity, and Qualified withdrawal totals and uses. This information must be completed for each active grant, with each RCO currently having more than one active grant (and some having three). The information for these reports is gathered from Vistashare, excel spreadsheets, program site interviews and questionnaires, and client files. The Office of Community Services provides these reports to Congress, on the status of AFI Program implementation.

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

- OLHSA reported working with several sites this past quarter, experiencing the following issues: billing, data entry and new staff training. NMCAA reported working with program sites and reviewing new contracts. CAA-Jackson reported working with sites to properly close-out the 2006 AFIA grant, as well as address new staff issues. UWSEM reported working closely with their new partner, Goodwill Industries.
- New income guidelines were released in January. RCOs shared an updated application with their program sites, and several forms were revised at the statewide website: Income guideline stickers, FAQ for sites, FAQ for potential participants, EITC guidelines, and the MIDAP policy/procedure manual.
- RCOs with 2006 grants closing out later this year will be working with their program sites to ensure proper close-out.

IDA Success Story

Contributed by: Macomb County CSA

Robert M. felt that it was time to be a homeowner. He said, “I’m tired of paying rent to someone else. There are so many more options.” Robert and his family were assisted with the goal of homeownership through Macomb County Community Services Agency’s (MCCSA) Individual Development Account (IDA) Program.

MCCSA’s IDA Program helps qualified families save money for a down payment on a home. After being accepted into the program, Robert 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 39 hours of homebuyer and financial education seminars.

Robert’s fiancée found MCCSA’s IDA Program online. Robert had been renting a house for eight and a half years and felt the time was right to pursue homeownership.

Robert enrolled in the IDA Program in May 2009. He felt, “It’s well worth going through – the program is a good process for people who want to buy a home.”

He completed all program requirements and spent almost seven months looking at potential homes. The home Robert purchased is a 2,100 square foot, four-bedroom home located in Roseville. Closing is planned for January 2011.

Robert’s three young daughters are excited to each have their own bedrooms in the new home. He reported, “We don’t have to do anything after moving into the house. It’s ready for us to move in.”

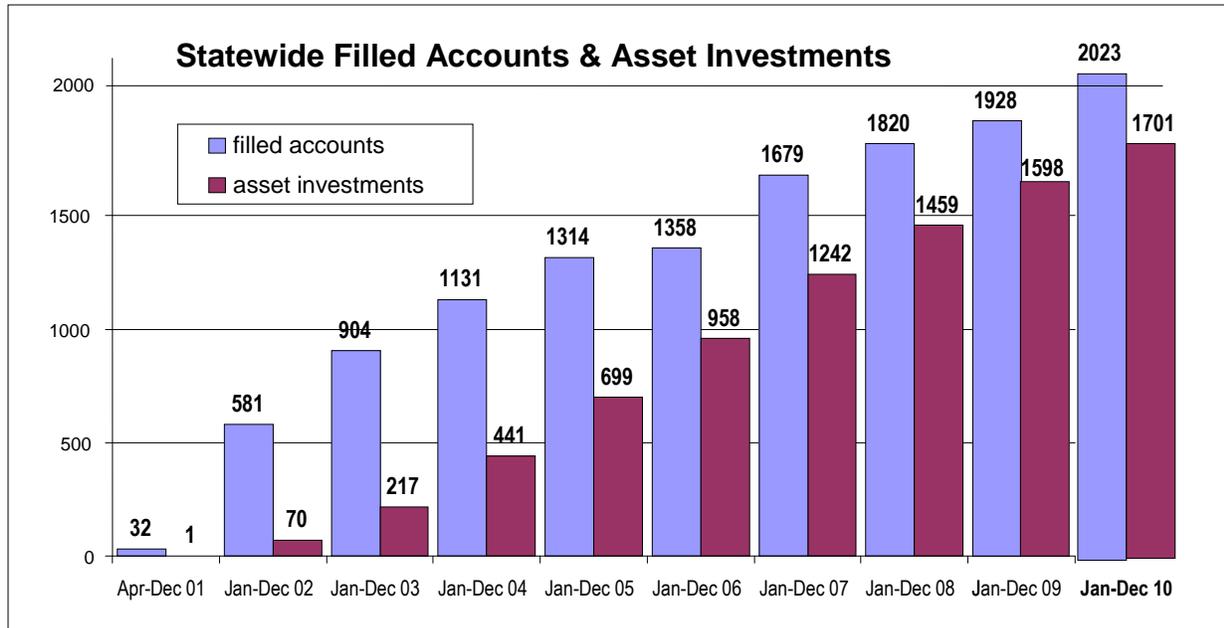
Applicants to the IDA Program must be current Macomb County residents and meet income and other eligibility requirements. For more information on MCCSA's IDA Program, please call 586-469-7378 or visit www.macombcountymi.gov/mccsa/ida.asp.

Attachments

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



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



Asset Investments Summary Table	
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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 Heidi Henderson at heidih@olhsa.org or 248-209-2691.

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

STATUS OF IDA ACTIVITY IN MICHIGAN**FACT SHEET DECEMBER 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 2,336 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 \$1,812,163**.

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** were made available in the state of Michigan
- Expanded the number of **IDA Program Sites from 5 to 50**
- More than **2,023 accounts** are filled, and **87% 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 December 31, 2010, 1,701 IDA Participants have made an asset investment (1,210 homes purchased, 296 education account uses and 195 business account uses). The mortgages **leveraged to date exceed \$93 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:

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Heidi Henderson, 248-209-2691

Southern Region:

Community Action Agency (Jackson),

Toby Berry, 517-784-4800, Tberry@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:

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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	520	412	108	0.79
Old funds (2001-06)	216	216	0	1.00
New funds (AFI 07)	125	114	11	0.91
New funds (AFI 08)	129	82	47	0.64
New funds (AFI 10)	50	0	50	0.00

Asset Investments

South	Total	HO	ED	BUS
All funds	314	282	19	13
Old funds (2001-06)	216	186	18	12
New funds (AFI 07)	88	87	0	1
New funds (AFI 08)	10	9	1	0
New funds (AFI 10)	0			

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

accessed match funds of \$ 839,793
 leveraged mortgages of \$23,821,011

Attrition Rates

South	Enrolled	filled	% Attrition
All funds	901	412	0.54
Old funds (2001-06)	618	216	0.65
New funds (AFI 07)	176	114	0.35
New funds (AFI 08)	107	82	0.23
New funds (AFI 10)	0	0	

Funds leveraged for participants

South	Savings	match	mortgages
All funds	\$370,169	\$839,793	\$23,821,011
Old funds (2001-06)	210,559	587,883	17,731,362
New funds (AFI 07)	105,248	228,910	5,464,152
New funds (AFI 08)	54,362	23,000	625,497
New funds (AFI 10)	0	0	0

(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	411	358	53	0.87
Old funds (2001-06)	253	253	0	1.00
New funds (AFI 07)	108	105	3	0.97
New funds (AFI 10)	50	0	50	0.00

Asset Investments

West	Total	HO	ED	BUS
All funds	338	252	22	64
Old funds (2001-06)	253	186	19	48
New funds (AFI 07)	85	66	3	16
New funds (AFI 10)	0			

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

accessed match funds of \$ 845,500
leveraged mortgages of \$21,731,608

Attrition Rates

West	Enrolled	filled	% Attrition
All funds	723	358	0.50
Old funds (2001-06)	562	253	0.55
New funds (2007)	161	105	0.35
New funds (AFI 10)	0	0	

Funds leveraged for participants

West	savings	match	Mortgages
All funds	\$ 346,102	\$845,500	\$21,731,608
Old funds (2001-06)	247,321	628,852	15,742,080
New funds (2007)	98,781	216,648	5,989,528
New funds (2010)	0	0	0

(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	454	379	75	0.83
Old funds (2001-06)*	299	284	15	0.95
New funds (AFI 07)	105	91	14	0.87
New funds (AFI 10)	50	4	46	0.08

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

Asset Investments

North	Total	HO	ED	BUS
All funds	364	251	92	21
Old funds (2001-06)*	284	217	49	18
New funds (AFI 07)	43	34	6	3
New funds (AFI 10)	0	0	0	0

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

accessed match funds of \$ 938,653
 leveraged mortgages of \$12,908,777

Attrition Rates

North	Enrolled	filled	% Attrition
All funds	574	379	0.34
Old funds (2001-06)*	426	284	0.33
New funds (2007)	144	91	0.37
New funds (AFI 10)	4	4	0.00

Funds leveraged for participants

North	savings	match	mortgages
All funds	\$ 382,287	\$938,653	\$12,908,777
Old funds (2001-06)*	297,802	821,154	10,231,349
New funds (2007)	84,040	117,499	2,677,428
New funds (2010)	445	0	0

(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	447	420	27	0.94
Old funds (2001-06)	257	257	0	1.00
New funds (AFI 07)	100	100	0	1.00
New funds (AFI 08)	40	40	0	1.00
New funds (AFI 10)	50	23	27	0.46

Asset Investments

Thumb	Total	HO	ED	BUS
All funds	328	255	31	42
Old funds (2001-06)	257	200	26	31
New funds (AFI 07)	56	42	5	9
New funds (AFI 08)	15	13	0	2
New funds (AFI 10)	0	0	0	0

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

accessed match funds of \$ 822,720
 leveraged mortgages of \$21,109,298

Attrition Rates

Thumb	Enrolled	filled	% Attrition
All funds	773	420	0.46
Old funds (2001-06)	535	257	0.52
New funds (AFI 07)	164	100	0.39
New funds (AFI 08)	51	40	0.22
New funds (AFI 10)	23	23	0.00

Funds leveraged for participants

Thumb	savings	match	mortgages
All funds	\$365,020	\$822,720	\$21,109,298
Old funds (2001-06)	228,272	634,730	16,318,859
New funds (AFI 07)	99,934	144,990	3,733,958
New funds (AFI 08)	30,083	43,000	1,056,481
New funds (AFI 10)	6731	0	0

(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	504	454	50	0.90
Old funds (2001-06)*	359	359	0	1.00
New funds (AFI 07)	95	95	0	1.00
New funds (AFI 10)	50	0	50	0.00

*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	394	170	169	55
Old funds (2001-06)*	343	158	133	52
New funds (AFI 07)	51	12	36	3
New funds (AFI 10)	0	0	0	0

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

accessed match funds of \$ 1,470,703
 leveraged mortgages of \$14,366,379

Attrition Rates

Detroit	Enrolled	filled	% Attrition
All funds	1016	454	0.55
Old funds (2001-06)*	872	359	0.59
New funds (AFI 07)	144	95	0.34
New funds (AFI 10)	0	0	0

Funds leveraged for participants

Detroit	savings	match	mortgages
All funds	\$ 348,585	\$1,470,703	\$14,366,379
Old funds (2001-06)*	291,921	1,296,626	13,666,567
New funds (2007)	56,664	174,077	699,812
New funds (2010)	0	0	0

(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	200	312	0.36
By City				
	Funded	Active		
Benton Harbor	15	14	34	0.59
Muskegon Hghts	15	4	8	0.50
Detroit, Htrmk, HP	46	92	131	0.30
Pontiac	26	45	68	0.34
Flint	12	19	29	0.34
Saginaw	18	26	42	0.38

Asset Investments & Funds leveraged by participants

Funds Leveraged for participants					
Cities of Promise	total savings	match	mortgages	qw save	reg save
All COP	\$ 155,122	\$ 303,321	\$ 3,989,729	\$ 89,283	\$ 65,839
Benton Harbor	11,449	27,616	935,900	9,916	1,533
Muskegon Heights	3,433	8,000	56,000	3,024	409
Detroit, Htrmk, HP	66,659	129,052	769,500	26,121	40,538
Pontiac	39,475	86,013	1,106,679	31,900	7,575
Flint	12,707	9,000	223,000	3,000	9,707
Saginaw	21,399	43,640	898,650	15,322	6,077

City of Promise Qualified withdrawals

Statewide	Total	HO	ED	BUS
All COP	113	76	20	17
Benton Harbor	12	12	0	0
Muskegon Hghts	3	2	0	1
Detroit, Htrmk, HP	47	22	17	8
Pontiac	32	24	3	5
Flint	3	3	0	0
Saginaw	16	13	0	3

Participants who have made qualified withdrawals for Asset Investments in the Cities of Promise
 have saved \$ 89,283
 accessed match funds of \$ 303,321
 leveraged mortgages of \$ 3,989,729