



Oakland Livingston Human Service Agency
A Community Action Agency Since 1964



Michigan IDA Partnership

-A Project of Oakland Livingston Human Service Agency- Statewide Report for January-March, 2011

Introduction (Susan Mosqueda—Oakland Livingston Human Service Agency)

MIDAP is happy to report that all five Regional Coordinating Organizations (RCOs) submitted grant applications on May 25, 2011 for the Assets for Independence grant. If all five RCOs are awarded these grants, an additional 250 IDA individual development accounts will be available across the State. As many know, this grant application requires a 1:1 non-federal match and additional funds to provide support to enrolled clients. MIDAP receives this non-federal match and funds for supportive services from three primary sources: a grant from MSHDA, the Michigan IDA tax credit, and grants from financial institutions. One of these sources will soon no longer be available.

In 2006, PA 513, the Individual or Family Development Account Program Act created a 75% tax credit for contributions made to support the Michigan IDA program. This past year, the IDA tax credit assisted MIDAP in raising nearly \$70,000 to support IDAs in Michigan. Unfortunately, the IDA tax credit, among others, will be repealed effective December 31, 2011. However, because the credit is for donations made in the tax year, MIDAP can continue to collect donations made through December 31, 2011.

Please help us spread the word that the IDA tax credit is still available through the end of this year. We want this to be our most successful year yet in raising funds for the IDA program through the IDA tax credit.

Statewide Accomplishments

- Twenty-five IDA clients successfully purchased their asset during this quarter, for a grand total of 1,726.
- Many program sites that did not receive accounts in 2010 have reported having waiting lists now in 2011.
- Marketing plans resume for IDA tax donations in 2011.
- IDA numbers in Michigan continue to show growth and need for more support dollars.

Accomplishments at Specific Regions:

- Inner City Christian Federation (ICCF) covering the west region, have been encouraged by the level of interest recently shown by potential candidates amongst their program partners, and are working with past clients from waiting lists to meet enrollment goals.
- United Way of Southeast Michigan (UWSEM) covering the Detroit region, reported having a large network of partners that could be leveraged if more IDA accounts (and funding) were available. UWSEM will be working closely with its current partners to determine their strengths and weaknesses.
- Oakland Livingston Human Service Agency (OLHSA) covering the thumb region, will be prepping to conduct annual program site reviews, this June. Six of nine program sites are requesting new accounts from a 2011 grant proposal. The site reviews will aid in determining readiness and account load for each site.
- The Northwest Michigan Community Action Agency (NWMCAA), covering the northern region, continues to share best practices with program sites on a monthly basis, including how to market the IDA tax credit.
- Community Action Agency –Jackson (CAAJ), covering the southern region, are seeing an increased volume in the number of clients who have met their saving goal and are now just waiting for a home to purchase.

Program sites in this region are doing extended outreach to new clients and finding several that have never heard of the program, and eager to sign in order to have down payment assistance not requiring repayment.

Summary of Progress

Number of IDA participants

Statewide	Funded	Filled	Available	% filled
All funds	2336	2063	273	0.88
Old funds (2001-06)	1384	1369	15	0.99
New funds (AFI 07)	533	500	33	0.94
New funds (AFI 08)	169	123	46	0.73
New funds (AFI 10)	250	71	179	0.28

Asset Investments Summary Table

As of March 31, 2011

Homeownership Accounts	1,210
Education Accounts	296
Business Accounts	195
Total Asset Investments	1,701
Total Participant Savings Used	\$1,833,109
Total Match Amount Used	\$4,965,646
Current Mortgages Leveraged	\$94,898,432

Significant number changes from last quarter (cumulative totals):

	<u>Through Dec.</u>	<u>Through Mar.</u>	<u>Difference:</u>
<u>Qualified Withdrawals:</u>	1,701	1,726	+25
<u>*Filled Accounts:</u>	2,023	2,063	+40

*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 Assets for Independence Act (AFI) serves as the cornerstone for efforts to add a matched savings component to poverty alleviation strategies. As the primary source of Federal support for Individual Development Account (IDAs) programs, AFI has helped to expand IDAs from the handful of accounts in the 1990s to more than 115,000 accounts that exist today. Demonstrating that low-income families can save, buy and sustain an appreciating asset, AFI has helped thousands of low-income families achieve financial self-reliance through homeownership, college education and small business ownership. In response to requests by IDA practitioners and potential savers, legislation to reauthorize and improve the AFI act was introduced during the 111th Congress in the U.S. House of Representatives on September 29, 2010.

AFI funding matches a federal dollar for every non-federal dollar raised for program matching and administrative support. Before writing an AFI proposal, MIDAP works endlessly to secure commitments for the non-federal portions that make the federal grant possible. The non-federal dollars for a 2011 proposal stem from a partnership with the Michigan State Housing Development Authority, and continued support from IDA tax credit donations and financial institution partners (Charter One, Chemical, and Comerica).

Current Strengths & Areas for Improvement of the Michigan IDA Partnership

As enrollment numbers for the 2010 grant proposal continue to grow, AFI regulations stipulate that an enrolled client does not necessarily need to be attached to a grant so long as there are sufficient funds in the grantee's reserve fund to make the total matching contributions pledged to those accounts during their lifetime until they reach maturity.

In order to adequately represent the high need for IDAs in Michigan, RCOs try to spend out as much of their older, open grants as possible in order to be eligible for future, federal funding. For instance, RCOs will often move clients that may have originally enrolled during the most current grant year, into an older grant that is ready to close and may be experiencing higher levels of attrition.

This is a unique feature of the AFI grants that allows program sites flexibility to meet enrollment expectations at the latter half of a grant term, while a newer grant may be showing on the surface what might appear as "slow enrollment."

Participation in MIDAP Training and Capacity Building Services

- RCOs will continue to market the Michigan IDA tax credit. Another flier push will occur as individuals begin to make decisions for donations in 2011. RCOs and MSHDA have been working together to market the credit, and will work with the Michigan Treasury office to ensure a smooth process had by all.
- RCOs and their program sites have recently participated in the following trainings and capacity building services: AFI webinars and discussions, Friend of the Court BAFF planning seminars, in-person regional meetings and or monthly conference calls, and asset building websites and list-serve opportunities.

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 program sites on reviewing procedures they may have not had to do in a long time (emergency withdrawals, business IDA close-out, etc). NMCAA reported working with a particular program site experiencing enrollment issues. CAA-Jackson reported having to revisit banking partnerships, due to new bank partners and mergers. UWSEM reported a need to review contracts to determine what needs should be clarified in order for their partners to be more effective at delivering IDA services.
- RCOs will work with program sites to keep attrition rates down. As grants come to end (a 2006 grant will be ending later this year), program sites will be forced with a hard decision of letting go some of their long-time enrolled clients. Fortunately, newer grants make it possible to roll some clients who might need only a little more time into another grant. For others, it is not a time issue but something else that makes leaving the program inevitable. Because of this, attrition rates are often higher as a grant close-out approaches.

IDA Success Story

Contributed by: Northwest Michigan CAA

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) and is the recipient of “Community Action Participant of the Year Award” awarded by Michigan Community Action Agency Association. The award was given to Ms. Cranney at the hands of Rev. Gerald Cook, Board Chairperson of NMCAA at a ceremony held in Traverse City. This award is given annually to appreciate the clients and appreciate their dedication to make a difference in their lives.

The IDA program offers people the opportunity to save towards the purchase of their first home, starting or expanding a small business, or to pay for college or vocational school. Each dollar the participant saves is matched at a 3:1 ratio for home ownership or at a 2:1 ratio for small business or higher education. The maximum that can be matched is \$1,000.00.

Ms. Cranney’s goal was to improve her website to expand the on-line sales of her archery business. She diligently saved each month and completed her savings goal in August 2009. She feels that this was an important outcome of the IDA Program because it taught her two daughters that saving a small amount each month can make a big difference if you set a goal and stick with it. By October 2010, Angie had completed the educational requirements of the program.

After satisfying all the requirements of the IDA program, Ms. Cranney was approved for a qualified withdrawal. She received a two to one match on her savings with the money going towards the expansion of her business website. 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.

Participation in the IDA Program has positively influenced her future. Angie is grateful for the assistance provided to her and feels it is nice to know there are people willing to help fulfill your dreams if you are willing to work hard.

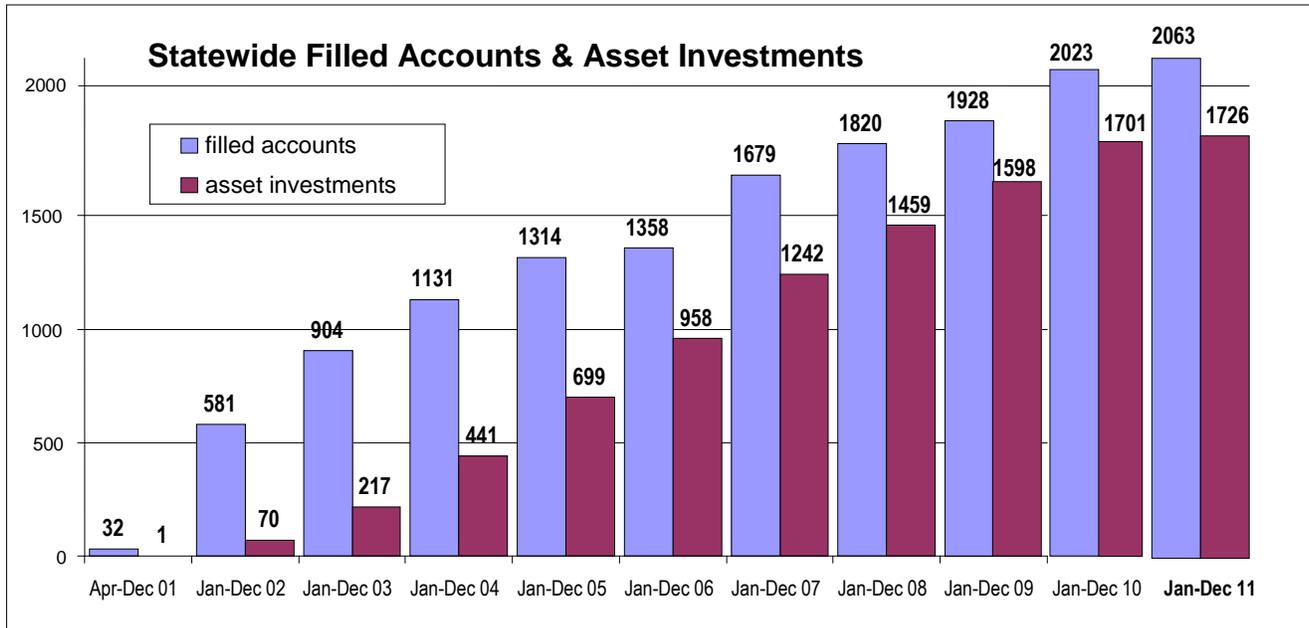
Ms. Cranney’s store is located in the Fairview Plaza at 1030 S. State St #10F in Harbor Springs. To learn more about the products and services of Archer Full Throttle, visit her website at www.archerfullthrottle.com. To learn more about the IDA program, call NMCAA at 1-800-632-7334.

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
 MARCH 2011



Asset Investments Summary Table	
As of March 31, 2010	
Homeownership Accounts	1,226
Education Accounts	299
Business Accounts	201
Total Asset Investments	1,726
Total Participant Savings Used	\$1,833,109
Total Match Amount	\$4,965,646
Current Mortgages Leveraged	\$94,898,432

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 MARCH 2011

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 \$1,833,109**.

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** may be made available in the state of Michigan
- Expanded the number of **IDA Program Sites from 5 to 50**
- More than **2,063 accounts** are filled, and **88% 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, 2011, 1,726 IDA Participants have made an asset investment (1,226 homes purchased, 299 education account uses and 201 business account uses). The mortgages **leveraged to date exceed \$94 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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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

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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,

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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	422	98	0.81
Old funds (2001-06)	216	216	0	1.00
New funds (AFI 07)	125	111	14	0.89
New funds (AFI 08)	129	86	43	0.67
New funds (AFI 10)	50	9	41	0.18

Asset Investments

South	Total	HO	ED	BUS
All funds	317	285	19	13
Old funds (2001-06)	216	186	18	12
New funds (AFI 07)	89	88	0	1
New funds (AFI 08)	12	11	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 \$ 854,575
 leveraged mortgages of \$24,124,503

Attrition Rates

South	Enrolled	filled	% Attrition
All funds	929	422	0.55
Old funds (2001-06)	618	216	0.65
New funds (AFI 07)	180	111	0.38
New funds (AFI 08)	122	86	0.30
New funds (AFI 10)	9	9	0.00

Funds leveraged for participants

South	Savings	match	mortgages
All funds	\$381,248	\$854,575	\$24,124,503
Old funds (2001-06)	210,559	587,883	17,731,362
New funds (AFI 07)	111,111	234,692	5,656,652
New funds (AFI 08)	58,483	32,000	736,489
New funds (AFI 10)	1095	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	362	49	0.88
Old funds (2001-06)	253	253	0	1.00
New funds (AFI 07)	108	105	3	0.97
New funds (AFI 10)	50	4	46	0.08

Asset Investments

West	Total	HO	ED	BUS
All funds	344	258	22	64
Old funds (2001-06)	253	186	19	48
New funds (AFI 07)	91	72	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 \$ 863,502
leveraged mortgages of \$22,164,475

Attrition Rates

West	Enrolled	filled	% Attrition
All funds	727	362	0.50
Old funds (2001-06)	562	253	0.55
New funds (2007)	161	105	0.35
New funds (AFI 10)	4	4	0.00

Funds leveraged for participants

West	savings	match	Mortgages
All funds	\$ 350,019	\$863,502	\$22,164,475
Old funds (2001-06)	247,321	628,852	15,742,080
New funds (2007)	101,948	234,650	6,422,395
New funds (2010)	750	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	397	57	0.87
Old funds (2001-06)*	299	284	15	0.95
New funds (AFI 07)	105	89	16	0.85
New funds (AFI 10)	50	24	26	0.48

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

Asset Investments

North	Total	HO	ED	BUS
All funds	368	252	93	23
Old funds (2001-06)*	284	217	49	18
New funds (AFI 07)	47	35	7	5
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 \$ 939,652
 leveraged mortgages of \$13,008,777

Attrition Rates

North	Enrolled	filled	% Attrition
All funds	595	397	0.33
Old funds (2001-06)*	426	284	0.33
New funds (2007)	145	89	0.39
New funds (AFI 10)	24	24	0.00

Funds leveraged for participants

North	savings	match	mortgages
All funds	\$ 388,676	\$939,652	\$13,008,777
Old funds (2001-06)*	297,802	821,154	10,231,349
New funds (2007)	84,551	118,498	2,777,428
New funds (2010)	6323	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	419	28	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	37	3	0.93
New funds (AFI 10)	50	25	25	0.50

Asset Investments

Thumb	Total	HO	ED	BUS
All funds	336	260	31	45
Old funds (2001-06)	257	200	26	31
New funds (AFI 07)	62	45	5	12
New funds (AFI 08)	17	15	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 \$ 837,214
 leveraged mortgages of \$21,234,298

Attrition Rates

Thumb	Enrolled	filled	% Attrition
All funds	776	419	0.46
Old funds (2001-06)	535	257	0.52
New funds (AFI 07)	164	100	0.39
New funds (AFI 08)	51	37	0.27
New funds (AFI 10)	26	25	0.04

Funds leveraged for participants

Thumb	savings	match	mortgages
All funds	\$364,581	\$837,214	\$21,234,298
Old funds (2001-06)	228,272	634,730	16,318,859
New funds (AFI 07)	94,985	156,484	3,823,958
New funds (AFI 08)	28,962	46,000	1,091,481
New funds (AFI 10)	12,362	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	463	41	0.92
Old funds (2001-06)*	359	359	0	1.00
New funds (AFI 07)	95	95	0	1.00
New funds (AFI 10)	50	9	41	0.18

*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	398	171	171	56
Old funds (2001-06)*	343	158	133	52
New funds (AFI 07)	55	13	38	4
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	1025	463	0.55
Old funds (2001-06)*	872	359	0.59
New funds (AFI 07)	144	95	0.34
New funds (AFI 10)	9	9	0.00

Funds leveraged for participants

Detroit	savings	match	mortgages
All funds	\$ 351,916	\$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)	3331	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/QW	Ever enrolled	% Attrition
All COP	132	192	312	0.38
By City				
	Funded	Active		
Benton Harbor	15	14	34	0.59
Muskegon Hghts	15	4	8	0.50
Detroit, Htrmk, HP	46	90	131	0.31
Pontiac	26	43	68	0.37
Flint	12	15	29	0.48
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	\$ 157,641	\$ 332,668	\$ 4,427,850	\$ 98,726	\$ 58,915
Benton Harbor	10,593	27,616	935,900	9,916	677
Muskegon Heights	4,024	11,000	156,000	4,024	-
Detroit, Htrmk, HP	68,328	148,904	769,500	31,817	36,511
Pontiac	41,770	86,013	1,378,679	31,900	9,870
Flint	11,052	12,000	223,000	4,000	7,052
Saginaw	21,874	47,135	964,771	17,069	4,805

City of Promise Qualified withdrawals

Statewide	Total	HO	ED	BUS
All COP	126	82	21	23
Benton Harbor	12	12	0	0
Muskegon Hghts	4	3	0	1
Detroit, Htrmk, HP	55	25	18	12
Pontiac	32	24	3	5
Flint	4	4	0	0
Saginaw	19	14	0	5

Participants who have made qualified withdrawals for Asset Investments in the Cities of Promise
 have saved \$ 157,641
 accessed match funds of \$ 332,668
 leveraged mortgages of \$ 4,427,850