



Governor Terry E. Branstad
Lt. Governor Kim Reynolds
San Wong, Director

Individual Development Accounts Report

October, 2014

In accordance with House File 648, Division III, Section 9, Subsection 7, 2013 Session, the Department of Human Rights, Division of Community Action Agencies submits the following report to the General Assembly.

H.F. 648 appropriated \$100,000 to the Individual Development Account State Match fund created in Iowa Code Section 541A.7 and administered by the Department of Human Rights (DHR) to support the operating organizations providing Individual Development Accounts (IDA's) in Iowa. H.F. 648 requires a report to the General Assembly by October 1 of each year through 2016 detailing the expenditures made from moneys appropriated in this subsection during the previous fiscal year.

As of September 30, 2014, all funds appropriated in H.F. 648 have been committed to active savings accounts. The funds will be disbursed by the Division to the Operating Organization as the accounts reach their savings goals and assets are purchased. The Iowa Credit Union Foundation, the designated Operating Organization for the program, reports it has suspended the enrollment of new savers into the program, and currently has a waiting list in excess of 200 potential participants.

Background:

The IDA program was established in 2009 to encourage low-income working Iowans to establish savings accounts for long-term asset development that lead to family self-sufficiency. Participants can qualify for up to \$2,000 in state matching funds to pay for higher education or job training costs, purchase a home, start a small business, pay for emergency medical costs, pay for an automobile, or purchase assistive technology for a family member with a disability. Savers also participate in financial education courses and asset-specific education.

The IDA program was funded with a \$150,000 state appropriation in 2008, and the program was launched in 2009. A subsequent state appropriation for IDA's was made for \$250,000 in 2009, followed by the appropriation of \$100,000 in H.F. 648 in 2013. The IDA program is operated under a contract with the Iowa Credit Union Foundation, which was awarded the grant through an RFP process.

Through October, 2014, IDA participants have purchased 332 assets, including 170 with state funds:

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- Home - 123 (83 with state funds)
- Education - 84 (29 with state funds)
- Vehicle - 63 (36 with state funds)
- Small business - 52 (13 with state funds)
- Assistive technology - 5 (4 with state funds)
- Rebuild Iowa - 5 (5 with state funds)

Amount of participant savings contributed to accounts: \$656,838.18 (all savers)

State match account funds committed to current savers: 86

*For more information about the Individual Development Accounts program, contact;
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