



Community Connection of Northeast Oregon Inc.

2019 Individual Development Account for First-Time Homebuyers

What is an IDA?

The Individual Development Account (IDA) is a special savings account to help individuals of modest finances save money to invest in a home. The IDA program is a 3-to-1 matched savings program. This means that for every \$1 you save, the program will match it with \$3. Once you reach your savings goal, the money may be spent on your home purchase. In addition to saving money, participants learn about financial management and specific asset education through free, required classes facilitated by Community Connection of Northeast Oregon (CCNO). The objective of the IDA program is to encourage a habit of saving money in order to increase future assets.

What may I use IDA funds for?

IDA funds may be used for down payment, closing costs, home inspection, appraisal, or earnest money deposit toward a first time home purchase. If you have owned a home, but not within the past three years this qualifies as a first time home purchase.

You may *not* pay yourself or relatives, pay past debts (purchases made with credit cards or other loan products) or pay for trips. Funds are paid directly to vendors (realtors for earnest money or title companies) who process the real estate transaction.

Are there limits to the amount I may save?

If you're saving for a home purchase, you may save up to a total of \$3,000. This would be matched by \$9,000, for a total of \$12,000. You may not earn match on more than \$1,000 in any 12-month period. CCNO's IDA specialist will help you create a savings plan and timeline that fits your ability to save for your goals.

How do I qualify for an IDA?

You must be 18 years old or older and able to open a bank account. Household net worth must be equal to or less than \$20,000 (not including a home, vehicle or \$60,000 of retirement savings). You must have income, and proof that household income is at or less than what is shown in the Household Income Qualification table below.

How do I prove my household income/net worth?

Household income includes the combined income of every person in the household. Your household includes everyone that you live with or report as a dependent on your income tax return, regardless of whether or not they are related to you. The following are examples of household income: taxable wages, salaries, tips, net earnings from self-employment, Social Security, Social Security Disability Income, and Temporary Aid to Needy Families.

CCNO's IDA Specialist can help you figure out your net worth. Net worth is determined by subtracting the total of all of the household debts (loans, medical debt, past due bills, etc.) from the total market value of all

household assets (savings, retirement, property, etc.), excluding your home, most expensive vehicle, and \$60,000 of retirement savings. You will also need to show proof of current household income. This could be your federal tax return, or in the case of dependents, your parents' tax return. This could be paycheck stubs or a Social Security Award Letter. Refer to the table below for income and eligibility guidelines. Example: To qualify, a household of two adults and two children (household of four) would need to have income at or below \$60,300 (Adjusted Gross Income) per year.

Persons in Family or Household	Yearly Income for Oregon IDA Eligibility
1	\$42,200
2	\$48,250
3	\$54,300
4	\$60,300
5	\$65,150
6	\$69,950
7	\$78,020
8	\$86,860

What are the steps to open an IDA account?

You should first speak with CCNO's IDA Specialist to make sure you are eligible. If you are eligible, we will set up a time to meet with you to discuss next steps. There is a \$25 application fee and a credit report fee.

How/when do I spend my IDA savings and match?

Before making your first withdrawal of funds, you will be required to make deposits into your IDA savings account for at least six months and complete a financial literacy course and asset specific training provided free by CCNO. If you have a First-Time Homebuyer IDA, you must complete pre-purchase counseling and develop a purchase plan. CCNO can provide assistance as you complete your plan. If you miss three monthly deposits in a six-month period, you may be terminated from the program.

Where do the matching funds come from? The IDA Initiative is supported by funding from the Oregon IDA Tax Credit. The Oregon IDA Tax Credit allows anyone to support IDA participants and receive a 75% credit on their state tax return. For more information, go to <http://ida.neighborhoodpartnerships.org>

Need more information?

Las formas están disponibles en español.

Contact CCNO at www.ccno.org, 541-963-3186 or 800-838-3186. Or email our IDA Specialist at: debbie@ccno.org