

Virginia Individual Development Accounts (VIDA)

A faded background image of a woman with dark hair, wearing a light-colored top, sitting at a desk and working on a laptop. She is looking down at the screen, and her hands are on the keyboard.

What is the program's purpose?

VIDA emphasizes:

- Saving - learning to save on a consistent basis and utilizing financial institutions
- Financial literacy - enhancing one's financial knowledge
- Acquiring assets – building wealth

What is VIDA?

- The Virginia Individual Development Accounts (VIDA) Program is a special savings program that helps eligible individuals gain financial literacy skills and build assets.
- **For every dollar the participant saves in a designated account, VIDA will match it with two dollars, up to \$4,000 per participant with a maximum of two participants per household.**

How can the money be used?

- The combined savings can be used to:
 - Purchase a home (first-time homebuyers)
 - Start a business
 - Obtain an education (education for self, spouse or child and includes vocational, community college, undergraduate or graduate degree)

Why encourage individuals to take advantage of IDAs:

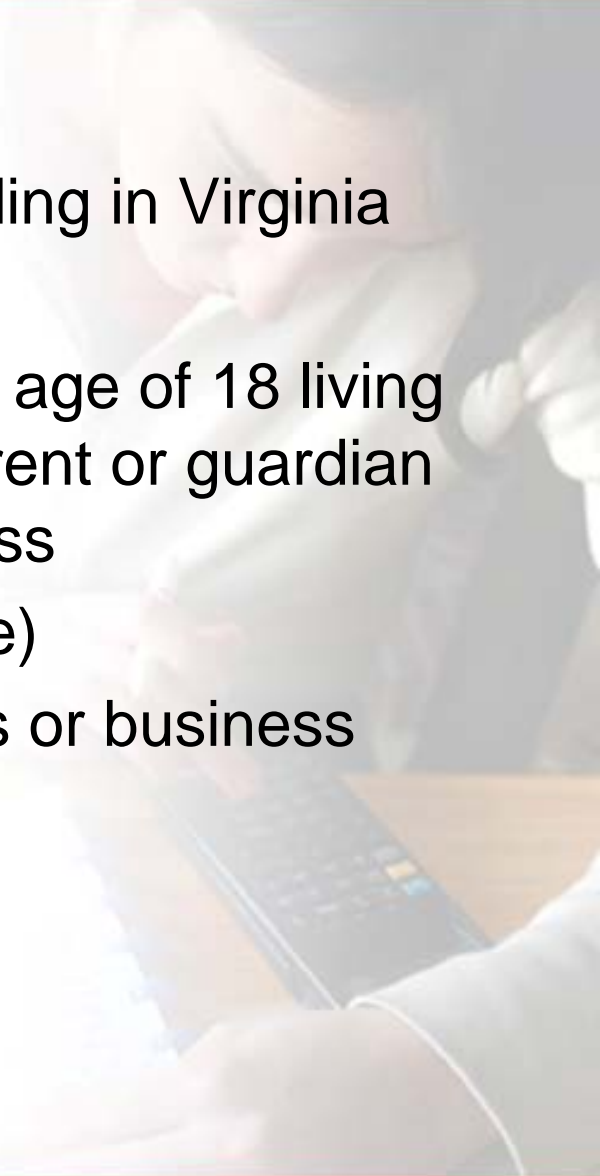
- An IDA account can jump start the road to saving
- An opportunity to do more with their tax refund
- Savings plans and financial education help realize other goals

How to triple a tax refund example:

\$1,000	Individual deposits a portion of tax refund into a VIDA savings account
\$600	Makes \$25 monthly deposits for two years
<u>\$3,200</u>	<u>Earns 2:1 in match funds</u>
\$4,800	Available to use towards asset purchase

Participant eligibility:

- U.S. citizen or legal resident, residing in Virginia
- Meet the income requirements
- Have a dependent child under the age of 18 living within the household with their parent or guardian – if saving for education or business
- Be employed (part-time or full-time)
- Have less than \$10,000 in savings or business assets (excluding vehicle)



2007 Income Limits

Family Size	Maximum household income allowed annually	Maximum household income allowed monthly
1	\$20,420	\$1,701
2	\$27,380	\$2,281
3	\$34,340	\$2,861
4	\$41,300	\$3,441
5	\$48,260	\$4,021
6	\$55,220	\$4,601
7	\$62,180	\$5,181
8	\$69,140	\$5,761
Each additional person:	\$6,960	\$580



The Saver must:

- Save at least \$25 per month
- Complete financial skills training and asset specific training provided by the intermediary site. Examples of training: credit, taxes (EITC), banking, financial obstacles, homebuyer education.
- Complete training **prior** to making a match funds request. Six-month minimum participation required.

The Saver (continued):

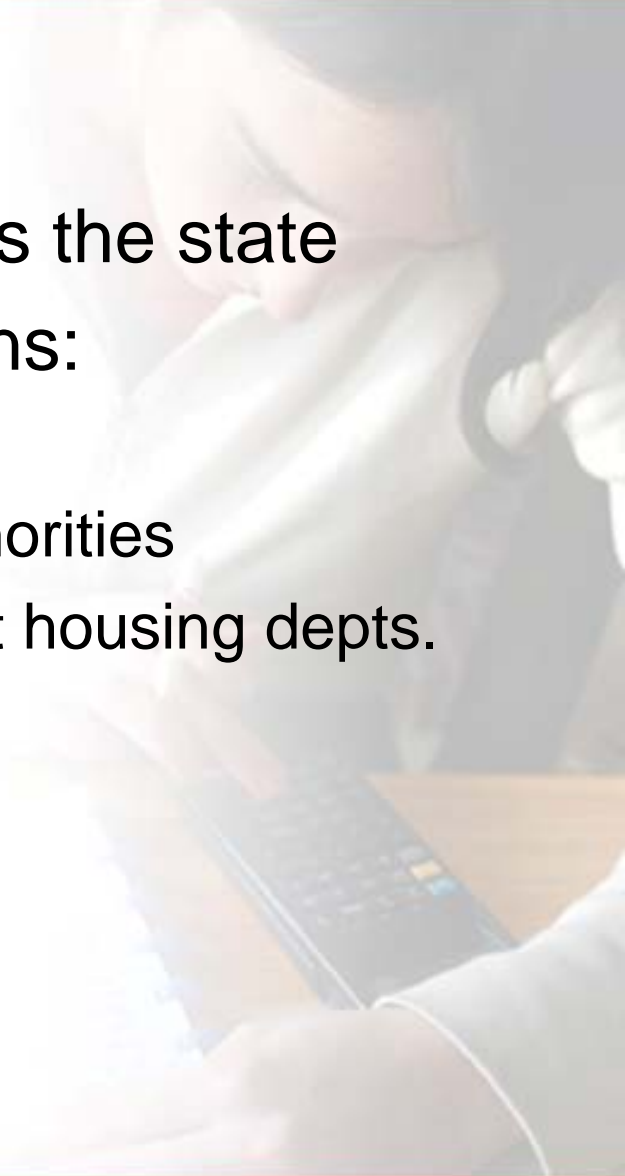
- Has up to two years to complete the program from their enrollment date
- Can deposit earned income and tax refunds into the account
- The participant's money is the only money held within the account, the participant's savings and earned match funds are sent directly to the vendor for the asset purchase
- Any withdrawals must be coordinated through a VIDA intermediary

Intermediaries:

- Recruit candidates and review applications
- Assist potential candidates with budget, credit, savings goal and other issues
- Provide encouragement
- Provide savers with training (or partner with other agencies to deliver)
- Assist savers with withdrawal process

Intermediaries:

- Currently 44 intermediaries across the state
- Represent a range of organizations:
 - 9 CAP agencies
 - 3 Redevelopment and Housing Authorities
 - 32 Non profits and local government housing depts.



Where we are currently:

- We have 159 savers currently enrolled
- There have been a total of 30 graduates from the program since August 2005
- Current breakdown of asset goals:

Homeownership	71%
Business	10%
Education	19%



VIDA

Virginia Individual Development Accounts Program

Find out for FREE if you qualify!

Get a bigger TAX REFUND and watch it grow fast!



Dreaming of homeownership, higher education or your own business? Turn your dreams into reality faster than you thought possible. Here's how to get started in two easy steps.

STEP 1:

Call the number below to ask about free tax preparation in your area, and ask your tax preparer if you qualify for the Earned Income Tax Credit (EITC).

The EITC is for people who work, but don't earn much money. If you qualify, it could mean a lot more money in your pocket when you receive your income tax refund!

And, you can TRIPLE that money when you take STEP 2 ...

STEP 2:

Invest some or all of your tax refund in a Virginia Individual Development Account (VIDA). For each dollar you save, VIDA will contribute TWO dollars. Invest any amount up to \$2,000, and your money will triple in two years!



Savings MUST be used for buying a home, higher education or starting a business. Other requirements and income limits apply.

For info on free tax preparation, the Earned Income Tax Credit or VIDA savings accounts, call toll free:

1-877-VHDA-123



VIDA Program
Virginia Department of Housing
and Community Development



Virginia
Community Action
Partnership



VIDA Program

Virginia Department of Housing and
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