

# Participant Agreement

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## Eligibility

\_\_\_ I certify that my total household income is either: no more than 80% of the annual median income for the Little Rock-North Little Rock- Conway MSA as determined HUD; OR that my household income is no more than 185 percent of the Federal poverty line and that I live with at least one minor, 18 years of age or younger. I understand that I will be required to provide income verification.

\_\_\_ I certify that my assets do not exceed one house, one car, and \$10,000 in other assets, including checking or savings accounts, pension plans, stocks, bonds, rental income, etc.

\_\_\_ I authorize ARGENTA COMMUNITY DEVELOPMENT CORPORATION to obtain a copy of my credit report.

## Individual Development Accounts

\_\_\_ I agree to open and make deposits into an IDA savings account at one of the following banks: Simmons First National Bank of Little Rock or North Little Rock or Hope Community Credit Union, with a minimum of \$25 per month.

\_\_\_ I agree to let the bank share my account information with ARGENTA COMMUNITY DEVELOPMENT CORPORATION.

\_\_\_ I agree to save a minimum of \$ \_\_\_ each month towards my savings goal at a designated financial institution. If for some reason I cannot meet this monthly obligation, I will notify the AAIDA program staff.

\_\_\_ I understand that every dollar I deposit in my IDA will be matched by \$3. I understand that **I must save \$666.67** to receive the total sum of \$2,000 in matched savings.

\_\_\_ I understand that I can have my funds drafted directly from my account through EFT (your bank initiates) or ACH (the IDA designated bank initiates) or make deposits into my savings account in person.

\_\_\_ I understand that my savings will be kept in my IDA, and my match funds will be kept in a separate account. I will receive a monthly statement from ARGENTA COMMUNITY DEVELOPMENT CORPORATION that tells me how much savings and match funds I have. In addition, I will be able to view my personal account savings online at anytime.

## **Program Evaluation**

\_\_\_ I agree to participate in the evaluation of the AAIDAP, which may include filling out a survey, participating in an individual or group interview once per year, and completing an exit survey.

\_\_\_ As part of my participation in the program, I agree to assist in the evaluation by sharing certain information (collected through surveys, interviews, and focus groups). I understand that all such information will be kept confidential.

\_\_\_ I understand that focus groups and surveys may include questions about my spending patterns, my attitude toward savings and assets, and my attitude toward the IDA program itself. Interviews may include questions that ask about my background, how the IDA program works, my savings abilities, and the effects of the IDA program on my family, my neighborhood, and me. I agree to provide this information.

\_\_\_ I understand that Argenta CDC will use this information to learn about and analyze savings behavior, and that the results may be printed in journals and other publications for funding agencies, policy makers and the general public. I understand that neither my name nor my personal information will be disclosed without my consent.

## **Allowable Asset Purchases**

\_\_\_ I understand that my IDA can only be used for the following:

- Homeownership – down payment and closing costs, initial repairs or other work that needs to be done on the new home, and repairs (**PROGRAM I ONLY**) on an existing home that increase its value.
- Higher Education/Job training– tuition, books, and/or fees, or a computer required for course work.
- Starting a Small Business – to pay a loan, to purchase equipment or inventory, to purchase or renovate a building, for prepaid insurance, or for a working capital account. Participants using IDA funds for small business start-up or expansion will be required to meet with UALR's Small Business and Technology Center to develop or revise a sound business plan.

## **Financial Literacy**

\_\_\_ I agree to attend an eight-hour Financial Literacy class that will include information on Money Management, Spending, Credit Management, Building Your Wealth, Planning for Life Events and Protecting Your Wealth

\_\_\_ Depending on my asset, I also agree to attend asset-specific training:

- Homeownership
- Post-Secondary Education
- Small Business

\_\_\_ I understand that acceptable reasons for missing a financial literacy class include work, illness of the participant or dependents, or a death in the family. I agree to inform program staff if I cannot attend and determine a make-up date for the workshop.

\_\_\_ With a counselor, I agree to develop a Savings and Budget Work Plan and to make a sincere effort to meet the goals set in this plan. I agree to have regular contact with AAIAP staff including at least 3 one-on-one sessions. I also am aware that staff may communicate with me via phone, mail and email.

### **Release from Liability**

\_\_\_ During the course of program participation, ARGENTA COMMUNITY DEVELOPMENT CORPORATION and/or its program partners may provide advice and consultation on personal financial matters. This advice will be based on the best and most current available information. However, ARGENTA COMMUNITY DEVELOPMENT CORPORATION and/or its program partners accept no liability, financial or otherwise, for personal actions taken by the program participant. Full and complete responsibility for all personal financial actions rests solely with the Assets for Arkansans program participant.

### **Grievance Procedure**

\_\_\_ A participant who feels that they have been unfairly treated in the course of the IDA program may file a grievance by submitting a letter to the IDA program manager, along with proper documentation. If the participant disagrees with the decision of the program director, they may appeal the decision by submitting a letter, along with documentation to the executive director who will work with the grievance committee to resolve the concern.

### **Account Withdrawals**

\_\_\_ Withdrawals are only permitted after completion of all program requirements, and must be used for the program's intended purposes (home purchase or repair, small business start-up or expansion, or post-secondary education/job training).

\_\_\_ I agree to talk with the IDA staff before I withdraw any funds from my IDA account. I understand that emergency withdrawals are discouraged and only available in accordance with the program's emergency withdrawal policy and procedure. I also understand that if I make a non-qualified or non-emergency withdrawal I will lose the match funds that have been deposited in a separate account and can be dropped from the IDA program. I understand that Asset for Arkansans reserves the right to withdraw participants from the IDA program in such cases.

\_\_\_ When I am ready to purchase my asset, I will meet with the IDA program staff, and then submit a Qualified IDA Withdrawal Request Form with required documentation to Argenta Community Development Corporation.

\_\_\_ I understand that I must save for at least six months, meet with my counselor at least three times, attend an eight hour financial literacy class and complete my asset specific training before I can purchase my asset.

\_\_\_ Depending on my asset goal, I understand that I may be asked to provide information that may include, but is not limited to, the following:

- Homeownership – I must identify a house that I intend to purchase. I understand that it is my responsibility to ensure that the house is habitable and has no major financial complications, such as asbestos or lead paint. I understand the IDA program encourages me to get a home inspection prior to purchasing my home. I must be pre-qualified for my mortgage and if I choose to do “owner-financed,” I assume all responsibility for that decision. I also understand the house must be in my name as owner or co-owner. I must demonstrate that I can make the monthly mortgage payments. I must show that all costs related the purchase of the house are being covered including down payment, closing costs, repairs, moving expenses, etc.
- Home Repair – I must have at least three (3) written cost estimate from a reputable contractor. I must demonstrate that the repair will add value to the house. If the cost of the repair is larger than my IDA balance, I must arrange financing for the remainder of the cost, and I must demonstrate that I can make the loan payment, if needed.
- Small Business – I must have a complete business plan that includes a projection of my income and expenses for the next year, as well as a personal financial statement. If the business already exists, current financial statements will be required. I understand that my business plan must be approved prior to withdrawing match funds. UALR Small Business Technology Center will provide assistance and “approval” of the plan.
- Higher Education - I must choose a specific school or course of study, and I must provide evidence that I have been admitted to the school. I must know the total cost of completing the course of study and should show how I will cover all costs. I will show that I have researched the type of job for which the course of study will prepare me and have an idea of the level of wages that I can earn.

\_\_\_ Once my asset purchase is approved, I will make arrangements for paying the asset vendor (mortgage company, college, etc.) from my savings account. Once the vendor has received my payment, Argenta Community Development Corporation will send a check in the amount of the match funds to the vendor.

## Signatures

I have read and understand the contents of this agreement and I agree to meet my responsibilities listed under it. Argenta Community Development Corporation reserves the right to remove a participant from the IDA program for failure to comply with program policies.

Participant’s Name (please print): \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_ / \_\_\_ / \_\_\_\_\_

Staff Member’s Name (please print): \_\_\_\_\_

Staff Member’s Signature: \_\_\_\_\_ Date: \_\_\_ / \_\_\_ / \_\_\_\_\_