

## Planning for Wrapping Up Your AFI Project

This document presents ideas and suggestions for AFI Projects at all stages of implementation to consider in order for them to closeout their grants successfully. Successful Closeout means that AFI Projects have met their project goals – and the goals of their IDA participants – during their 5-year AFI Project grant period.

### Consider Changes to Program Design

AFI Projects have much flexibility in adjusting the design of their programs as they develop expertise and knowledge about how best to server their participants. When projects identify program changes that will improve their ability to meet their overall goals, they may take steps to make those changes. The Office of Community Services (OCS) is interested in ensuring that AFI Projects keep focused on their overall outcomes – sometimes that means making adjustments to their program design.

AFI Projects often begin with multi-year project designs that are simply not feasible. Let's face it: some proposals submitted to OCS for AFI funding are excellent documents, but after the grant is announced and the real work begins in the community, it becomes clear that the proposed project design has some weaknesses. If that happens to you, realize that there is no need to be stuck with a program design that is not working! Make it better, modify it!

If you propose to make changes to your project, be sure to consult with OCS first. You will need written approval for major changes. For programmatic changes, OCS will provide the approval. For more significant adjustments, such as budget or staff changes, OCS will coordinate with the Office of Grants Management (OGM). Of course, the official written requests for major changes must be addressed to OGM. Please do not hesitate to communicate with OCS, and please do use the annual narrative reports to provide details and express program concerns.

### Examine Deposit and Savings Requirements

OCS and AFI Program impose only a few restrictions on participant savings and deposits in their IDAs. The program simply requires that participants open and maintain an IDA bank account and make regular deposits to it in keeping with their Savings Plan Agreement. The program also stipulates that participants may not withdraw IDA savings from their account within the first six months of program enrollment.

Your agency may impose additional deposit and savings requirements beyond those required by the AFI Program. Take the time to assess any additional policies imposed by your agency. Consider the degree to which they enable participants to complete their savings on time. Are they helpful to the participant? Are they necessary for meeting your program goals? Research and review other options. Check to see that any additional policies reflect best practice with regards to the behavior, experience, and needs of your particular target market. For example, agencies that work with diverse or changing target markets often find that having less restrictive policies and customizing IDA savings timelines to each applicant as part of case management can have very successful results.

## **Encourage Lump Sum Deposits: EITC, Child Credit, and More**

OCS specifically encourages AFI Project agencies to help participants redeem and deposit refundable tax credits, including the Earned Income Tax Credit, the Child Credit, and other income tax returns.

If your agency does not currently help participants learn about and use these refundable tax credits, partner with organizations that do.

## **Consider Participants Credit History**

Many agencies report that they wish they had known participants' credit histories earlier, especially for homeownership savers. Access to capital depends not only on having savings for a down payment but also on having a history of timely repayment of debt and a low debt-to-income ratio. It also requires a good "credit score" and stable employment. Creating a credit history or repairing a poor credit history takes time – something AFI projects can often accommodate if they have the information early.

Help participants get credit reports as part of the enrollment – and use the information from the reports to help the participant set his or her savings goals.

## **Target and Time Recruitment**

The AFI Program experience is simply better suited for some individuals and families than others. As your agency designs and starts up its programs, it should develop an outreach strategy that will target people who will be ready and able to benefit from the program.

Throughout program implementation, but particularly in later stages, keep project closeout in mind when recruiting participants. After a few years of your agency's AFI Project, step back and review. Assess what has worked and what has not. Determine which community partners have been most successful at referring successful participants. Reflect on strategies that bring in participants with a high capacity to save (i.e. high school counselors working with college bound students, real-estate agents) or with access to lump sum deposits like EITC (tax preparation clinics). Also, concentrate on community partners whose programs provide case management assistance.

## **Enroll Participants Early**

It is important to enroll participants early in the program so they will have the maximum amount of time to save and purchase their asset. While AFI Project administrators may realize the major time commitment necessary to recruit and enroll participants, they are often stunned by the additional time required to retain participant motivation, encourage regular savings, and assist them to in purchasing their assets.

Plan outreach, recruitment, and training so that participants will have at least twelve months at the end of the project solely for arranging their asset purchase.

## **Set Savings and Asset Purchase Deadlines Well Ahead of Project End Date**

AFI Project agencies are learning that the asset purchase process is time-consuming. It can take some participants several months – or even a year – from the time they have successfully achieved their savings goal to when they complete their asset purchase. It can be very useful to give participants clear timeframes and deadlines for each step of the program. This will help them stay on track for saving and making their asset purchase. Some agencies request participants to complete their savings by the last year and expect them to make their asset purchases two or three months prior to the end of the grant period. Other agencies individualize timeframes.

If your agency sets these kinds of deadlines, it's best to put them in writing: in Participant Savings Agreements, in newsletters, in savings statements, in special postcard mailings, and so forth. Some agencies request savers to establish new Savings Agreements in the final year that spell out any additional timing requirements or expectations.

## **Develop Individual Action Plans**

A number of AFI Project agencies are finding that Individual Action Plans or Asset Plans are useful for helping savers define timeframes for meeting program training requirements, completing their savings, and carrying out the asset purchase process.

If you implement this strategy, make sure the Individual Action Plans include concrete steps for the savers and a realistic timeline for accomplishing them.

## **Revisit Training Design**

Most AFI Projects develop their initial training designs to maximize participant commitment over a number of years. For example, a common strategy is to require participants to complete financial education training as a pre-requisite to opening an IDA account. Another strategy is to hold training opportunities as monthly classes or homebuyer clubs that participants need to attend for a number of months.

In the later stages of program implementation, it may be important to make adjustments to the training strategy.

***Some suggestions for adjusting the training requirements so participants will complete the training more quickly include:***

- Shorten the training schedules.
- Provide training sessions more frequently, and adjust the schedule so participants will be better able to attend. Add both weekend and weeknight classes, if possible.
- Repeat the training for long-term savers. This strategy can help motivate slow savers.
- Expand training options by including the larger network of training partners, distance learning options, and so forth.
- Prioritize training expectations so that they don't penalize busy participants for missing "extra" sessions, such as monthly homebuyer clubs.

## **Increased Case Management Services**

Another good strategy for ensuring that participants finish their Savings Plans and purchase an asset is simply to give them more intensive assistance.

***Some suggestions for providing more case management include:***

- Start case management as soon as possible, especially if your project requires participants to complete financial education before saving in their IDAs.
- Create a timeline for the case management. Establish follow-up calls every 10 to 14 days to maintain regular contact with participants in final months. Send reminders with specific dates through e-mail, postcards, inserts in monthly mailings, and so forth.
- Schedule one-on-one in-person sessions with participants during the final year, particularly during the final months of the project.
- Create incentives so experienced case management staff will be available, especially during the vital final months of the program.

## **Provide Special Assistance to Participants with Homeownership Goals**

As housing prices continue to rise in almost every community across the U.S., it is becoming more difficult for some AFI Project participants to qualify for home loans and afford homes even with their IDA savings.

***Some tips to help homeownership participants include:***

- Partner with a housing counseling agency certified to provide first-time homebuyer assistance. These agencies have resources and expertise to help low and moderate-income families buy a first home.

- Work with diverse community partners to leverage as many additional housing resources. Important community partners include affordable housing developers, down payment assistance programs, low-rate mortgage programs, and others.
- Develop a recruitment timeline that prioritizes enrolling homebuyer participants early in your project and sets a final date for homebuyer enrollment.
- If you have multiple AFI grants, give homebuyers slots in newer grants to give them more time to save.
- Investigate other opportunities to increase the homebuyer's timeframe to purchase their asset such as escrow accounts.

In the end, the most productive strategy in some cases may be to help your participants focus on different savings goals to ensure they get the full benefit of their IDA during the required time frame. If homeownership does not seem feasible, re-direct participant savings to business start-up, vocational training, or post-secondary education so that IDA match funds are utilized within the project period. Help them plan for home purchase at later time.

## **“Fast-track” Program Design**

Many AFI Projects have successfully modified their project design. A number of them have changed their strategy or program design to enable participants to accomplish their savings goals in a shorter amount of time – a “Fast Track.”

### *Strategies for helping “Fast Track” savers include:*

- Identify and enroll participants who are able to save quickly.
- Eliminate or reduce pre-saving requirements.
- Allow participants to open their IDAs before completing the financial education training.
- Speed up the training schedule, providing more frequent group training and group case management.
- Enroll participants who are already in the asset purchase process, i.e. people who are already working with first-time homebuyer programs, enrollees of educational or training institutions, or microenterprise program clients.
- Encourage participants to contribute to their IDAs via Direct Deposit or Automatic Funds Transfer.
- Increase or eliminate monthly savings limits
- Allow lump deposits as long as the total deposits do not exceed earned income during the savings period

Note that a Fast Track program design might be inconsistent with some of your original project objectives and therefore must be considered carefully. You may, for example, need to re-think your target population. Here are some pros and cons to consider:

### *Fast Track Design Pros:*

- Offers a program design to facilitate recruitment and enrollment in final years.
- Helps ensure full use of match and operating funds available to the program.

- Offers more clients IDA match, financial education, and asset-specific training.

***Fast Track Design Cons:***

- Targets participants who are already self-sufficient. This may be counter to the goal of the AFI Program – that is, to help low-income families become self-sufficient.
- May encourage participants to compromise their real asset goals in order to save for secondary goals that require less savings or shorter purchase periods.
- Compresses the time period, which may not help participants develop long-term savings behavior.
- May require more frequent and flexible training offerings (while good for the participant, this is an added burden for the agency)