

Technical Assistance Scenarios Assets for Independence Program

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Introduction

The scenarios included in this document are common issues encountered by Assets for Independence (AFI) grantees over the past several years. The presentation of each scenario is followed by several ideas to consider, along with questions to prompt conversation and brainstorming.

The ideas presented in these scenarios should not be considered directive advice from the AFI program. Policy and guidance questions are addressed on the AFI program website at <https://www.acf.hhs.gov/ocs/programs/afi>. In particular, AFI grantees should be familiar with the AFI Act (<https://www.acf.hhs.gov/ocs/resource/afi-legislation-0>) and AFI program Information Memoranda (<https://www.acf.hhs.gov/ocs/programs/afi/policy-and-guidance>). Additional resources related to AFI program requirements, project changes, and other grantee technical assistance can be found through the Grantee Resource Center (<https://www.acf.hhs.gov/ocs/resource/afi-resource-center>).

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Scenario: Outreach is underway, yet not many people are applying

If you are having difficulty recruiting people to apply for your project, try some of the troubleshooting ideas presented below.

Review Your Messages

Is your messaging clear, concise, and straightforward? Look at your messaging materials from the eyes of an individual who may potentially apply to your project. Your messaging may not be connecting with the needs and desires of the target participant population.

Have You Asked Participants? Try asking your target audience about your outreach materials (flyers, social media posts, etc.) and using their feedback to hone your messaging to their preferences. Some sample questions are listed below.

- In your own words, can you tell me what this project is intending to do?
- What do you like or not like about these materials? What made you like or not like that section of the materials?
- Would you be interested in this project? Would you recommend it to a friend or family member? Why or why not?
- What would you change about these materials?

Have you engaged participants in messaging design? Participants may enjoy competing in a marketing contest or crafting messages during economic education courses. They may come up with creative ideas that you wouldn't have thought of.

Are your materials simple and positive? Effective outreach materials include positive, brief, uncomplicated messaging. The following questions should be considered.

- Are your messages written with **accessible language** that can be quickly read? Are they written at a reading level of 6th-grade or lower?
- Does the language and design use simple fonts, **minimal design features**, and short sentences?
- Is the **text large** enough for the reader to read the message quickly?
- Successful messaging may include powerful phrases of positivity that communicate the **future**, the **dream**, or the **opportunity** of this project.
- You may highlight the **value proposition** of the matching funds in ways that are easily understood; for example, *“For every dollar that you save, you’ll receive another \$8. If you save \$500, we’ll provide \$4,000 in matching dollars to pay for a new home, a new business, or college or vocational training!”*
- A simple, clear, concise **call to action** will let participants know what to do next. For example, *“Call us at (phone number) to learn more!”*

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Identify Barriers to Entering the Project

Barriers may be keeping potential participants from responding to your outreach. These barriers may not be obvious without connecting with your target participant population. Consider the approaches below.

- **Have you asked participants?** Speak with existing project participants about your outreach and application process.
 - How did you hear about us?
 - Which aspects of the process were difficult or not clear?
 - How can the materials or process be changed to make applying easier or more attractive?
- **Have you mapped the journey?** Map out the steps a person has to take to apply you're your project starting with the moment they first hear about the IDA project. List all the steps that they would take, such as "Hear about the IDA project, call number listed on flyer, receive application form, compile documentation, complete application form, etc." Listing these steps can help you understand all the distinct actions a person takes to join the IDA project. From there, you can identify areas where the process may be difficult, pose barriers, or contain steps that are not necessary.
- **Can you eliminate steps in the process?** Make the process as simple as possible by reducing the number of steps that individuals need to take; for example, can the person fill out initial paperwork upon hearing about the project, rather than having to follow up by phone or in person?

Simplify Recruitment

- **Can you establish outreach partners?** Identify community partners that serve individuals similar to your target participant population (e.g., a microenterprise organization if you're targeting small business owners). These partners may help catch people's attention by hosting an orientation event, displaying flyers, or providing referrals.
- **Can you leverage technology for recruitment?** Distribute messages through social media. You could post videos of successful participants to demonstrate the value of your project.

Develop Project Ambassadors

- **Can you cross-train internal staff?** Having more people within your organization trained to discuss the IDA project can help draw new people to your process. Administrative staff, staff who work on other programs, organization leaders, and volunteers can be trained to integrate AFI talking points into their conversations with participants from other programs.
- **Can you identify non-traditional partners?** Thinking outside the box with community partnerships can help build a strong applicant pool. Brainstorm additional partners for each of the asset choices. Some prompting questions are listed below.

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- **Homeownership** – Apart from home ownership assistance programs in your community, how can real estate agents and housing authorities connect with potential project applicants?
- **Education** – Is there an organization providing scholarship support to youth that would be interested in promoting an IDA for education? Can the book stores at partnering schools and colleges reach new people?
- **Small Business** – How can small business lenders and Community Development Financial Institutions (CDFIs) get involved?

Promote Participant Perspectives

- **Word-of-Mouth** – Participants will talk to their friends and neighbors about their success saving for a new home, school, or business. Encourage word-of-mouth promotion and request referrals from participants’ friends and relatives.
- **Success Stories** – Include participant success stories or an IDA holder’s profile in outreach materials and work with successful participants to draw more people to the project.
- **Savings Ambassadors** – Empower graduates of your project to speak at orientation or outreach events for AFI and other programs at your agency.

Resources

Helpful internet search terms include:

- “Readability” websites to check that your materials are 6th-grade reading level or lower.
- “Client-centered design” to learn more about how to explore a person’s perspective of the IDA project.
- “Customer journey mapping” to learn more about documenting a person’s experience.
- “Streamlining processes” to learn about eliminating unnecessary steps and procedures.

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Scenario: People responding to outreach are not eligible or are not meeting grantee selection criteria

If people are responding to your outreach materials and are not eligible to participate in the project, you could consider some of the following exercises below. If you have constraints from your non-federal cash contribution funders that limit your ability to expand the target participant population, you may want to discuss the challenges you are experiencing with them to see if you can work out a solution together.

Reassessing Your Selection Criteria

Grantees are allowed to place selection criteria on potential participants, such as geographic area. Consider reassessing the criteria you set for your project if you are attracting AFI-eligible potential participants that do not meet your organization's additional criteria.

Working with Community Partners

Organizations in your community may have people in their programs who meet the eligibility requirements for AFI participation. For example, many potential IDA participants may already be involved with services that have similar income eligibility like free tax preparation, Head Start, and others. Consider partnering with these organizations to reach out to eligible individuals. Below are suggestions for where you might find eligible people in the community.

- **Homeownership** – Housing authorities, Habitat for Humanity, other home-purchase organizations, and financial educators that discuss first-time homebuyer credits.
- **Post-Secondary Education** – Scholarship programs, Promise Neighborhoods, charter schools, community colleges, and trade schools.
- **Small Business** – Community Development Financial Institutions (CDFIs), microenterprise development organizations, small business incubators, and community development organizations run by your local municipality.

Consider using a Pre-Screening Tool

Some organizations use pre-screening tools, either paper- or internet-based. These tools can communicate income and asset requirements, grantee selection factors, and available assets to individuals to help them determine if your project is a good fit for them. Below is an example of pre-screening language. You should customize any pre-screening tools to fit your project, your target population, and any selection criteria that you have.

- Are you interested in any of the following in the next 2 years?
 - Post-secondary education or training
 - Purchase of a first home
 - Starting or expanding a business

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- You may qualify if:
 - You live or work in Smallville
 - You have employment or another source of earned income
 - Your household is eligible for the federal Earned Income Tax Credit and has no more than \$10,000 in net worth (excluding one car and primary residence)
- Contact the Smallville Asset Building Crew at 555-1212 to find out more!

Resources

For information about AFI program participant eligibility requirements and grantee selection of participants, go to <https://www.acf.hhs.gov/ocs/resource/afi-eligibility-and-selection>.

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Scenario: Individuals are not completing the application process

It is common for grantees to have people start but not complete the application process. To understand what may prevent someone from following through with the application consider the process from that person's perspective, review your outreach, and find ways to simplify the process.

Put Yourself in a Potential Participant's Shoes

For this scenario, you can complete your organization's application materials and ask colleagues, friends, or participants of other services to do the same. Host a discussion of which aspects of the application are challenging and which are user-friendly. Doing so can help you understand areas of the application process that may be difficult, stressful, or require too many steps.

- Can you adjust or simplify the application process?
- What documentation needs to be included as part of the application process?
- How can you minimize the number of visits required to complete the application process?
- Can you minimize the amount of required documentation while still ensuring AFI eligibility has been properly assessed?

Review Outreach Materials and Processes

Unclear messaging during the outreach phase may lead to issues with enrollment. It is important to do a thorough review of your outreach materials and processes to ensure that you're targeting the right potential participants, messages are clear, and that you're taking literacy and language barriers into account. The questions below should be considered when reviewing your materials and processes.

- Do staff and volunteers clearly communicate the eligibility requirements to ensure that only those that are likely to be eligible are starting the application process?
- How can the talking points or communications be clarified for audiences with language barriers?
- Are the delivery channels for outreach (e.g., workshops, flyers, radio ads, social media posts, etc.) successful in reaching populations interested in saving for the assets you offer?
- Do your outreach efforts include ways, such as in-person workshops or one-on-one discussions, to reach members of the target participant population that may be of low literacy?
- What steps are part of the outreach process, and which are part of the application process? For example, if a person doesn't attend an orientation session, are they allowed to apply? List out and reassess the required steps.

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Leverage Technology

In what ways can the project application be made easier? For example, can you use secure web forms that allow participants to upload or submit documents directly into the pre-screening or application process without compromising the security of personally identifiable information?

Make It Easy

As the application process is reviewed, is it possible to simplify your documentation requirements? As a minimum, a participant can be enrolled with verification in the three areas of qualification listed below.

1. Household eligible to receive state TANF
2. Household Adjusted Gross Income (AGI) within the income guidelines for the federal Earned Income Tax Credit (EITC) or less than 200% of the federal poverty guidelines
3. Household Net Worth less than \$10,000, excluding primary car and home

You may want to review what documents you are requiring individuals to provide with their applications to determine if they are all necessary or if there would be other documents that are acceptable alternatives. For example, to establish household AGI, you could allow individuals to bring pay stubs, a letter from their employer, or relevant business documents.

Further Simplify

Can you minimize the number of steps/trips for the individual? For example, is it possible to consolidate orientation and intake into one appointment? How many of these common application steps can be completed in one sitting or one online process to reduce the number of people who drop out of the application process?

- Receipt of documentation
- Review application
- Confirm eligibility
- Complete a savings and participation plan
- Schedule economic education
- Prepare timeline for success
- Identify savings strategy
- Refer to asset-specific training or information source

Resources

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Scenario: Project participants are not opening accounts quickly (or at all)

There could be several challenges for a new participant opening their IDA. Sometimes the person you enrolled has overestimated the amount of money they currently have available to open the IDA and this may be stalling the process. Consider the following additional issues that might be keeping a participant from opening their IDA.

- The processes for opening the account may be inconvenient (hours, location, duration, etc.).
- Participants may be distrustful or fearful of financial institutions based on inexperience or negative past experiences.
- Participants may not have the amount of money needed for the initial deposit.
- Participants may not know or have forgotten how to take the next step in the process; they may be awaiting further direction.

Determine the course of action that is most likely to increase timely IDA opening. Reach out to participants – both those who have and those who have not opened their IDA – and ask for their suggestions. There are several suggestions below to think about when deciding if there are barriers that may need to be lowered.

Consider Strategies to Lower the Barriers

- Train financial institution staff to ensure they understand the project and the target participant population.
 - Have the tellers at partner branch locations been trained to open your project's IDAs?
 - Are the staff of a similar cultural background to the participants? If not, can they be trained to understand any key cultural dimensions that affect banking for the population?
 - Does the staff help participants feel comfortable with the account opening process? To get a clear view, consider sending in a secret shopper from your staff to see what the process is like, but not actually opening an account.
- Ensure that initial deposit requirements do not present financial and psychological barriers to opening an account.
 - Can the financial institutions reduce the minimum financial requirements for opening an account to a reasonable amount for the target participant population?

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- Combine enrollment and account opening to reduce the number of steps for participants.
 - Can you work with the financial institution to open the accounts at your organization's office?
 - Can financial institution staff be onsite during enrollment and orientation sessions to ease any discomfort?
 - Can a volunteer or staff member from your organization travel with participants to the financial institution to make it easy and comfortable for them to open an account?
- Ensure the financial institution is accessible to participants to ease the burden of account opening.
 - Does your financial institution partner offer hours that meet the needs of the population?
 - Are the locations convenient to the transit options used by the population? If not, consider bringing the financial institution staff onsite, providing transportation to participants, and/or changing or adding financial institution partners that are more conveniently located.

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Scenario: IDA holders¹ are not making deposits

Do you have project participants that are not making regular earned income deposits? The AFI program does not require regular savings from participants. AFI requires that IDA Holder deposits be earned income in order to be matched and that a minimum of six months pass between the initial IDA deposit and an asset purchase. Grantees may choose to require regular deposits and/or deposits of set amounts, but AFI does not require IDA holders to make regular deposits. Some things to think about regarding IDA holder savings patterns are outlined below.

Income Volatility

Some IDA holders have inconsistent earnings and are not able to make a deposit every month. Periodic deposits and lump sum deposits are ways that participants that have irregular income can still make deposits in their IDA.

- Review your project requirements and consider whether they are flexible to meet the AFI program's ultimate goal of people purchasing an asset.
- If you have a requirement for regular monthly savings deposits, is that requirement keeping some IDA holders from being able to make deposits?

Empowerment through Communication

Connect with the IDA holders regularly to encourage them to continue with their deposits and to help them reconnect with their goals.

- Does the IDA holder still intend to purchase the asset? IDA holders may no longer feel that the asset goal is right for them.
 - If they do still intend to do so, can you refocus the IDA holder on his or her goal? Try having the IDA holder lay out a timeline and the steps it will take to achieve asset purchase.
 - Check to see if the IDA holder already has a plan in place to reach their goal and is already following their plan, which may not include monthly deposits.
 - Would they prefer another asset that you offer? If so, work with them on changing their plan to achieve that asset purchase.
- Has the IDA holder experienced a significant change, such as a loss of employment or other financial emergency? If so, are there ways that you can support the participant and help find resource assistance?
- Have your communication tactics unintentionally made the IDA holder feel like they are repaying a loan rather than the opportunity to deposit funds and have those funds

¹ The term IDA holder is used to specify a participant that has opened an IDA.

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matched? Examine whether or not your participant is the one that oversees their own success.

Regular Communication

Communicate with IDA holders regularly to head off problems before they become insurmountable.

- Do you have ongoing case management or communication strategies to stay informed of any issues the IDA holders are facing that could impact their deposits?
- Can you send text/email prompts that connect IDA holders to their goals and help encourage them to continue to work towards them?

Examine Your Process

Organization requirements around savings behavior can sometimes create barriers for IDA holders. AFI does not have requirements regarding the frequency, the size, or the minimum savings thresholds to make an asset purchase.

- Do you mandate the frequency with which people make deposits (e.g., requiring monthly deposits) or the dollar amount of deposits without allowing for flexibility when needed? Regular deposits may be difficult to achieve for people with irregular income; in these cases, help IDA holders tailor a savings strategy based on their income pattern.
- Do you allow lump sum deposits? Large deposits at tax time can help IDA holders reach their savings goals quickly.
- Do your policies allow IDA holders to make asset purchases when they are ready whether or not they have saved the full amount of their pre-stated savings goal? AFI has no requirement that participants reach a certain amount of savings before making an asset purchase; AFI does require a six-month time period between the time of the initial earned income deposit and the first matched savings withdrawal

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Scenario: Project is nearing its end, and savings and asset purchases need to be completed

Do you have IDA holders that won't be able to complete their asset purchases before the grant period ends? Explore the following interventions.

Do you allow partial withdrawals? While the full \$4,000 of project matching funds are commonly utilized it is not required. AFI does not require that IDA holders reach their savings cap, or even their stated goal, before making a matched withdrawal. Partial withdrawals can help maximize IDA holder asset purchases and the grantee's ability to spend federal funds.

Have you increased your communication? Clearly communicate project deadlines with IDA holders, inquire about their savings timeline, and discuss options for helping them make qualified withdrawals before the end of the project period.

- Have you alerted all IDA holders about the deadline for asset purchase?
- Have you worked with IDA holders who have not yet met your project requirements? Can you offer additional support? Are there elements of your non-AFI-required project requirements that can be alleviated?
- Are IDA holders still interested and able to attain their stated asset goal? If not, think about working with them to change to a different asset that better suits them or close their accounts if changing to another asset does not work out.

Are you flexible with your savings timelines? Some grantees outline IDA holder timeframes for completing asset purchases that will take longer than six months. The AFI program requires only that six months pass from the time of first deposit before an asset can be purchased.

- Can you encourage IDA holders who have the financial ability to speed up their savings timelines?
- Can you sit down with the IDA holder and review the total available for an asset purchase (deposits plus matching contributions) and see if the amount is sufficient for asset purchase without further savings deposits?

Would adjusting the asset goal make sense? IDA holders making deposits for business or education purchases generally need less time than those saving to buy homes.

- If participants are struggling to save for homeownership, would it be more attainable for them to save for education or business goals instead?
- Would the IDA holder be interested in using their IDA to support the postsecondary education or business of a child, dependent, or spouse? See [the AFI IM Clarification on Qualified Expenses for An Eligible Individual](#).

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Can you change your match rates to reduce the amount IDA holders need to save? The AFI Act allows a range of match rates, from 1:1 to 8:1 for each dollar of earned income an IDA holder deposits. Higher match rates lower the amount that an IDA holder has to save to receive the maximum amount of federal funds (\$2,000). The table below illustrates this. You may want to talk to your stakeholders and funders about whether changing the match rate would be appropriate for your project.

Please note that there are potential downsides to changing match rates. First, the total amount of money that can be used for an asset purchase decreases with a higher match rate. This may not help participants achieve their goals. Second, changing match rates for current participants may provoke frustration from past participants or others who view newer participants as having an easier path. In these instances, clear communications about why you are making these changes and how they will support the community may help diffuse tensions.

Match Rate (combined federal & non-federal)	Participant Savings	Maximum AFI federal Match	Minimum Non-federal Match	Total for Asset Purchase
1 to 1	\$4,000	\$2,000	\$2,000	\$8,000
2 to 1	\$2,000	\$2,000	\$2,000	\$6,000
2.5 to 1	\$1,600	\$2,000	\$2,000	\$5,600
3 to 1	\$1,333.33	\$2,000	\$2,000	\$5,333.33
4 to 1	\$1,000	\$2,000	\$2,000	\$5,000
5 to 1	\$800	\$2,000	\$2,000	\$4,800
6 to 1	\$666.67	\$2,000	\$2,000	\$4,666.67
7 to 1	\$571.43	\$2,000	\$2,000	\$4,571.43
8 to 1	\$500	\$2,000	\$2,000	\$4,500

Resources

- AFI IM Clarification on Qualified Expenses for An Eligible Individual, located online at <https://www.acf.hhs.gov/ocs/resource/afi-im-clarification-on-qualified-expenses>.
- For additional grantee support refer to the Grantee Resource Center on the AFI program website at <https://www.acf.hhs.gov/ocs/resource/afi-resource-center>.

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Scenario: IDA holders have completed requirements yet are struggling to complete the purchase

Do you have IDA holders that have completed all AFI and grantee requirements and are still struggling to complete the asset purchase? Below are considerations that may help you work with your IDA holders to successfully purchase their asset.

First-time Home Purchase. Planning for home purchase early in the process is important.

- **Credit Report Support** – Sometimes IDA holders complete the necessary savings to purchase their home but they do not have a credit score high enough to get a loan.
 - Has a qualified mortgage lender reviewed the IDA holder’s credit file early in the savings process? A credit file and credit score can directly influence the home mortgage. Connect participants with credit-building, credit counseling, or homeownership counseling services early in the process.²
- **Homebuyer education** – Helping IDA holders meet with a homebuyer or homeownership counselor or mortgage lender paves the way for them to learn what they will need to do to purchase their homes. Can you partner with organizations that offer online or in-person classes in your community?
- **Down Payment Assistance** – Ensure that IDA holders are aware of any applicable assistance and closing cost incentives in your community. Being connected with these supports can help those IDA holders who need additional assistance beyond their IDA plus matching funds to purchase their homes.
- **Coordinate with the Mortgage Lender** – Sometimes, underwriters are reluctant to approve the use of IDA funds toward a mortgage. Work with the lender early on to ensure that any issues are resolved before they derail the process.

Business Capitalization. Asset purchases for business are to be made to a business capitalization account and are to be in line with a business plan that has been approved by a qualified entity.

- **Qualified Business Plan** – It takes time to complete a full business plan as outlined in the AFI Act. It takes additional time to have a qualified entity review that plan.
 - Do you have sufficient relationships with organizations that are qualified to review and approve the business plan?
 - Are the IDA holders connected with assistance to fully develop a business plan early in the process?

² Please note that unless the grantee is actively involved in mortgage readiness services and able to do a mortgage tri-pull report, it is not qualified to determine purchase readiness based on credit rating number alone. Seek assistance from a mortgage lender.

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- Do the IDA holders understand they need to open a business capitalization account?
- Does the IDA holder have a qualified dependent with an approved business plan and can the IDA holder's matched withdrawal be applied to that qualified dependent?

Postsecondary Education or Training

AFI does not require that participants that use their IDA to complete an education credential, just to be enrolled in postsecondary courses. Examine your requirements to ensure that barriers are removed and that IDA holder can nimbly make matched withdrawals for education.

- Do you have processes in place that support IDA holders to plan ahead for asset purchase requests in time for required tuition payments?
- Are there individual courses at technical or vocational institutions that would benefit project participants?
- Do the IDA holders understand what educational institutions will qualify for a matched withdrawal?
- Does the IDA holder have a qualified dependent and can the IDA holder's matched withdrawal be applied to that qualified dependent?

AFI Information Memorandum (IM) 2017 – 01, *Clarification on Qualified Expenses for An Eligible Individual*, provides guidance that clarifies that an individual may use their IDA to pay for the qualified postsecondary or business capitalization expenses of a child, dependent, or spouse. The example below is taken from this IM:

“For example, Individual A may use their IDA deposits and match funds for the qualified postsecondary expenses incurred when Individual A's child, dependent, or spouse attends an eligible educational institution. Similarly, Individual B may use their IDA deposits and match funds for the qualified business capitalization expenses of a business owned by Individual B's child, dependent, or spouse. Neither of these scenarios require a transfer, nor do they require that the child, dependent, or spouse be an IDA holder. The expenses are considered to be Individual A and Individual B's expenses, as it is a common practice in the United States for parents to consider the postsecondary and/or business expenses of their children and dependents to be their own expenses and for expenses to be shared among spouses.”

Resources

- AFI IM Clarification on Qualified Expenses for An Eligible Individual, located online at <https://www.acf.hhs.gov/ocs/resource/afi-im-clarification-on-qualified-expenses>.
- Free credit building resources are available through the CFBP, Credit Builder's Alliance, TransUnion, Experian, Equifax, and most local financial institutions.
- Conduct internet search for “HUD-certified counselors” to find reputable homeownership resources in your area.

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