

Financial Educational Forum

Steps to get “re-banked!”

**Sponsored by
CA\$H of the Greater Capital Region**

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Presenter

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IDAs & First Home Club



Individual Development Account (IDA)

- Matched savings account that allows income eligible participants to save and build assets.
 - **purchase a first home**
 - capitalize a small business
 - educational or job training expenses
- Match incentive provided through government and private sector sources



First Home Club



- A set-aside program developed by the Federal Home Loan Bank of New York for member financial institutions to provide down payment and closing cost assistance for income-eligible, first-time home buyers through participating sponsor agencies.

Income Eligibility

- 80% of the Median Income Guidelines based on current residence and family size
 - **Mortgage Revenue Bond**
 - HUD
 - US Department of Agriculture



2008 MRB Income Guidelines

County	Household Size	
	1-2	3+
Albany, Rensselaer, Saratoga, Schenectady, Schoharie	\$56,480	\$64,952
Bronx, Kings, New York, Putnam, Queens, Richmond	\$73,728	\$84,787
Dutchess, Orange	\$69,453	\$79,871
Livingston, Monroe, Ontario, Orleans, Wayne	\$51,280	\$58,972
Montgomery	\$50,800	\$58,420
Nassau, Suffolk	\$77,680	\$89,332
Rockland	\$77,360	\$88,964
Tompkins	\$52,320	\$60,168
Ulster	\$64,032	\$73,637
Other	\$52,240	\$60,076

First Home Club Program

- 4 to 1 matched savings up to \$7,500
 - Additional \$500 allowed for housing counseling fee
- Save \$1,875 to receive maximum grant
- Savings plans from 10 to 24 months



Systematic Monthly Deposits

- 10 @ \$188
- 11 @ \$171
- 12 @ \$157
- 13 @ \$145
- 14 @ \$134
- 15 @ \$125
- 16 @ \$118
- 17 @ \$111
- 18 @ \$105
- 19 @ \$99
- 20 @ \$94
- 21 @ \$90
- 22 @ \$86
- 23 @ \$82
- 24 @ \$79



Requirements

- Be a First Time Home Buyer
 - Not owned a home in past 3 years
 - Displaced homemaker or single parent
- Obtain Home Buyer Counseling through Approved Agency
- Attend Home Buyer Education Classes
- Sign Enrollment Terms & Conditions
- Mortgage with same financial institution enrolled with FHC
- Sign First Home Club Note & Mortgage
 - five years security lien
 - Recapture pro-rated monthly (1/60th)

Homeownership Counseling

- Minimum 1 hour personal, confidential counseling.
 - Budget
 - Finances
 - Credit
 - Savings Plan



Home Ownership Education

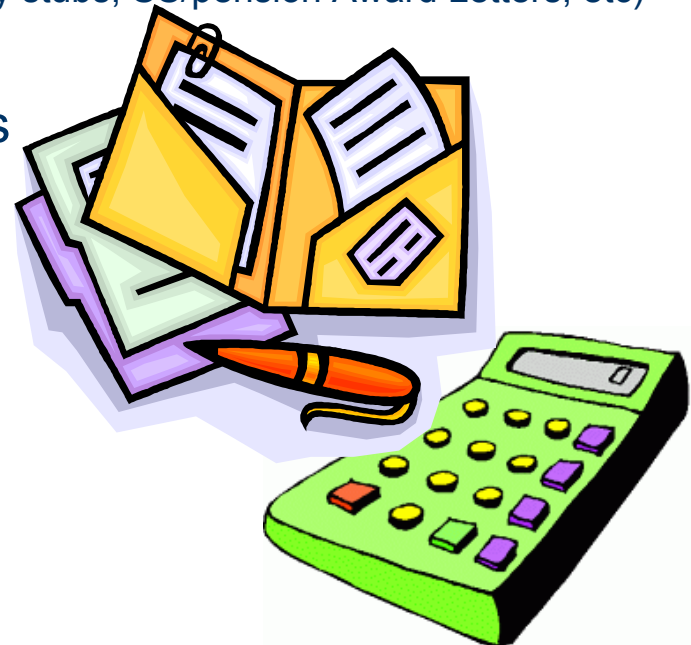
- Minimum six hours in training sessions
 - Financial Planning for a home
 - Choosing an Affordable Home
 - Contract of Sale
 - Monthly Budget
 - Mortgage Loan Application
 - Downpayment and Closing Costs
 - The Closing Process & Documents
 - Mortgage Payment versus Rent
 - Life as a Homeowner
 - Predatory Lending



Documenting Eligibility

- Enrollment Package

- Registration Form
- Current Income Earnings (pay stubs, SS/pension Award Letters, etc)
- 2 Years W-2s
- 2 Years Federal Tax Returns
- Child Support Order



Miscellaneous

- Income eligibility determined at time of enrollment.
- Participants' deposit money is their own.
- Withdrawals allowed for expenses related to purchase.
- Withdrawn households may re-enroll again.
- Purchase anywhere in NY or NJ.
 - Restricted to lending service area of financial institution

Capital District IDA (CDIDA)

- Homeownership (First Home Club)
- Small Business start up or development
 - Administered through Capital District Community Loan Fund
 - 2 to 1 match savings up to \$1,000
 - 6 – 24 month plans
 - Purchase capital equipment; pay capital debt; working capital including advertising & marketing; inventory; other business expenses
 - Business Workshops in collaboration with St. Rose College

Sponsor Agencies

Affordable Housing Partnership

255 Orange Street
Albany 12210
518-434-1730



www.ahphome.org

Albany County Rural Housing

Cohoes Senior Center
10 Cayuga Plaza
Cohoes 12047
518-235-3920



www.acrha.org

Better Neighborhoods

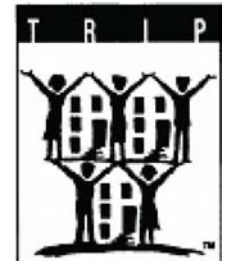
986 Albany Street
Schenectady 12307
518-372-6469



www.better-neighborhoods.org

TRIP Homeownership Center

251 River Street
Troy 12180
518-690-0020



www.triponline.org

Participating Financial Institutions

- First Niagara
- HSBC
- M&T
- NBT
- Pioneer
- SEFCU (Mortgage Match)



Assets for Independence (AFI)

- A federal grant program administered through DHCR
- Income eligible at time of enrollment
 - 200% of Poverty Level &/or qualify for EITC or TANF
 - Net worth less than \$10,000 (Excludes one car & FSS)
- 4 to 1 match savings up to \$7,500.
- 6 to 24 months savings plans.
- May open account with EITC tax refund (up to half of savings goal)
- Minimum monthly savings of \$25 (not eligible for EITC lump deposit)
- Full-time employment or self-employed for one year.
- Simultaneous participation in AFI and First Home Club allowed.
- Not restricted to specific bank or lender.
- Five year program - terminates in February 2011.

2008 TY EITC Income Limits

	Single, Head of Household, Qualifying Widow(er)	Married Filing Jointly
Taxpayer With NO Qualifying Child	\$12,880	\$15,880
Taxpayer With ONE Qualifying Child	\$33,995	\$36,995
Taxpayer With MORE THAN ONE Qualifying Child	\$38,646	\$41,646

200% Federal Poverty Income 2008

1	\$20,800
2	\$28,000
3	\$35,200
4	\$42,400
5	\$49,600
6	\$56,800
7	\$64,000
8	\$71,200

Each additional member add \$7,200

Schenectady Matching Plan

- Funded by Weed and Seed program
- Administered through neighborhood association
- 2 to 1 match up to \$300
- Max income: 1 person - \$22,000 / 2+ persons - \$35,000
- Residency in Hamilton Hill or Vale neighborhoods
- Employed at least 6 weeks
- Attend 8 of 10 bi-weekly workshops
- Funds used to pay bills or build savings

Building Assets

- Teamwork and partnerships create successful outcomes
- Persistence and hard work pay off
- Patience and commitment result in long term benefits