

YUROK INDIAN HOUSING AUTHORITY



SOO-NEEHL CHEY-YO' PEEN

(Translated means Dream Saver)

INDIVIDUAL DEVELOPMENT ACCOUNTS (“IDA”) POLICY & PROCEDURES

Purpose

The purpose of this program is to help meet the housing needs of low-income Tribal Members who live within our service area, Humboldt and Del Norte Counties, by assisting first time homebuyers to achieve their goal of home ownership. Participants must be Tribal Members who have been approved for a Yurok Indian Housing Authority (“YIHA”) home ownership program and are unable to secure first mortgage due to insufficient income, insufficient funds saved for a down payment, poor credit history or for some other reason. Individual Development Accounts (“IDAs”) are special savings accounts that are designed to help people build assets for increased self-sufficiency and long-term economic security. Account holders receive matching funds as they save to buy a first home. Matching funds for IDAs may come from public, non-profit and/or private sources. This program shall be administered by the Yurok Indian Housing Authority (YIHA) in accordance with the Native American Housing and Self Determination Act (NAHASDA) Rules and Regulations set forth in 24 CFR Parts 1000, 1003 and 1005.

Application Requirements for the Individual Development Accounts

- 1) Applicant must be an enrolled member of a federally recognized tribe.
- 2) Applications are available at YIHA. The application may be requested by mail, telephone, or Fax. Completed application forms must be submitted in person or by mail with original signatures.
- 3) Applications shall be processed on a point score system
 - a. The application shall include an Authorization for the Release of Information, which must be signed by all members aged 18 and older.
 - b. Housing Authority staff shall check and verify all information that is provided in the application.
- 4) Eligibility shall be determined on the basis of:
 - a. The applicant's income as defined in Section 3, Part 8 of Public Law 104330 of NAHASDA, which must be within 80 percent of median income for their sized family. (A limited number of applicants shall be served who are between 80 and 100 percent of median income. The budget for this limited number of applicants shall not exceed 10% of the annual grant amount for any one year.) Applicable income limits are available at the YIHA office and are posted in the Eureka, Klamath, and Weitchpec Tribal offices.
 - b. Income shall be determined in accordance with the provisions outlined in Section 3, Part 8 of Public Law 104330 of NAHASDA. The applicant's income eligibility shall be determined at the time of application for the IDA program.
 - c. The identity and status of all household members shall be verified through birth certificates, Social Security cards, drivers' licenses, marriage certificates, divorce decrees, adoption papers, baptismal certificates, affidavits, Tribal identification and other such documents. In particular, if both parents of a child are not in the household, proof of custody must be provided.

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- d. An applicant shall be eligible to receive IDA matching funds on a one-time only basis.
 - e. Proof of completion in a Homebuyer Education program designated by YIHA will be required prior to the processing of the application.
 - f. Participants must determine mortgage loan eligibility, barriers and goals through a lender approved by YIHA and YIHA staff.
 - g. The applicant must occupy the home they purchase through this program within 30 days from the closing date **and shall make this home their principal residence for no less than ten years.**
 - h. Any previous YIHA debts outstanding must be paid prior to entry into the IDA program.
 - i. Applicants must not have participated in home ownership in the previous three years. This is the definition of a “first time homebuyer”. The Board of Commissioners may consider exceptions due to reasons of relocation, upsizing or downsizing.
 - j. Applicant must be a minimum age of 18 years of age.
- 5) Notification shall be sent to applicants (in writing) of their eligibility status within 30 days of receiving a completed application. Eligible applicants shall be given time period when funding shall be available. **Applicants shall have the right to request a hearing through the grievance policy.**
- 6) If, at any time either during the application process or after purchase of the home, it comes to the attention of YIHA and is determined that incomplete or inaccurate information might have been provided by the applicant regarding any eligibility factor. Such information shall be delivered to the appropriate law enforcement agency for investigation into the prosecution and the conviction for fraud. If it is determined that fraud has been committed, the applicant shall be subject to penalties under applicable Federal, State, or Tribal laws. If the investigation results in a conviction for fraud, their application for the Dream Saver IDA program shall be withdrawn or if the assistance has already been provided, the applicant(s) shall be required to repay the Dream Saver IDA matched fund amount as determined by YIHA.

How the program works

Participants must be Tribal Members who have been approved for a Yurok Indian Housing Authority (“YIHA”) home ownership program and are unable to secure first mortgage due to insufficient income, insufficient funds saved for a down payment, poor credit history or for some other reason. Individual Development Accounts (“IDAs”) are special savings accounts that are designed to help people build assets for increased self-sufficiency and long-term economic security. Account holders receive matching funds as they save to buy a first home. **The maximum allowable deposit shall not exceed \$25,000.** For every dollar that the participant saves matching funds are allocated to their accounts in a separate parallel account. Matched funds are raised through government grants, foundation grants and donations. Once the participants have completed Homebuyer Education, Financial Skills Training and reached their contract goal and

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homeownership goal the matched funds are deposit directly into escrow for down payment, closing cost, prepaid expenses and/or to permanently buy down interest rates.

Eligible YIHA Home Ownership Programs

- 1) YIHA’s Lease Purchase Program (using **Mutual Help or Section 184** Home Loan Programs)
- The benefits of the IDA program is not realized by the Tribal member until the assumption of the loan or purchase of the Home from YIHA 3 to 5 years to prepare them for Homeownership, if qualified
- 2) Purchase of a home without using a YIHA homeownership program

Opening the “Dream Saver” Account

- 1) Accounts will be opened with a YIHA approved bank. This will be an interest bearing savings account. All deposit requirements, balance requirements and transaction limitations shall be followed.

Regular Deposits

- 1) One goal of the program is to encourage regular savings. The participant shall make monthly deposits to the account in accordance to their account agreement. Failure to do so without good reason can cause the participant to be terminated from “Dream Saver” IDA program.

Matching Funds

- 1) The participant must save the minimum goal amount set by the participant, the approved lender and YIHA. Once the participant has met this goal and all other requirements of the “Dream Saver” IDA program, matching funds will be deposited in to escrow. Funds will be refunded to YIHA if the escrow does not close. At no time will the participant have any vested right to the matching funds. Matching funds **shall not** be combined with other YIHA housing assistance grant program funds **other than Mutual Help or Section 184 Home Loans**. Only funds saved by the participant qualify for the match program. Matching funds can be used to pay for down payment, closing costs, prepaid expenses and/or to buy down the interest rate on the loan.

YIHA “Dream Saver” IDA Responsibilities

- 1) **Homebuyer Education and Financial Skills Training**-to provide workshops for Participant’s benefit.
- 2) **Account Statements**-to provide the Participant with a timely and accurate account statement, listing accumulated savings, earned matches and account activity.
- 3) **Confidentiality**-to protect the Participant’s privacy by securing personal and financial records and keeping all such information confidential within the program.
- 4) **Individual Assistance**-to create opportunities for the Participant to meet individually with program and/or partner staff about financial, savings and asset-goal-related matters.

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- 5) **Match Funds**-to match the Participants IDA savings for the purpose of home ownership.
- 6) **Program Services**- YIHA shall develop an implementation schedule that will accommodate a minimum of (3) three qualified applicants per year.
- 7) **Asset Specific Training**-Shall provide quarterly budget and credit counseling and any additional educational and training workshops as determined by the lender or YIHA.

Participant Responsibilities

- 1) **IDA Opening**-to open an IDA saving account at a YIHA approved bank.
- 2) **Monthly Deposits**-shall deposit every calendar month from his or her earned income (income received as a wage or through self-employment)
- 3) **Homebuyer Education and Financial Skills Training**-attend workshops actively participate in workshops, discussions, exercises and complete all homework assignments.
- 4) **Asset Specific Training**-shall attend quarterly budget and credit counseling and any additional educational and training workshops as determined by the lender or YIHA.
- 5) **Confidentiality**-to respect the rights of privacy of all program participants by keeping confidential any personal or financial information divulged in the course of the program.
- 6) **Update of information**-to provide program staff with updated application information.
- 7) **Beneficiary Successor/Designation**-the participant must designate an individual who will receive the balance of the IDA in the event of the Participants death. If the individual qualifies for an IDA then the balance and matching funds shall be used to establish a new IDA for the designated person. If the individual designated does not qualify for an IDA, or does not want an IDA, then the balance excluding all matching funds will go directly to the designated individual.
- 8) **Earned Interest**- The interest earned on these accounts is taxable income and is the participant's responsibility.

Mutual Understandings

1. **Qualified withdrawals**- are only available for an authorized emergency. A withdrawal of funds of 16% or more will result in termination from the program. If terminated from the program, the Participant will receive the money saved in the IDA, plus the interest earned on the savings, but they will not receive any matching funds or interest earned on the matching funds.
2. **Emergency Withdrawals**- a onetime emergency withdrawal may only be for up to 15% of the funds deposited in the IDA by the Participant, for the following purposes:
 - 1.) expenses for Medical care or necessary to obtain medical care for the Participant or a spouse or dependent;
 - 2.) payments necessary to prevent eviction or foreclosure on a mortgage of the Participant's principal residence;

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3.) payments necessary to enable to Participant to meet necessary living expenses (food, clothing, shelter, utilities) following the loss of employment.

Funds withdrawn for purposes of an emergency **shall** be replaced **no later than the maturity date of the agreement or 12 months, whichever comes first**. Failure to replace withdrawn funds shall constitute the Participant's withdrawal from the IDA Program and the Participant will be ineligible to receive matching funds.

3. **Other Withdrawals-** Should the Participant decide to terminate their participation in the Program, the **Housing Services Manager** shall authorize withdrawal of the Participant's savings plus any income accrued thereon, with the understanding that the Participant thereby loses any right to receive matching funds.
4. **Contingency Plans:** The IDA Participant and YIHA Staff will work together to avoid the emergency withdrawals of funds. The Participant and Staff will identify crisis intervention activities in order to avoid the withdrawal of funds from the IDA. Funds withdrawn from the IDA for an emergency withdrawal **shall** be replaced in accordance with contingency plans reached by the Participant and YIHA Staff.
5. **Projected savings goals:** If the Participant fails to meet projected savings goals or schedules, the **Housing Services Manager** will meet with him/her to determine the reason and to assist the Participant in developing a plan to return to the agreed-upon schedule. If, after continued intervention by the **Housing Services Manager**, the Participant still fails to meet the projected savings goals or schedules, **shall** terminate the Participant from the program.
6. **Qualifying Asset:** If, at the end of the Program, the Participant has not saved a sufficient amount which, with the matching funds, will allow them to purchase a Qualifying Asset, the Participant's savings in their IDA, plus accrued interest, **shall** be returned to them, without the matching funds.
7. **Participation requirements/terminations-**the Participant **shall** be terminated for missed monthly savings deposits, poor workshop attendance, and unauthorized savings withdrawals or for **any** violations of these policies and procedures.

Program Evaluation

The Participant is required to participate in the evaluation of which may include filling out a survey or participating in an individual or group interview periodically.

Record Keeping:

- 1) The YIHA shall maintain a current ledger for the IDA Program that shall record the following:
 - a. Name, address, and phone number of the approved Participant.
 - b. IDA goal amount and goal date.
 - c. YIHA annual IHBG or other source from which funds were provided.

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- 2) Adopt best practices that provide management tools such as account statements, mailing and reports. It should also generate a comprehensive database on program characteristics, participant characteristics and aggregate enrollment, saving and withdrawal patterns.

C*E*R*T*F*I*C*A*T*I*O*N

This is to certify the Individual Development Account Policy of the Yurok Indian Housing Authority was approved at a duly called meeting of the Board of Commissioners on April 13, 2009 at which a quorum was present and the Individual Development Account Policy was adopted by a vote of 6 For, 0 Opposed, and 0 Abstentions.

Wanda Green, Chairperson
Yurok Indian Housing Authority Board of Commissioners

ATTEST:

Sherri Reece, Secretary
Yurok Indian Housing Authority Board of Commissioner