

Maine Family Development Account (FDA)

Questions and Answers

What is the FDA Program?

The FDA Program is a savings and education program that helps income-eligible individuals and families achieve a major financial goal. Participants open a savings account to be used toward their identified goal. These savings will be matched upon withdrawal for approved purchases.

Who is eligible to open an FDA?

Households eligible for TANF or the Earned Income Tax Credit usually qualify to open an FDA. Annual household income must be at or below \$24,120 for one person, \$32,480 for two people, and \$40,840 for three people (for larger households please check with the FDA staff person for the income limit). For the following goals, match funds are provided by Maine Department of Health and Human Services, and accounts are available for households that include a minor child: home repair, vehicle purchase, vehicle repair, and emergency saving. *Ask a staff person about additional eligibility requirements.*

What can the savings and match funds be used for?

The savings and match funds can be used for:

- Home ownership for first time homebuyer
- Small business start-up or expansion
- College education or approved training

The goals below require a minor child in the household:

- Major home repair
- Vehicle purchase or repair
- Emergency savings for expenses that may cause loss of shelter, employment, or other basic necessities

How much can a person save in an FDA?

Account holders usually save between \$20 and \$80 per month in an FDA for a maximum personal savings of \$1,000. **All participant deposits must come from earnings from employment or self-employment.** Each dollar saved is matched by four additional dollars.

What are the time frames for participation in the program?

Participants must save for at least six months (180 days), and may save for up to three years, depending on their plan. Length of participation depends on the identified savings goal and the amount a household is able to save each month.

How does the program work?

Participation in the program includes the following steps:

1. Fill out an FDA application and identify a savings goal.
2. Application is approved by Coalition member agency.
3. Participant opens account, starts saving, and completes required training.
4. When savings goal has been met, match funds are made available for asset purchase.

This program is administered through the Maine Family Development Account Coalition. For information or to find an FDA agency near you, call Jean Dempster at 1-800-442-2092.

Updated January 2017.