

Maine Family Development Account (FDA) Questions and Answers

What is the FDA Program? The FDA Program enables income-eligible households to have matched savings that will be used to purchase an asset. Participating families 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 FDAs? This program is for working adults with a minor child in the household. Families who are eligible for TANF or the Earned Income Tax Credit usually qualify to open a FDA. Annual household income must be at or below \$40,880 for two people, and \$51,640 for three people (for larger households please check with the FDA staff person for the income guideline). ***There are additional eligibility requirements.***

What can the savings and match funds be used for?

Depending on the source of the match funds, savings and match can be used for:

- First-time home purchase or home repair for a principal residence
- Vehicle purchase for a vehicle used for transportation to work or school
- Vehicle repair for a vehicle used for transportation to work or school
- Pay for unexpected expenses (emergencies) 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 from public and private sources.

What is the time frame for participation in the program? Account holders must save for at least six months (180 days), and may save for up to two years. Length of participation depends on the identified savings goal and the program end date.

How does the program work? Participation in the program includes the following steps:

1. Fill out an FDA application.
2. Household identifies a savings goal, monthly amount to be saved, and total savings.
3. Application is approved by staff member and/or review committee.
4. Account holder opens an account and begins saving.
5. Account holder completes money management class and asset-specific training.
6. When goal has been met, match funds are made available for an asset purchase.

Note: The FDA program has a limited number of accounts available each year.

This program is administered through the Maine Family Development Account Coalition. For more information please contact Lisa Archer at 207-621-7456 or lisa.archer@maine.edu.

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