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IDA marks 10 years of accomplishments

MANCHESTER — Nearly half of low-income savers have achieved their purchasing goals — including buying a home — through the N.H. Individual Development Account Collaborative, which celebrated its 10th anniversary in Fall 2011.

Combining \$20 a month set aside each month from her caretaker's paycheck at New Hope Healthcare in Bedford, the IDA program's \$3-to-\$1 match and a \$1,000 federal

benefit, Jamaican immigrant Denese Reid was able to move into a four-bedroom house in Manchester in April 2011 with an \$8,000 down payment.

"The people I worked with at NeighborWorks Greater Manchester were really good. Someone was always there to guide me towards reaching my goal quickly — how to save, how much — so the process wasn't stressful," Reid said.

Forty-four percent of IDA's 1,280 participants reached

their savings goals, with a combined savings of more than a million dollars, according to the Community Loan Fund, which helped toward purchases of a home or car, starting or expanding a business or continuing their education. Those who didn't reach their goals still saved an average of \$900.

Successful IDA savers bought 267 houses for an average price of \$168,000. An April 2010 Corporation for Enterprise Development study

found only one of 168 homes purchased by NH IDA participants between October 2001 and February 2008 had gone into foreclosure. The rest were still occupied by the original IDA buyers.

In addition, the study found that foreclosures on IDA homebuyers were two and three times lower nationally than those for other homebuyers.

IDA works by pairing sav- ings with financial education

matched to individual savings goals.

"A significant number of IDA participants have never had a savings account," New Hampshire Community Loan Fund President Juliana Eades said. "They leave the program with savings, relationships with a bank and with a community partner, and an understanding of what it takes to achieve

► See IDA, Page F2

IDA

Continued from Page F1

financial goals."

More than half of the participants have received welfare assistance and nearly half are single parents.

The Community Loan Fund launched NH's IDA program in September 2001, with Citizens Bank as the leading corporate supporter.

The Assets for Independence Program sponsored by the U.S. Department of Health and Human Services, has provided approximately \$1.76 million, or 30 percent, of NH IDA costs. Additional grants have come from a mix of private, public and charitable sources, including the N.H. Community Development Finance Authority.

Community-based non-profits providing financial education include NeighborWorks Greater Manchester, More Than Wheels, Granite State Independent Living and N.H. Housing Finance Authority.

The community partners advise participants through their purchase, steering them away from predatory lending and toward better terms from consumer-oriented lenders, the Community Loan Fund said.

For new homeowner Reid in Manchester, the program meant a mortgage payment just \$100 more than she was paying for rent, keeping her boys, Matthew, 7, and Javon, 4, at Henry Wilson Elementary School, and a finished basement for the colder months.