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Thank you for your interest in opening an Individual Development Account (IDA) with the Capital Area Asset Building Corporation. Please review the information below and contact us if you are eligible and would like to apply.

What are IDAs?

Individual Development Accounts are a way for individuals to save money and invest in their future by buying a first home, paying for education, or starting or expanding a small business. By combining financial education with a matched savings account, IDAs help people to set financial goals, develop regular saving habits, and attain assets.

Why does the IDA program emphasize assets?

Assets are anything that a person owns that has monetary value. There are some assets that depreciate or lower in value (like a car) and there are others that increase in value (like a house). The IDA program is focused on helping individuals purchase homes, advance their education or career training, or invest in a business because these are the types of assets that increase in value over time and help individuals and families build wealth and maintain financial stability.

How do IDAs work?

An Individual Development Account is a special savings account that is opened in your name and CAAB's name at a local bank. You are expected to make regular deposits into the IDA, and when you are ready to invest your money, CAAB will match every \$1 that you've saved with \$3. You must save for at least six months and have up to three years to save in your IDA, and we will match up to \$1,000 of savings. In other words, you can get \$4,000 total – the \$1,000 that you save and the \$3,000 you earn through the CAAB IDA Program.

Where does the money to fund IDAs come from?

CAAB is a nonprofit organization that receives matching funds from Federal and District agencies, private Foundations, and individual donors. Matching fund contributions are tax deductible and are paid directly to the seller of the asset that you purchase.

What are the requirements?

- IDA savers must be DC residents
- Household income cannot exceed 85% of the DC median income
- Household assets cannot exceed \$10,000 (excluding the value of a primary home and one vehicle)
- IDA savers must attend 8 hours of money management training
- IDA savers must attend training and/or counseling sessions specific to your chosen asset goal (for example, homebuyer training, small business training, college and career counseling)

I'm ready to do this. What do I do next?

- Call (202) 419-1440 or e-mail ida@caab.org to sign up for the next IDA orientation.
- Complete and submit an IDA application with all the required documentation.
- When approved, pay a \$50 enrollment fee, sign up for a money management class and start saving!