

# Virginia Individual Development Accounts (VIDA)



# What is VIDA?

The Virginia Individual Development Accounts (VIDA) program is a special savings program that helps eligible individuals gain financial management skills and build assets.

**VIDA saver deposits \$1 and earns \$8 in match equals \$9 in savings towards a business or homeownership purchase**

## Program Objectives

- Saving - learning to save on a consistent basis
- Financial education – enhancing financial knowledge
- Acquiring assets – building wealth, matched savings 1:8 ratio, matched up to \$4,000

# How Can the Money be Used?

- The combined savings can be used to:
  - Purchase a home (first-time homebuyer, down payment and closing costs)
  - Start a business (business plan development, inventory and equipment costs)

# Who is Eligible?

- ✓ Is the applicant at least 18 years old?
- ✓ Is the applicant a U.S. citizen, or legal resident, and a Virginia resident?
- ✓ Does the applicant have earned income?
- ✓ Does the household income meet program income guidelines?
- ✓ Is the household's net worth less than \$10,000?

# How Does it Work?

- Program is offered through intermediaries
- Participants work with intermediary to access VIDA services
- Completes application to the program, sets goals, id credit issues, establish a savings plan
- Coordinates training with intermediary
- Once enrolled, starts saving monthly

# What are the Funding Options?

## **Community Development Block Grant (CDBG) – Local Innovative Grant**

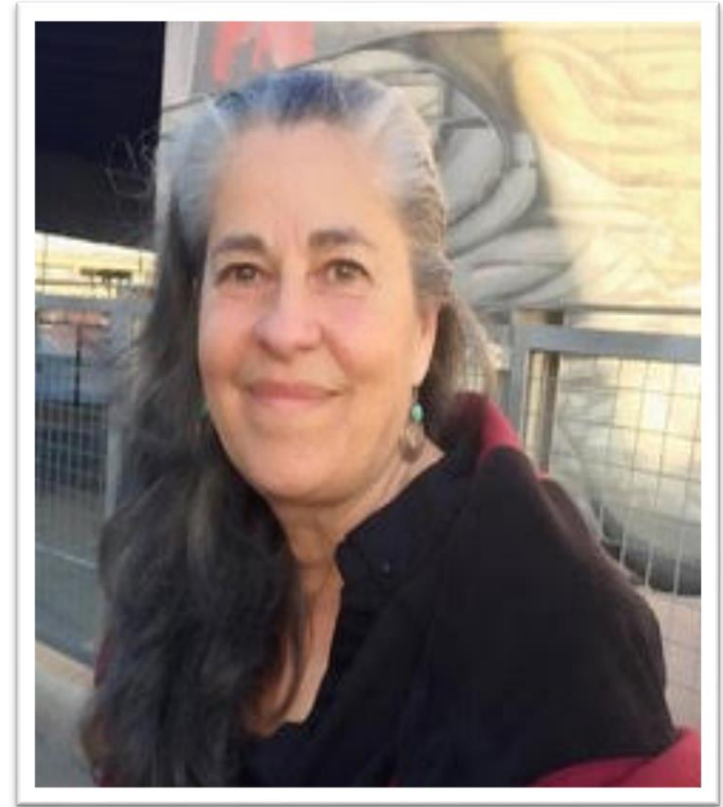
- Available for non-entitlement localities
- Locality can have a sub-grantee administer their IDA program
- Grant amount up to \$200K, up to 37 saver slots
- Savings options include business and/or homeownership

## **Statewide program**

- Available for nonprofits, local governments, housing authorities
- Prefer considerable housing counseling experience
- Saver slots are available to intermediaries first come, first served; 200 slots
- Homeownership savings option

# Katherine's Story

- Katherine is a local artist in Roanoke and operates a private studio in the Grandin area. She enrolled in the VIDA program to benefit her business.
- Katherine stated, “The VIDA program has benefited me in many ways. The personalized business advice filled a gap that was not part of my fine arts education. It has helped me plan, market and maintain my private art studio allowing me to produce artwork for sale, and to offer small classes and private instruction for artists of all ages and skill levels.”



# LaTisha and Quinton's Story

- LaTisha and Quinton decided to save towards homeownership and both were able to open a savings account through the program.
- At the end of their savings period, they had saved enough to earn the maximum match award of \$4,500.
- When the Terry's closed on their home, they had a combined down payment amount of over \$9,000.





# Roles and Responsibilities: Saver, Intermediary and DHCD

## Saver:



- Save at least \$25 per month
- Complete financial education and asset specific training provided by the intermediary site
- Complete training prior to making a match funds request
- Six-month minimum participation required

# Intermediary Roles and Responsibilities

- Markets and recruits participants
- Determine candidate eligibility
- Enter candidate application information into the VIDA Online Management System (VOMS)
- Assist savers with goal setting and required training
- Assist savers with making an asset purchase and submitting documentation to DHCD
- Establish and maintain saver and program files

# DHCD Roles and Responsibilities

- Statewide marketing
- Coordinate with banking partners to open saver accounts
- Monitor saver accounts
- Generate monthly saver statements
- Provide match savings and issue timely payments to vendors on behalf of savers

# VIDA Quick Stats 2012-2017

- Total of 317 savers graduated
- 208 participants made a home purchase
- 109 used their savings towards business
- Average match used \$3,312
- Over the five-year program savings totaled \$960,860

## Grant Parameters: CDBG or Statewide Program

- **CDBG** – Apply via CAMS, up to \$200K, administrative funds included, two-year contract
- **VIDA Statewide** – 200 saver slots (first come, first-served), homeownership savers, administrative funds of \$600 per graduate, grant ends in 2024 or funds exhausted.

# How to Apply or Connect Your Clients

- Statewide program: Intermediary application available on CAMS (link to CAMS at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)), open application process; List of intermediaries at [www.dhcd.Virginia.gov](http://www.dhcd.Virginia.gov)
- CDBG program: apply via CAMS, manual located at [www.dhcd.Virginia.gov](http://www.dhcd.Virginia.gov)

# VIDA Program

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