



**PROSPERITY WORKS**  
Powering Social and Economic Opportunity

**Effective Date:** January 4, 2011  
**Attention:** Underwriting Department  
**Regarding:** Use of IDA funds toward mortgage down payment

Prosperity Works (Tax ID: 85-0466059) is a federal Assets For Independence (AFI) Act approved and funded Individual Development Account (IDA) program that provides opportunities for lower income individuals to build assets (Project name: "New Mexico Assets Consortium"). It matches the savings of the individual investor savings for homeownership, small business or post-secondary education. AFI is administered through the U.S. Department of Health and Human Services.

**How it works:** To be eligible for an IDA, households must enter the program with incomes at or below 200% of the federal poverty guidelines and have a net worth less than \$10,000 (excluding a primary residence and primary vehicle). Our Savings Partners make monthly deposits into a custodial account which is then matched at a ratio of 4 to 1 upon completion of the IDA Savings and Participation Plan. Account holders must complete Financial Management and Education course (commonly 20 hours) as well as create a homeownership plan.

IDA Savings Partners sign up through a local organization that is part of the consortium. The local organization provides ongoing coaching and works with the saver to ensure that all the savings requirements are complete before the matched savings withdrawal is requested. The Saver's deposits, as well as the match funds, are written directly to the title company or other entity involved in the mortgage.

**HUD on IDAs:** IDAs are listed on HUD's website as the 3<sup>rd</sup> of 10 priorities to encourage families to save for a down payment: <http://www.hud.gov/initiatives/fbc/topten3.cfm>

**IDAs are Earned Savings:** There is no personal relationship between the IDA Savings Partner and Prosperity Works. The IDA Savings Partner earns the match funds through making regular savings deposits, completing 20 hours of financial education, and completing a homeownership and maintenance plan.

**Donor with Prosperity Works Certification**

The funds given to the home buyer were not made available to the donor from any person or entity with an interest in the sale of the property including the seller, real estate agent or broker, builder, loan officer, or any entity associated with them. If you have further questions about this initiative, please don't hesitate to contact Sharon Henderson at 505-250-2370.

Ona Porter  
President and CEO

IDA Savings Partner

I certify that I have earned the funds disbursed by Prosperity Works through completion of all requirements of the IDA savings plan. I have not been asked to repay these funds in any way whatsoever.

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