

INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT PROGRAM ACT (EXCERPT)
Act 513 of 2006

206.903 Individual or family development account; establishment; purpose; policies and procedures; approving and reviewing qualifications of fiduciary organizations and program sites; factors; implementation of programs.

Sec. 3. (1) The individual or family development account program is established within the agency. The program shall provide eligible individuals and families with an opportunity to establish accounts to be used for education, first-time purchase of a primary residence, qualified home improvements, or business capitalization as provided in section 4.

(2) The agency, in consultation with the department, shall establish policies and procedures for the program taking into consideration the policies and procedures adopted by the department of human services to implement the individual development account program under section 57k of the social welfare act, 1939 PA 280, MCL 400.57k. Except as otherwise provided under this subsection, the agency shall be responsible for approving fiduciary organizations and program sites and for all activities related to the program. The department shall be responsible for approving all activities related to these programs that relate solely to accounts to be used for education or business capitalization as provided in section 4.

(3) In reviewing the qualifications of fiduciary organizations and program sites, the agency shall consider all of the following factors:

- (a) The not-for-profit status of the organization.
- (b) The fiscal accountability of the organization.
- (c) The ability of the organization to provide or raise money for matching contributions.
- (d) The significance and quality of proposed auxiliary services to support the goals of the program.
- (e) The availability of a financial literacy program for account holders.

(f) The ability to maintain and manage necessary program data for tracking account holders and participants in the program and for development of reports as required under section 9.

(4) The agency shall select fiduciary organizations to provide technical assistance and support to program sites and oversee program sites' reserve accounts on a not-for-profit basis. In reviewing the qualifications of fiduciary organizations, the agency shall consider the ability of the fiduciary organizations to do all of the following:

(a) Administer 1 or more reserve funds to provide matching funds for account holders according to participant savings plan agreements.

(b) Administer any money appropriated by this state for the purposes of this act.

(c) Collaborate with program sites on a regional basis.

(d) Provide technical assistance and support to program sites to assist them to effectively administer programs.

(e) Work in conjunction with approved program sites to hold, manage, and disburse matching funds for accounts as provided in section 5.

(f) Maintain and manage necessary program data for tracking account holders and participants in the program and for development reports as required under section 9.

(5) The agency shall select program sites to administer the accounts under the oversight of a fiduciary on a not-for-profit basis. In reviewing the qualifications of program sites, the agency shall consider the ability of the program site to do all of the following:

(a) Develop and implement participant savings plan agreements to be used with account holders that include at least all of the following:

(i) The purpose for which the account holder's account is established.

(ii) The schedule of deposits that the account holder will make to the account.

(iii) The agreed-upon amount of matching funds and the projected date when those matching funds will be provided.

(iv) A plan to provide financial literacy; homeownership training; education, career, or business planning assistance, if appropriate; and any other services designed to increase the independence of the account holder or the account holder's family through the achievement of the designated purpose of the account.

(b) Develop a partnership with all account holders with whom the program site has a participant savings plan agreement to assist the account holder to effectively make financial decisions relating to the use of the funds available through the account and to offer support services to maximize the opportunities provided by the individual or family development account program.

(6) The agency shall work cooperatively with financial institutions, fiduciary organizations, program sites, and the department to implement the programs under this act.

History: 2006, Act 513, Eff. Jan. 1, 2007;—Am. 2008, Act 450, Imd. Eff. Jan. 9, 2009.

Compiler's note: This section as originally enacted was assigned the compilation number "206.703". To avoid a conflict with another section numbered "206.703", this section has been renumbered as 206.903.