



# FAIM 101 – STATE 2085 GRANT

Family Assets for Independence in Minnesota

Training updated 12/14/2021

# FAIM ADMIN

Sue Thoennes

Statewide FAIM Program Administrative Assistant

West Central MN Communities Action, Inc.

411 Industrial Park Blvd, Elbow Lake, MN 56531

Direct line: (218) 685-7071

Email: [suet@wcmca.org](mailto:suet@wcmca.org)

Office hours: 8am-4:30pm Monday-Friday

# FAIM OVERVIEW

- Family Assets for Independence in Minnesota (FAIM) has been in existence for about 22 years. The matched savings program helps low-income families build assets.
- FAIM is funded by grants:
  - Federal Grant 0953 will close in April 2022. We no longer receive federal dollars.
  - State Grants – we began enrolling in state-only funding in 2021. Enrollment is at capacity until we receive funds from the next grant which is anticipated soon.
- West Central Minnesota Communities Action, Inc. (WCMCA) administers the grants.
- Agencies across MN contract with WCMCA to offer the FAIM program locally to clients.
- Bremer Bank hosts the client FAIM savings accounts and provides transaction reports to WCMCA weekly.

# FAIM OVERVIEW

- FAIM is a matched savings program. Enrollees earn 3:1 match on deposits made to their FAIM savings account (up to \$2,000 per household).
  - **Example: \$2,000 client savings may be eligible to receive \$6,000 match for a potential total payout of \$8,000 toward their chosen asset track.**
- Program enrollment and timelines for saving and spending are triggered by the date the first deposit is made to the client's FAIM savings account at Bremer Bank.
  - Saving period - the client has up to 24 months (2 years) from first deposit date to make deposits that may be matched. Interest earned on savings is not matched.
  - Minimum enrollment period – the client must be enrolled a minimum of 1 year + 1 day before full payout may be requested.
  - Maximum enrollment period – the client has up to 30 months (2 ½ years) from first deposit date to obtain their asset and exit the program.

# FAIM OVERVIEW

- FAIM will have 65 slots available for enrollment statewide in the upcoming grant.
- FAIM Coaching Dollars
  - It is estimated that a local coach will spend 25-30 hours with a FAIM client over the course of their enrollment: pre-screening for eligibility/readiness, application and account opening process, budgeting and 1:1 financial coaching, providing required trainings, payout request process, and exit from the program.
  - To help defray that cost, FAIM will pay \$1,300 in coaching dollars upon submission of an enrolled client's Financial Literacy training completion certificate to FAIM Admin.
  - Coaching dollars will be tracked by FAIM Admin and paid on a quarterly basis to agencies until spent out for 65 accounts.

# FAIM OVERVIEW

## Asset Tracks

- FAIM offers four asset tracks – the client must choose one at time of application:
  - First-time Home Purchase
    - Applicant and/or their spouse can't have owned a primary residence within the previous three years.
    - FAIM funds may be used for down payment and/or closing costs at the closing.
  - Business Development
    - Start-up of a small business
    - Expansion of a small business

# FAIM OVERVIEW

## ➤ Post-secondary Education

- Education is the only asset track that allows an applicant to use their FAIM account for the benefit of a family member - spouse, child or tax dependent.
- FAIM funds may be used for tuition at an accredited post-secondary education institution within the USA. FAIM funds may be used to obtain books/equipment required for the course if obtained through the campus bookstore and charged to the student's account.

## ➤ Personal Vehicle Purchase – new in 2021

- Must be titled to FAIM applicant - with valid MN driver's license and insurance.


# FAIM OVERVIEW

Things for the applicant to consider when choosing an asset track:

- Education – current age of student, when will they attend college, do they have grants/scholarships
- Home Purchase – credit score, steady employment, will budget support ongoing cost of owning a home
- Business Development – solid idea for startup or expansion, best use of funds, is it feasible
- Vehicle Purchase – valid license and insurance, will budget support ongoing cost of vehicle ownership
- **The FAIM asset must be obtained/located in Minnesota.**
- Do they have debt that will prohibit them from obtaining the asset within the time allowed?
- Can their budget support monthly deposits to FAIM savings?
- Your agency's internal policies (enrolling family, friends, other staff, etc.)



# FIVE MAIN STEPS TO FAIM

- Eligibility 
- Enrollment and Opening the FAIM Savings Account
- Financial Coaching and Completing Asset Requirements
- Obtaining the Asset (payout)
- Exiting and Closing the FAIM Savings Account

# ELIGIBILITY

- **Enrollment Disqualifiers:**
  - Can't be in default on student loan repayment
  - Can't owe money to the government (example: back taxes)
- **Residency:**
  - Must be a US citizen or eligible non-citizen
  - Must be a Minnesota resident throughout enrollment in FAIM
  - Must be age 18 or older

# ELIGIBILITY

- **Income eligibility:**
  - Applicant must have earned income to use for monthly deposits to FAIM savings account
  - Household annual gross income at or below 200% of Federal Poverty Guideline (FPG) for the current year. New FPG is typically released mid-late January.
- **Asset eligibility:**
  - Household net assets at or below \$10,000 (exclude primary residence and one vehicle)
- **Documentation:**
  - Copy of valid Minnesota driver's license or photo ID card
  - Copy of current utility bill or lease in applicant's name to verify address
  - Proof of income

# APPLICANT'S INCOME ELIGIBILITY

- Applicant must have earned income to be enrolled in FAIM:
  - Traditional employment (wages)
  - Self-employment income
- Applicant's earned income must be enough to make the monthly deposits to their FAIM savings account - as noted on their Contract Agreement.
  - \$84 per month is standard to reach \$2,000 goal within the 24-month saving period
  - May vary monthly amount deposited and may make lump sum deposit from Earned Income Tax Credit (EITC)
- Unearned income *IS* counted toward annual gross of the household but cannot be used to make deposits to a FAIM savings account.
  - **Examples of unearned income: unemployment, worker's compensation, child support, foster care stipend, cash assistance from county, cash from family/friends, social security administration benefits, pension, wages earned while incarcerated.**


# HOUSEHOLD INCOME ELIGIBILITY

- **FAIM Definition of a Household** – ALL individuals who share use of a dwelling unit as primary quarters for living and eating.
    - FAIM requires income documentation from all adults (age 18 and up) in the home to determine an applicant's eligibility for the program.
    - Total household annual gross income must be at or below 200% of the Federal Poverty Guideline for the current year
  - **Income Documentation from all adults in the home:**
    - **Preferred – Federal 1040 Tax Form for current filing year. Ask for this first.**
      - If the Federal 1040 is not available other options are:
        - All W2's AND income from any other sources\* for previous year.
        - Paystubs for the previous 3 full months AND income from any other sources\* for that period.
- \*Benefit award letters, unemployment statement, child support, contractual pay, etc.

# ASSET ELIGIBILITY - \$10,000 OR LESS

- Excluded from asset eligibility test:
  - Primary residence - if owned
  - One vehicle in the household
  - Retirement or burial accounts that have a penalty for withdrawal.
- Use the net value of all remaining assets to determine eligibility
  - Example: value of 2nd vehicle minus the loan balance (use kbb.com to find value)
  - Checking and savings account balances minus outstanding debt balances
  - Business value (inventory, supplies, equipment, accounts, etc.) minus business loan balance
- FAIM does not require documentation for assets

# FIVE MAIN STEPS TO FAIM

- **Eligibility**
- Enrollment and Opening the FAIM Savings Account 
- Financial Coaching and Completing Asset Requirements
- Obtaining the Asset (payout)
- Exiting and Closing the FAIM Savings Account

# FAIM WEBSITE AND DATABASE

FAIM Website: [www.minnesotafaim.org](http://www.minnesotafaim.org)

- FAIM Coordinator's tab at top left of page contains subtabs for:
  - FAIM Forms – always use current forms posted on the website
  - Training Information
  - Coach Resources

FAIM Database: <https://www1.vistashare.com/>

- VistaShare is used to track and report on FAIM enrollment. It is also the program's reflection of all client FAIM savings accounts at Bremer Bank.
- Each FAIM agency has one login and password for their staff to share
- Your agency will pull FAIM account statements each month to send to your enrolled clients.



# FAIM APPLICATION PACKET

Utilize the FAIM Account Opening Checklist from the FAIM website. The FAIM Application Packet is comprised of the forms and documentation listed below which are sent to FAIM Admin:

- FAIM Application
  - be sure all questions are answered, amounts filled in, and client signed/dated where applicable on page 6.
  - coach completes Local Agency Use Only sections (page 1 and 4)
- Contract Agreement
- Beneficiary Form – must provide all info requested for beneficiaries
- Signature Authorization for Withdrawals Form
- Income documentation from all adults in home – **Federal 1040 is preferred**
- Copy of applicant's valid Minnesota driver's license or photo ID card
- Copy of current utility bill or lease in applicant's name at present address



  
**BREMER**  
**BANK**

# FAIM SAVINGS ACCOUNTS

- Bremer Bank hosts the client FAIM savings accounts for the program.
- FAIM savings are custodial accounts – aside from making deposits, the client has no access to the account at Bremer Bank.
- Client deposits earn interest – however, interest is not matched by the program
- Program match funds are held in a separate escrow account by WCMCA
- VistaShare is the database used to track the FAIM savings accounts
- Bremer Bank sends a weekly report to WCMCA which includes the client transactions for the previous week (Tues-Mon). The report is uploaded to VistaShare each week to update client account balances and add the match.
- You, will send the client a monthly FAIM account statement – they do not receive one from Bremer. FAIM Admin sends an email to the network to notify when the previous month's statements are ready to be pulled from VistaShare.

# FAIM SAVINGS ACCOUNT OPENING FORMS

- FAIM-Bremer Savings Account Opening Information Form
- FAIM-Bremer Certificate for Opening Asset Account Form
- FAIM-Bremer Release of Information Agreement Form
- FAIM Signature Authorization for Withdrawals Form
- Copy of applicant's valid Minnesota driver's license or photo ID card
- Optional: Bremer Automatic Transfer Authorization Form

Bremer Bank requires that forms sent to them be physically signed by the FAIM applicant and coach where indicated - they do not accept electronic signatures on bank forms.

# FAIM SAVINGS ACCOUNT OPENING

- FAIM Savings Account may be opened either:
  - In person at a local Bremer Bank branch in Minnesota
    - Make copies of forms for your local file. Client takes the original forms, their valid MN driver's license and cash or check with them to the bank to open the FAIM account and make the first deposit – within seven days. We suggest they call ahead to see if an appointment is required and to let the banker know they are opening a FAIM savings account. Client will need to provide you with their FAIM savings account number and copy of their deposit slip.
  - Electronically by sending the completed opening forms and copy of client's valid driver's license to: [depositservices@bremer.com](mailto:depositservices@bremer.com)
    - The client must have an active smartphone and email account to open the account electronically. Bremer will send them a link to follow. Process must be completed within time allowed by Bremer Bank, or the link will expire.
    - The client will need to complete a signature card and make the first deposit to their FAIM account at Bremer Bank within 10 days of opening.

# FIVE MAIN STEPS TO FAIM


- **Eligibility**
- Enrollment and Opening the FAIM Savings Account
- Financial Coaching and Completing Asset Requirements
- Obtaining the Asset (payout)
- Exiting and Closing the FAIM Savings Account



# TRAINING REQUIREMENTS

- Twelve Hours of Financial Education:
  - Financial literacy course – Four Cornerstones or FDIC Money Smart
  - Supplemented by time with FAIM coach - reviewing credit report, 1:1 financial coaching, budgeting, help with establishing or building credit
- Ten Hours of Asset Specific Training – *in addition to Financial Education*
  - Home Purchase - Home Stretch or Framework curriculum
  - Post-Secondary Education – career exploration, Accuplacer testing, time with guidance counselor or college admissions, campus tour, etc.
  - Business Development – creating the business plan, budget, etc. with guidance from SBDC or SCORE, talking with tax preparer, lender, insurance agent, attorney, etc.
  - Personal Vehicle Purchase – Car care/buying curriculum supplemented with researching suitable vehicles, talking to mechanic, etc.

# FIVE MAIN STEPS TO FAIM

- **Eligibility**
- Enrollment and Opening the FAIM Savings Account
- Financial Coaching and Completing Asset Requirements
- Obtaining the Asset (payout) 
- Exiting and Closing the FAIM Savings Account



# OBTAINING THE ASSET

- Client must contact coach and allow 21-days for processing their payout request. The time is needed for the coach complete and send the payout request to FAIM Admin for processing, the check to be cut and for it to reach the vendor by first-class postal mail.
- Client must provide documentation to show there is an eligible expense
- FAIM payment must be made to a third-party vendor, not the client
- Client must provide follow up documentation to show the asset has been obtained/purchased
- Client must provide information to coach for the exit forms

# OBTAINING THE ASSET

Utilize the FAIM Coach Payout Checklist and always use current forms posted on the FAIM website.

All payout requests will include:

- Matched Withdrawal Form
- Savings Transfer Request Form
  - Signature Authorization for Withdrawals Form
- Education Notes Form
- Supporting documentation for the chosen asset track

# ASSET PURCHASE EXAMPLES....

## Home Purchase

- Client must provide their coach:
  - a copy of the Loan Estimate
  - closing agent's name and contact information
- Coach will contact closing agent to verify closing date, notify agent of the FAIM payment amount to be applied as down payment or closing costs, and that the FAIM funds must be listed on the final closing disclosure.
- Coach will submit payout forms and Loan Estimate to FAIM Admin
- After the closing date the client must provide a copy of their final, signed Closing Disclosure with FAIM payment listed.

# ASSET PURCHASE EXAMPLES....

## Education Purchase

- As soon as possible before the term drop/add date, client must provide coach with a copy of the student's itemized term billing and class list .
- Coach will check VistaShare for available payout amount, complete payout request forms and a Third-Party Billing Form (promise of payment to the student's account) and send to FAIM Admin with class list and tentative billing.
- After the drop/add date has passed, the college will send a final itemized billing to FAIM Admin. Charges will be reviewed and verified before moving forward with the payment. FAIM coach will be contacted if payout amount has changed

# ASSET PURCHASE EXAMPLES

## Business Development

- Client must contact SCORE or the Small Business Development Center and work with a mentor. Client will present their business idea to the mentor who will provide guidance in creating the detailed business plan, 12-month budget, itemized list for use of FAIM funds, etc. Mentor will sign the Business Plan Approval form upon client's successful completion of a viable business plan.
- Client must apply for an Employer Identification Number (EIN) for their business and complete a W9 Form. A social security number will not be accepted on the W9.
- Client must open a business account at an insured financial institution and provide proof of the account.
- FAIM payment will be sent to client's business and the check must be deposited into their business account to be spent as indicated in their business plan.
- Client must retain all receipts for purchases made using FAIM funds for a period of at least seven years in case of program review or audit.

# ASSET PURCHASE EXAMPLES

## Vehicle Purchase

- Client must provide coach copies of the following: signed vehicle purchase agreement (PA), title (both sides), lien release (if applicable), kbb.com vehicle value printout, vehicle inspection form showing passing grade, valid MN driver's license and proof of current insurance
- Dealership/seller must complete a W9 Form so they can be set up as a vendor and have a check cut to them.
- Upon completion of purchase client must provide the following: final copy of PA showing FAIM payment was applied AND copy of title (both sides) to document transfer of ownership to the client.

# MATCH MATH

- Check VistaShare for client's available savings and match.
- If not using all of their savings/match for the payout:
  - **Client portion:** divide the requested payout amount by 4 (**always** round up to next penny if it doesn't divide evenly). This is the client portion of the payout - it is the amount that you will transfer from the client's FAIM savings account to WCMCA's account.
  - **Match portion:** subtract the client portion from the requested payout amount to get the match portion. The match portion comes from WCMCA's escrow account.

# VistaShare – IDA Account Tab

**Account Balance:** total savings + interest in the client’s FAIM account at Bremer as of the last weekly bank upload – generally completed on Tuesday afternoon.

**Match Balance:** is the potential match funds earned on savings (not interest) as of the last upload. Client MUST be enrolled for a minimum of 1 year + 1 day from first deposit date to be eligible for full match on their savings.

**Total Balance:** is the current savings, interest, and match potentially available for payout if the client has completed their trainings and asset requirements.

Matched Savings Account

Account Balance	\$980.06	Match Balance	\$2,880.00	Total Balance	\$3,860.06	Deposits	\$980.00	Matched Withdrawals	\$0.00
-----------------	----------	---------------	------------	---------------	------------	----------	----------	---------------------	--------

> Details

∨ Transactions

Search:

Delete... Add...

<input type="checkbox"/>	Date ↑↓	Description	Upload	Ovr	Account	Match	Total
<input type="checkbox"/>	02/28/2020	EDI: Participant Account Deposit (02/25/2020 to 02/28/2020)	*		\$100.00	\$300.00	\$400.00
<input type="checkbox"/>	04/13/2020	EDI: Participant Account Deposit (04/07/2020 to 04/13/2020)	*		\$40.00	\$120.00	\$160.00
<input type="checkbox"/>	04/27/2020	EDI: Participant Account Deposit (04/21/2020 to 04/27/2020)	*		\$40.00	\$120.00	\$160.00
<input type="checkbox"/>	05/22/2020	EDI: Participant Account Deposit (05/19/2020 to 05/22/2020)	*		\$80.00	\$240.00	\$320.00



# FIVE MAIN STEPS TO FAIM

- **Eligibility**
- Enrollment and Opening the FAIM Savings Account
- Financial Coaching and Completing Asset Requirements
- Obtaining the Asset (payout)
- Exiting and Closing the FAIM Savings Account



# CLOSING THE FAIM ACCOUNT

Utilize the FAIM Exit/Account Closing Checklist on the FAIM website as a guide

Forms to complete any time a client leaves the program:

- FAIM Exit Form – used to close the state FAIM file and VistaShare record
  - FAIM Savings Account Closure Form – used to close the client account at Bremer Bank. Make sure you confirm the client's current address with them for this form!
  - FAIM Education Notes Form – used to document trainings completed and any services provided to the client by the coach/their agency during FAIM enrollment.
  - Optional – FAIM Participant Survey
- 
- Client records must be retained by the local FAIM agency for seven years after the close of the grant the client was enrolled in.

# QUESTIONS???

If you have FAIM questions after this training, please do not hesitate to call or email me. I would rather have you reach out with questions than spend your valuable time trying to figure something out. I am happy to help. : o)

Thank you for taking time to complete this training!!

# FAIM ADMIN CONTACT INFORMATION

Sue Thoennes

Statewide FAIM Program Administrative Assistant

West Central MN Communities Action, Inc.

411 Industrial Park Blvd, Elbow Lake, MN 56531

Direct line: (218) 685-7071

Email: [suet@wcmca.org](mailto:suet@wcmca.org)

Office hours: 8am-4:30pm Monday-Friday