



Capital Area Asset Building Corporation (CAAB) creates opportunities for people of all incomes to improve their financial management skills, increase their savings and build wealth. We believe that a prosperous community is one in which everyone has incentives and opportunities to save for the future.

For more information about the CAAB Marriage Development Account (MDA) program described below, contact us at (202) 419-1440 or mda@caab.org.

MARRIAGE DEVELOPMENT ACCOUNT (MDA) PROGRAM OVERVIEW

CAAB's MDA savings program is designed to give you information, skills and incentives to help you become a consistent saver. Like Individual Retirement Accounts (IRAs) and 401(k) plans for retirement, MDAs make it easier to save for the future by providing a financial reward for long-term investments. More than just helping you to save, the goal of this MDA program is to enable you to invest in **assets**, which are items that will increase in value over time. For every \$1 that you save in your MDA, you'll earn \$3 in matching funds to be used toward the investment(s) you choose.

What kinds of assets can be purchased with MDA funds?

For every \$1 that you save, you'll earn \$3 for the following goals:

- First-time homeownership*
- Small business start-up or expansion
- Post-secondary education or career training



* "First-time homebuyer" is defined in DC as an individual who did not own a home in the District one year prior to the purchase date of the home purchased with their MDA funds.

How much can I earn in matching funds?

The maximum that any couple can earn in MDA matching funds is \$9,000. In other words, you will get \$12,000 total – the \$3,000 you save and the \$9,000 you earn. Anything you save beyond \$3,000 will still be yours, but will not be matched.

In addition to matching funds you'll receive an additional \$300 in your account if you attend four or more marriage counseling classes. Engaged couples who marry while participating in the program will be eligible for an additional \$200 to pay for a marriage license and cover other costs.

How much do I save in my MDA?

You have to deposit at least **\$50 per month** or \$150 per quarter in your account, until you reach your **savings goal of \$3,000**. Note that these are minimum savings amounts. Couples should try to save more if possible in order to earn the maximum \$9,000 match within the three year savings period.

How long can I save in my MDA?

You can save in your MDA for up to 3 years. Regardless of your savings goal, you must save in your MDA for at least 6 consecutive months before you can make a withdrawal for an approved asset purchase.

Where do the matching funds come from?

CAAB is a non-profit organization that receives matching funds from federal and District agencies, private foundations and individual donors. Matching fund contributions are tax-deductible, so if you know of an individual or business that would like to contribute to the CAAB MDA program, please send them our way!

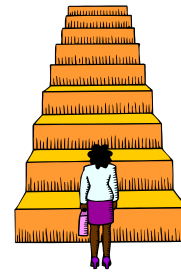
Is there any cost to me?

There is a one-time \$50 enrollment fee charged to all MDA Savers in order to support CAAB's administration of the accounts.

How I do I get started?

Sure. There are 6 steps to successfully achieving your goal in the CAAB MDA program:

- Step 1:** Call CAAB to set up an appointment for you and your spouse/fiancé to meet with a staff member for an MDA orientation.
- Step 2:** Submit a complete MDA application packet to CAAB.
- Step 3:** Get approved and pay your \$50 enrollment fee.
- Step 4:** Save money in your MDA each month.
- Step 5:** Complete required 8 hour money management and asset training courses.
- Step 6:** If engaged, get married before you request a match payout.



SUCCESS: Meet your savings goal and make your purchase with your MDA savings and matching funds!!

You'll learn more about each of these steps during the MDA orientation.

What type of training will I receive?

Everyone in the MDA program is required to attend **money management workshops** that cover topics such as:

- Setting and reaching financial goals
- Developing and maintaining a household budget
- Understanding credit and your credit score
- Knowing Your Credit Rights
- Financial Institutions and Products

Depending on your chosen asset goal, you'll also need to complete training in one of the following areas:

Homeownership Counseling

- Learn how much house you can afford



- Learn where to get down payment and settlement help
- Find out if you qualify for a DC Home Purchase Assistance Program (HPAP) loan
- Understand the settlement process
- Get tips for maintaining your household and learn how to avoid foreclosure

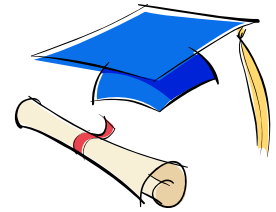
Small Business Training



- Identify potential customers and target markets
- Develop a business plan
- Develop a marketing plan
- Learn how to track the cash flow in your business
- Learn about different types of small business loans
- Access a wide range of professional resources

Higher Education and Career Counseling

- Discuss your education/career goals
- Write an Education/Career Plan
- Get help with the college search/application process
- Learn about local job training programs and services
- Identify your qualified educational expenses
- Identify grants and scholarships to help pay for your education
- Plan how you will use your MDA funds



You can either take these classes at CAAB or through our partner organizations.

MDA Eligibility Guidelines

To qualify for a CAAB MDA, the couple's total combined income (adjusted gross income) cannot exceed \$50,000.

Other eligibility criteria:

- ◆ The couple must reside in the District of Columbia to participate.
- ◆ Your total assets must be less than \$10,000. Total assets means the value of assets owned by all household members (excluding the value of the primary home and one car), minus the obligations or debts of all household members.
- ◆ Homeownership savers must be qualified first-time homebuyers, and ***must purchase in the District of Columbia.***

Qualified MDA Expenses

MDA Type	Qualified Expenses	Payable to	Required Documentation
Education & Career Training	application fees, tuition, registration and other fees, books, supplies or equipment (including a computer) directly related to the student's course work	accredited institution of higher learning or a postsecondary vocational education school	invoices and receipts of payment, copy of check to school or vendor
Home Purchase	settlement, financing or closing costs or cost of acquiring, constructing, or reconstructing a primary residence for a first time homebuyer	the settlement agency or vendor	signed settlement sheet, invoices and receipts of payment, copy of check to settlement agency or vendor
Small Business	Capital, plant, equipment, working capital, and inventory expenses as included in a business plan approved by CAAB.	vendor or into a business capitalization account that is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses	business plan, invoices and receipts of payment, copy of check to vendor business capitalization account