

## Why Financial Institutions Want to Partner with AFI Projects

The Corporation for Enterprise Development, in *The Individual Development Account Program Design Handbook: A Step-by-Step Guide to Designing an IDA Program*, offers the following selling points to underscore when recruiting a financial institution partner:

**Publicity and public relations.** Banks and credit unions are in business with the public. A good reputation and strong name recognition are important assets. Participating in a well-publicized and well-run IDA program can generate both.

For more ideas on designing an AFI Project, see the *AFI Project Builder: Guide for Planning an Assets for Independence Project*, at <http://www.acf.hhs.gov/assetbuilding>.

**Deposit of matching funds.** AFI matching funds are attractive deposits for financial institutions because they are generally large sums of money that involve little account activity (until program participants make qualified withdrawals) and are deposited for long periods.

**New customers.** AFI Project participants are a source of new customers for financial institutions. Although IDA accounts themselves may not generate profits for a financial institution, successful IDA participants are likely to conduct more profitable business in the future at the financial institution with which they have already established a relationship through their involvement with an AFI Project.

**Community commitment.** Many financial institutions have a stated mission to serve and respond to the needs of their communities. IDAs are an ideal way for financial institutions to do this while operating within their own industry.

**Additional business.** Participating in an AFI Project can lead to other forms of new business for financial institutions, whether from friends or relatives of an IDA participant or from the finance department of a sponsoring organization or program partner.

**Community Reinvestment Act credit.** Under the Community Reinvestment Act, banks are required by law to invest in their communities. AFI Project involvement can count toward CRA credit. For more information on the Community Reinvestment Act and how it works, visit the Web site for the National Community Reinvestment Coalition, <http://www.ncrc.org>.