



ASSETS FOR INDEPENDENCE (AFI)

Purpose:

In the AFI Act, Congress stated: “The purposes of this title are to provide for the establishment of demonstration projects designed to determine—(1) the social, civic, psychological, and economic effects of providing to individuals and families with limited means an incentive to accumulate assets by saving a portion of their earned income; (2) the extent to which an asset-based policy that promotes saving for postsecondary education, homeownership, and microenterprise development may be used to enable individuals and families with limited means to increase their economic self-sufficiency; and (3) the extent to which an asset-based policy stabilizes and improves families and the community in which the families live.”

Legislative Authority:

AFI Act, Title IV of the Community Opportunities, Accountability, and Training and Educational Services Human Services Reauthorization Act of 1998, P.L. 105-285, as amended by Pub. L. 106-554 on Dec. 21, 2000; Pub. L. 107-110 on Jan. 8, 2002; and Pub. L. 114-95 on Dec. 10, 2015.

Appropriations:

No new funds were appropriated for the AFI program since federal fiscal year 2016.

Eligible Applicants:

- Nonprofit organizations with 501(c)(3) status;
- State, local, and tribal government agencies applying jointly with a nonprofit with 501(c)(3) status;
- Community development financial institutions and low-income credit unions that are federally certified and demonstrate a collaborative relationship with a local community-based organization whose activities are designed to address poverty; and
- Entities deemed eligible under Section 405(g) of the AFI Act, specifically the Indiana Housing and Community Development Authority and the Pennsylvania Department of Community and Economic Development.

Target Population:

AFI program eligibility guidelines are as follows:

- Members of households eligible for assistance under their state’s Temporary Assistance for Needy Families (TANF) program; or
- Persons who meet *both* of the following criteria:
 - Household adjusted gross income is equal to or less than twice the federal poverty line or within federal Earned Income Tax Credit (EITC) limits; and
 - Household net worth (excluding primary residence and one vehicle) does not exceed \$10,000 at the end of the last calendar year before the enrollment determination.



Uses:

AFI grantees enroll eligible participants who deposit earned income into special-purpose, matched savings accounts called Individual Development Accounts (IDAs). Every dollar of earned income that an IDA holder deposits is matched by the AFI grantee with both federal AFI funds and required non-federal cash. After at least six months, when the IDA holder is ready to make a matched withdrawal, they may use their funds and the combined federal and non-federal match funds for one of the assets allowed by the AFI Act: 1) postsecondary educational expenses; 2) first-home purchase; and/or 3) business capitalization. The AFI Act also allows for transfers to the IDA of a spouse or dependent for one of these assets. AFI grantees also assist participants in obtaining the skills and information necessary to achieve economic self-sufficiency. The most frequent services that grantees offer IDA holders are financial education and asset-specific training.

Type of Grant:

Competitive Discretionary Grant

Program Requirements:

AFI grantees must provide non-federal funds for the project equal to the AFI grant amount. Grantees must use project funds (which include both federal and non-federal) to 1) assist project participants in obtaining the skills and information necessary to achieve economic self-sufficiency; 2) match project participants' earned income deposits; 3) administer the demonstration project; and 4) provide information regarding the demonstration project that may be required for evaluation. Eighty-five percent of project funds *must* be used to match participants' earned income deposits, and the remainder of funds are used for the other three areas. AFI grants are awarded for a five-year project period.

Program Highlights:

No new grant awards have been made since FY 2016.

AFI grants awarded in FY 2016 and before are not affected by the FY 2017 appropriation, as the total award amount was obligated for those grants at the time that they were made. Organizations operating AFI projects with existing grants are responsible for continuing to operate those projects for the funded project period indicated on the notice of grant award.

Organizations with **Assets for Independence (AFI)** grants are presented, by state, at the AFI **Project Locator page**. There is no guarantee that an organization listed here currently has capacity to serve new participants, and the AFI Act provides grantees with discretion in selecting individuals among those eligible to participate in the AFI program.

Program Contact:

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