AZ Earn to Learn
FAQ's

What is AZ Earn to Learn?

AZ Earn to Learn is an innovative need-based financial aid program that pairs $3.1 million in scholarships with more than 700 students from low-income families. Participation in AZ Earn to Learn includes development and contribution to a savings plan and as well as financial literacy and college readiness training.

AZ Earn to Learn is funded with $1.55 million in federal grants from the United States Department of Health and Human Services/Assets for Independence (AFI) program provided to the three state universities, each of which will also provide matching funds. This is the first time in the federal agency's history that state universities have applied for and received matching funds for a scholarship program of this nature.

What is an Education Individual Development Account (IDA)?

AZ Earn to Learn is an IDA program that provides for a special **matched savings account** for people with low incomes. These accounts are designed to help families and individuals establish a pattern of regular saving and, ultimately, purchase a "productive asset," in this case post-secondary education

Who is Live the Solution?

Live the Solution is the non-profit organization that administers the AZ Earn to Learn program.

Who is eligible to apply for AZ Earn to Learn and what are the program requirements?

General requirements to participate in the AZ Earn to Learn program include:

- **Income eligibility:** Annual household income (earned income) at or below 200% of federal poverty level or below the earned income tax credit threshold

- **Program and Participation Requirements:**
  - Attend orientation and complete 4.5 hours of personal finance workshops prior to submitting an online application;
  - If accepted into the AZEL program, open an IDA with a financial institution partner
    - Make monthly deposits of $25 to $83 to reach a goal of $500 in personal savings
    - Agree to a minimum of savings term of 6 months or more;
  - Attend ongoing advanced personal finance workshops during the saving term;
  - Partake in college readiness training provided by each partner university during the savings term;
  - Participate in regularly scheduled contact with a personal finance coach;
  - Be admitted to one of the partner universities and fulfill all requirements of that university;
  - Use the 8:1 matching funds to pay for tuition and tuition related expenses at Arizona State University, Northern Arizona University or University of Arizona.

For more detailed information about eligibility, program requirements, partner university requirements, and program steps visit: **www.AZEarntoLearn.org.**

How does a "matched savings account" work?

If you want to further your education or save for your children's tuition expenses, you must save a total of $500 in your IDA savings account. A "savings match" is a promise to supplement your saving deposits at a specific rate. The AZEL program will offer an 8:1 savings match, meaning that for every dollar you save as part of the program, you will then be eligible to receive another eight dollars. So when you save $500 throughout the course of the program and meet all the other program requirements and partner university conditions and requirements, you will be eligible for $4,000 match. You will then have a total of $4,500 to apply to tuition and other approved college related expenses.

Where are the sources of the match money?

Match money for the AZEL program comes from the University of Arizona, Arizona State University, Northern Arizona University and the federal government.

How are Arizona's public universities unique in this IDA program?

Similar IDA programs for post-secondary education are in operation around the country, but are funded through various local partnerships and have not been able to secure match funds directly from partner colleges. Arizona's universities identified the value of leveraging current dollars available for low-income students and made a direct commitment to provide local matching funds.

How much will I have to save each month?

Participants are required to contribute a total of $500 in savings before receiving your match funds of $4,000. Participants can open an IDA savings account for as little as $25 per month. If the individual's budget allows, they may choose to deposit more than $25 per month, but may **not** deposit more than $83.33 per month in order to meet the minimum savings term requirement of six months.

Will I automatically be accepted if I meet the eligibility requirements?

Admittance into the program is limited based on available funding resources and university guidelines. Reference AZEL website for more information.

What documents are required with my application?

Once you have submitted your online application, the following application supporting documents are **required prior** to your application being complete and reviewed by the financial coach. All documents must be submitted within **30 days** of your application signature date, and must be for the ***most recent 3 months***.

- Copies of paychecks or paystubs
- Written statements from employers
- Letters or other documents from income sources. If dated within the last 30 days
- Copy of most recent year's tax return and W-2 forms for each employer
- If self-employed, written verification of self-employment income and expenses is required.
- Copy of current credit report dated within the last quarter. Applicant may retrieve a free copy of their credit report from **AnnualCreditReport.com**.

  (Please note: Having bad credit or high levels of unpaid debt does not prevent an applicant from being accepted into the IDA program. Negative information may be considered, but it is considered on a case-to-case basis.)
- Current checking and savings account statements

- Retirement, stocks, bonds and other investment statements
- Proof of rental property that you ***own*** – provide lease for the property
- Copies of Work study or Americorps stipends
- Copies of employer paid disability check stubs from insurance carrier

Where do I deposit my savings?

Savings contribution deposits will be made at one of our partner financial institutions located across the state of Arizona who have agreed to offer special IDA savings accounts. The IDA is a restricted, joint account owned by you and Live the Solution. No withdrawals are made from the IDA without written consent of both you and your financial coach. Your savings deposits will earn interest at the same rate in effect for similar non-IDA Bank and Credit Union accounts and will have all monthly service charges or fees waived.

Do the matching funds get deposited into my account?

No. The matching money is held in a "Project Reserve Fund" by each university's financial institution partner. Match funds will only be applied to your college expenses once you have satisfied all AZEL program requirements, completed the terms of your savings agreement, **and** have satisfied all partner university conditions and requirements.

Will I receive monthly statements from my IDA savings account?

Yes.

- You will receive a monthly or quarterly statement from your local participating bank or credit union showing your individual savings.
- The AZEL program will also send you a monthly statement showing your individual savings plus the amount of interest match money earned.
- You can also login to your account online to check your progress.

How do I receive the match funds?

Your AZ Earn to Learn financial coach will verify that you have met all program and university requirements and conditions and will submit an approved withdrawal request to the financial aid office. Eligible students then will receive matched funds along with their other financial aid in the beginning of the semester at one of the partner universities.

Can the match be used for purposes other than education related expenses?

No. The idea behind the IDA program is that your savings will be used to buy something of value that will benefit you and your family.

At what educational institutions can I use my match funds?

At this time, AZEL education IDAs may only be applied at one of the three partnering universities.

What education related expenses are allowed?

Match funds and savings contributions are applied to tuition and other approved education related expenses as dictated by each partner university.

Can I withdrawal from my savings anytime I want?

No. Because the IDA is intended to help you purchase long-term education assets while also learning healthy budgeting and savings behavior, non-emergency withdrawals will not be approved. You are always free to

close your account and withdraw from the AZEL program but you will forfeit the match funds for an early withdrawal.

What if I have an emergency and need the money I have saved?
You are allowed to withdraw your savings **after 6 months** to help deal with emergencies that involve eviction, loss of a home, loss of employment, and medical emergencies. In these cases you may be able make a withdrawal without losing your match money, but this may affect the semester you can use your match. Emergency withdrawals are handled by the AZEL financial coach on a case-by-case basis. Make sure to contact your financial coach as soon as you determine you need a withdrawal**, before** you miss a payment

What if I miss my monthly deposit?
One purpose of the IDA is to establish a pattern of regular savings behavior. Missed payments are **highly discouraged** and will be handled on a case-by-case basis by your financial coach and the Executive Director. It is **imperative** that you contact your financial coach **prior** to an anticipated missed deposit to discuss appropriate actions. Be aware that missed deposits **may result in your termination from the program.**

Can two people in my household have AZEL IDA savings accounts?
Yes. As long as your household meets the income eligibility requirements and can reasonably afford to save a minimum of $25 per month per person then more than one person your household can participate in the program.

Will savings in my IDA affect financial aid?
No. The saved portion of the IDA is excluded from being counted as an asset when determining the Estimated Family Contribution (EFC) on the FAFSA. Since the saved money does not affect the EFC, then the saved money will have no effect on your access to financial aid.

Can this affect my public assistance?
No. The IDA account is disregarded for the purpose of determining eligibility to receive any assistance or benefit authorized under state and federal family assistance. (TANF, Food Stamps, WIC) Also, the IDA is exempt as a resource for all public assistance and medical assistance. (AHCCCS, Medicare)

What if my income goes up, or I become unemployed, after joining the program?
AZEL certifies your eligibility for the program at the time of your application. You can remain in the program and keep saving even if your income goes up or you become unemployed. A change in income will not affect your participation with the AZEL program, but may affect your eligibility with the intended partner university.

Will the match funds be ready when I am starting school?
Yes. IDA savings account will never be opened unless there is enough funding upfront to cover your $4,000 match.

When can students start applying for AZ Earn to Learn and when is the earliest they could receive aid?
Individuals interested in applying for AZ Earn to Learn must attend an orientation and 4.5 hours of personal finance workshops prior to submitting an online application for the program. Once an application is submitted and proof of income and assets is received by AZEL, an enrollment appointment will be scheduled.

AZ Earn to Learn will be conducting frequent orientations. Applicant enrollment appointments will be scheduled beginning in January 2013.

AZ Earn to Learn expects some applicants to apply their savings contributions and matching funds as early as August 2013 toward their college tuition and expenses. Length of savings term is based on each applicant's personal situation and anticipated year to begin college.

For a list of orientations and personal finance workshops in your area, visit the calendar of events at www.AZEarntoLearn.org.

How often can a student apply for this aid?
University policies vary for reapplication and you can refer to the AZEL or university websites for more information. In the future, availability to reapply for the program will vary by university and approximately how many students the available funds will cover and for how long. All three universities intend to reapply for grant dollars each year which are anticipated to allow students to reapply for continuing future semesters.

What are the academic requirements to receive and keep the aid?
If you are eligible to receive the money, you will get it for the full year, as long as you are enrolled full time and in good standing.

For more detailed information about eligibility, program requirements, partner university requirements, and program steps visit:

www.AZEarntoLearn.org