



Adopted in House Comm. on Apr 19, 2006

09400SB2328ham002

LRB094 17610 DRJ 58301 a

1 AMENDMENT TO SENATE BILL 2328

2 AMENDMENT NO. _____. Amend Senate Bill 2328, AS AMENDED,
3 with reference to page and line numbers of House Amendment No.
4 1, on page 1, line 5, after "Section 5-2", by inserting "and
5 adding Section 12-4.103a"; and

6 on page 8, after line 12, by inserting the following:

7 "(305 ILCS 5/12-4.103a new)

8 Sec. 12-4.103a. Assets for Independence Program.

9 (a) Program established. Subject to available funding and
10 receipt of a federal Assets for Independence grant award, the
11 Department of Human Services shall establish and administer an
12 Assets for Independence Program (Program). The Program shall be
13 established in accordance with the terms of the Assets for
14 Independence Act (AFIA) as now and hereafter amended (Title IV
15 Community Opportunities, Accountability, and Training and
16 Educational Services Act as amended, Public Law 105-285, 42
17 U.S.C. 604 note).

18 (b) Assets for Independence Fund. The Assets for
19 Independence Fund is established. The Fund shall be held by the
20 Secretary or his or her designee as ex-officio custodian
21 thereof separate and apart from all other State funds. The
22 Assets for Independence Fund is authorized to receive grants
23 under AFIA, State moneys appropriated for the Program, and
24 moneys from voluntary donations from individuals, foundations,

1 corporations, and other sources. Moneys in the Assets for
2 Independence Fund shall not be commingled with other State
3 funds, but they shall be deposited as required by law and
4 maintained in a separate account on the books of a savings and
5 loan association, bank, or other qualified financial
6 institution. All interest earnings on amounts within the Assets
7 for Independence Fund shall accrue to the Assets for
8 Independence Fund and shall be used in accordance with the
9 terms of the AFIA. Administrative expenses related to the
10 Program, including the provision of financial education to
11 Program participants, shall be paid from the Assets for
12 Independence Fund in accordance with the terms of AFIA Section
13 707(c) (3).

14 (c) Program purpose. The purpose of the Program is to allow
15 eligible low-income Illinois citizens, subject to the
16 availability of State and federal funds and authorization from
17 the Department, to open and maintain an Individual Development
18 Account (IDA) at a federally insured financial institution.
19 Deposits into an IDA that are used for subsequent qualified
20 purchases shall be matched dollar-for-dollar by moneys from the
21 Assets for Independence Fund. Not more than \$2,000 of moneys
22 from the Assets for Independence Fund shall be provided to any
23 one individual. Not more than \$4,000 of moneys from the Assets
24 for Independence Fund shall be provided to any one household.
25 Assets for Independence Fund moneys not being used to
26 administer the Program shall be used only for qualified
27 purchases, shall be distributed only directly to the vendor of
28 a qualified purchase, and shall require the authorization by
29 signature of the Department's chief financial officer.

30 (d) Contributions to IDA and use of moneys. An individual
31 may make contributions to his or her IDA only from earned
32 income as defined in Section 911(d) (2) of the Internal Revenue
33 Code of 1986. The moneys deposited into an IDA shall not be
34 commingled with any Assets for Independence Fund moneys. An IDA

1 holder shall have a 36-month period, beginning on the date the
2 Department authorizes the holder to open the IDA, within which
3 to make a qualified purchase. If a qualified purchase is not
4 made within that 36-month period, Assets for Independence Fund
5 moneys earmarked for that individual shall be released, and the
6 Department shall authorize another eligible person to open an
7 IDA. Under no circumstances, and at no time, shall an IDA
8 holder lose the ability to withdraw moneys from his or her IDA.

9 (e) Qualified purchases. A qualified asset purchase using
10 moneys from an IDA shall be defined in accordance with AFIA
11 Section 404(8) and shall be one or more of the following:

12 (1) Payment of post-secondary education expenses, if
13 the expenses are paid directly to an eligible educational
14 institution.

15 (2) Acquisition of a principal residence, if the
16 individual is buying a home for the first time and if the
17 funds are paid directly to the person to whom the amounts
18 required for the purchase are due.

19 (3) Financing of business capitalization expenses, if
20 the funds are paid directly into a business capitalization
21 account at a federally insured financial institution and
22 are restricted to use solely for qualified business
23 capitalization expenses.

24 (f) Program eligibility. Program eligibility shall be
25 established by the Department in accordance with AFIA Section
26 408. Persons eligible to open an IDA and to receive Assets for
27 Independence Fund moneys are Illinois citizens currently
28 residing in Illinois who are (i) able to demonstrate that they
29 are currently eligible for assistance under the State's
30 Temporary Assistance for Needy Families program or (ii) able to
31 demonstrate that the adjusted gross income of their household
32 in the calendar year preceding the determination of eligibility
33 was equal to or less than 200% of the poverty line, as
34 determined by the Federal Office of Management and Budget. An

1 individual must further demonstrate that the net worth of his
2 or her household, as of the end of the calendar year preceding
3 the determination of eligibility, does not exceed \$10,000, as
4 determined by AFIA Section 408(2)(B). Notwithstanding any
5 other provision of State law, moneys in an Individual
6 Development Account, including accrued interest and matching
7 deposits, shall be disregarded for the purpose of determining
8 the eligibility and benefit levels under this Code in the case
9 of the individual establishing the IDA with respect to any
10 period during which the individual maintains or makes
11 contributions into the IDA. The Department shall approve an
12 individual to open an IDA at a federally insured financial
13 institution upon determining, based on the individual's
14 application, that all eligibility criteria are met and subject
15 to the availability of \$2,000 in Assets for Independence Fund
16 moneys."