§10982. Family development account program

The university shall administer the family development account program to allow eligible persons to establish savings accounts to be used for education, job training, purchase or repair of a home, purchase or repair of a vehicle for access to work or education, capitalization of a small business, health care costs over $500 not covered by private or public insurance or other basic necessity. The program is designed to encourage savings as a means of investing in the future and investing in the people, institutions and businesses of the State. [PL 2019, c. 239, §4 (NEW).]

1. Soliciting proposals. The university shall, on a schedule established by the university, solicit proposals from community development organizations seeking to administer family development accounts on a nonprofit basis. The university may not limit the number of community development organizations participating based solely upon geographic region. The proposals must include:

A. A process for including account holders in decision making regarding the investment of funds in the accounts; [PL 2019, c. 239, §4 (NEW).]

B. The specific populations the community development organization plans to identify for participation in the program; and [PL 2019, c. 239, §4 (NEW).]

C. A requirement that deposits into accounts must be accepted from account holders with or without matching contributions and from community development organizations. [PL 2019, c. 239, §4 (NEW).]
[PL 2019, c. 239, §4 (NEW).]

2. Reviewing proposals. In reviewing the proposal of a community development organization, the university shall establish criteria to use that must include the following factors:

A. The nonprofit status of the community development organization; [PL 2019, c. 239, §4 (NEW).]

B. The fiscal accountability of the community development organization; [PL 2019, c. 239, §4 (NEW).]

C. The ability of the community development organization to provide or raise money for matching contributions and to establish and administer a family development account reserve fund; and [PL 2019, c. 239, §4 (NEW).]

D. The significance and quality of proposed auxiliary services and their relationship to the goals of the family development account program. [PL 2019, c. 239, §4 (NEW).]
[PL 2019, c. 239, §4 (NEW).]

3. Administrative costs. No more than 15% of the family development account reserve fund may be used for administrative costs of the program.
[PL 2019, c. 239, §4 (NEW).]

4. Establishment of accounts. A financial institution approved by the university may establish family development accounts pursuant to this chapter. The financial institution shall certify to the university in the manner required by the university that accounts have been established pursuant to the provisions of this chapter and that deposits have been made on behalf of account holders. A financial institution establishing a family development account shall:

A. Keep the account in the name of the account holder; [PL 2019, c. 239, §4 (NEW).]

B. Permit deposits to be made into the account by the account holder or a community development organization on behalf of the account holder, including money deposited to match the account holder's deposits. Matching contribution deposits may not exceed $4,000 per year and must be approved in writing by the community development organization. An account with a balance exceeding $10,000 is ineligible for matching contribution deposits; [PL 2019, c. 239, §4 (NEW).]

C. Credit interest to the account at a rate equal to or higher than the rate applicable to comparable accounts within the financial institution; [PL 2019, c. 239, §4 (NEW).]

D. Permit the account holder to withdraw money from the account for any of the purposes listed in section 10983, subsection 1; and [PL 2019, c. 239, §4 (NEW).]

E. Require the account holder to allow the financial institution to provide all account information to the community development organization. [PL 2019, c. 239, §4 (NEW).]
[PL 2019, c. 239, §4 (NEW).]

5. Appeals. Any dispute between the account holder and the community development organization may be appealed to the university. Any adverse decision of the university may be appealed to the Superior Court pursuant to Title 5, chapter 375, subchapter 7.
[PL 2019, c. 239, §4 (NEW).]

6. Rules; stakeholders. The university may adopt rules to implement and administer the provisions of this chapter. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. In administering the program and periodically assessing its effectiveness, the university may consult with stakeholders from the community, including but not limited to program participants, community development organizations and financial institutions, as well as organizations representing the interests of low-income persons in the State.
[PL 2019, c. 239, §4 (NEW).]

SECTION HISTORY

PL 2019, c. 239, §4 (NEW).