

INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT PROGRAM ACT (EXCERPT)
Act 513 of 2006

206.704 Eligibility; approval or rejection of applicant by program site; limitation on number of accounts; duties of individual; establishment of account; purposes; signatures for withdrawals.

Sec. 4. (1) An individual or family whose household income is less than or equal to 200% of the federal poverty level for an individual or for that family's family size may apply to a program site to establish an individual or family development account.

(2) A program site may approve applications to the extent that the program site has matching funds available to meet matching commitments in participant savings plan agreements.

(3) A program site may reject an application made under subsection (1) if approving the application would result in the establishment of an individual or family development account by 1 or more of the members of a family that has established an individual or family development account for the same person for the same purpose.

(4) A household shall not have more than 1 account for the same purpose if that purpose is a first-time purchase of a primary residence or start-up capitalization of a business.

(5) If the program site approves the individual's or the family's application to establish an individual or family development account, the individual shall do all of the following:

- (a) Establish the individual or family development account with a financial institution.
- (b) Enter into a participant savings plan agreement with a program site.
- (c) Declare, with the approval of the program site, the purpose for which the account is established.
- (d) Any other criteria required by the program site.

(6) An account may be established only to pay qualified expenses as provided in subsection (7).

(7) An account shall be established for 1 or more of the following purposes:

(a) To pay educational expenses for the individual account holder who will be 17 years of age or older when the funds in the account will be used if the account is an account for educational purposes.

(b) For the first-time purchase of a primary residence by the individual account holder if the account is an account for the purchase of a primary residence.

(c) For start-up capitalization of a business for the individual account holder who is 18 years of age or older if the account is an account for capitalization of a business based on a business plan approved by the program site.

(d) For qualified home improvements.

(8) An account established under this section shall be an account that requires 2 signatures for withdrawals. The 2 required signatures shall be those of the account holder and an administrator of the program site with which the account holder has a participant savings plan agreement.

History: 2006, Act 513, Eff. Jan. 1, 2007;—Am. 2008, Act 450, Imd. Eff. Jan. 9, 2009.