



## **New Mexico Assets Consortium** **Disregard Notice for Funds Saved Through An IDA**

Prosperity Works  
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Individual Development Accounts (IDAs) are administered by Prosperity Works via grant funding from the State of New Mexico and are offered locally through many different community-based organizations. IDAs are matched savings accounts for individuals interested in saving for a change-making asset—like a home, business, or post-secondary education.

**Under law, any and all resources held in an Individual Development Account Program (IDA) must be disregarded when determining eligibility or benefit levels for any State or Federal benefit program that considers an applicant’s financial circumstances.** This mandatory disregard applies to the individual’s savings, any matching contributions, and/or interest accrued or accruing on funds in the account.

The relevant provision in federal law states:

Section 415. **NO REDUCTION IN BENEFITS.** Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of one or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account under this Act shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such an account.<sup>1</sup>

If you have any questions about the Prosperity Works State-funded IDA program, please contact Monica Cordova, New Mexico Assets Consortium Director, (phone 505 271-2747) or visit [www.prosperityworks.net](http://www.prosperityworks.net).

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<sup>1</sup> COMMUNITY OPPORTUNITIES, ACCOUNTABILITY, AND TRAINING AND EDUCATIONAL SERVICES ACT OF 1998. Public Law 105-285, 105<sup>th</sup> Congress.