

Matched Education Savings Account (MESA)

Helping Students Invest in Education

Hosts



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NW MESA Program

Helping students in Idaho, Oregon and Washington save for postsecondary education

- ▶ Develop savings habits
- ▶ Increase financial capability
- ▶ Reduce student debt



What is a Matched Education Savings Account?

A matched savings account, also known as an "Individual Development Account" or IDA, is a special savings account for people with low to moderate incomes.

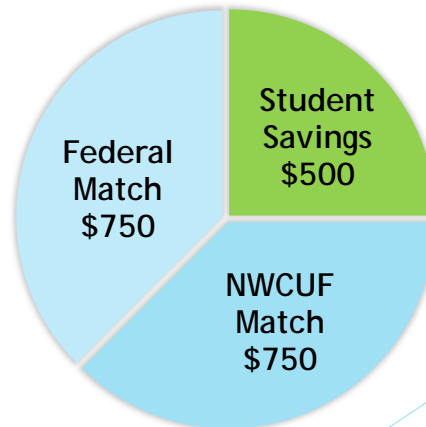
These accounts are designed to help families and individuals of modest means establish a pattern of regular saving and, ultimately, reach a specific financial goal. In the case of the MESA program, the financial goal is EDUCATION.



NW MESA Match Structure

▶ 3:1 - \$3 matched to every \$1 saved

Student saves:	\$500
NWCUF match:	\$750
<u>Federal match:</u>	<u>\$750</u>
TOTAL:	\$2,000



(Maximum Federal contribution is \$2,000 per individual or \$4,000 per household.)



Participant Eligibility

A participant is eligible for MESA if they have:

01

Annual household income less than 200% poverty (*EITC eligible*)

02

Earned income (*formal or informal employment*)

03

Net worth less than \$10,000 (*excluding value of a residence and one motor vehicle per household*)

04

Enrolled in post-secondary school

(administering agencies may have additional requirements)

Income Guidelines

200% of the federal poverty guidelines

Persons in family or household	Income equal to or less than
1	\$24,120
2	\$32,480
3	\$40,840
4	\$49,200
5	\$57,560
For each additional person, add...	\$8,360

Source: <https://aspe.hhs.gov/poverty-guidelines>
017 HHS poverty guidelines as of January 31, 2017.



Application Process

Applicant

1. Learns about MESA program (CU, School, Community, etc)
2. Completes pre-application (www.nwmesa.coop)
3. Completes full application

NWCUF/MCU

1. Reviews and determine eligibility
2. Notifies participant (accepted or not eligible)
3. Provides accepted participants with their credit union contact information and instructs them to schedule an account opening meeting. Credit Union contact is copied on this email
4. Emails the credit union that a new participant has been accepted



Participant Requirements

01

Deposit at least \$25/month for minimum of 6 months

02

Complete self-study financial education program

03

Maintain regular contact with CU MESA contact

04

Use the funds towards an approved educational expense

Eligible Uses of Match Funds

Allowed

Tuition
Fees
Books
Supplies
Computer

Not allowed

Room and board
Student loans
Car/transportation
Parking
Daycare for children

Does MESA Impact Financial Aid?

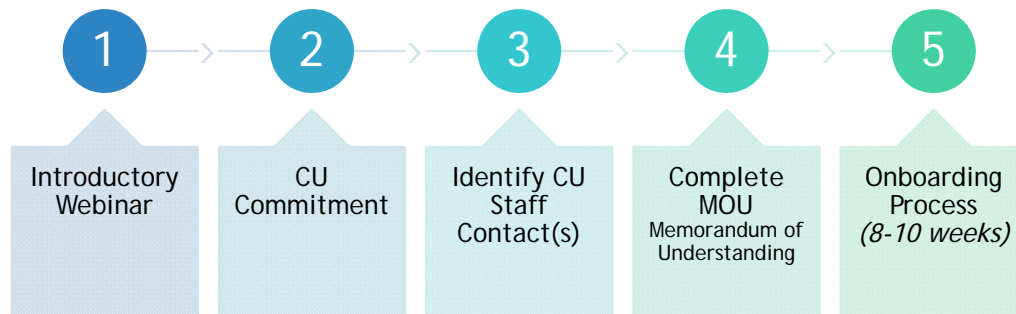
- ▶ MESA student savings do not impact financial aid
 - ▶ Considered a protected asset
 - ▶ Excluded as asset when determining EFC
- ▶ MESA match funds might impact financial aid
 - ▶ Likely to be considered an outside resource
 - ▶ May decrease the amount of student loans



The Credit Union's Role

Identify	Identify primary contact
Meet	Meet with participant
Open	Open restricted savings account
Provide	Provide monthly account activity statements
Process	Process qualified withdrawal requests
Outreach	Outreach and promotion of MESA

MESA and Your Credit Union: 4 Easy Steps



Onboarding Process

Week 1-3	Onboarding Webinar: Intro to MESA
Week 4	Webinar 1: Intro Key Staff
Week 5	• Webinar 2: Setup MESA at CU
Week 6	• Webinar 3: Account Opening
Week 7	• Webinar 4: Qualified Withdrawals
Week 8	• Webinar 5: MESA Engagement



Questions