



Your FSS Escrow Savings Account

Q/A What is the FSS escrow savings account?

It's a savings account funded by a portion of your rent. Like all residents, as you earn more income from work, your rent will increase. When you are in FSS that extra rent goes into the FSS escrow savings account, helping you build savings.

Q/A How does the FSS escrow savings account work?

While you are in FSS, your rent will continue to be calculated the same way it always has. After joining FSS, if your rent increases because your income from work increases, you will start earning FSS escrow savings. Each month, the owner will deposit the amount of this rent increase into your FSS escrow savings account. If your rent and income from work increase again, the owner will deposit even more money into your account each month. The more your rent goes up because of new earned income, the more savings you earn in your account!

The account that holds your FSS escrow savings earns interest. At least once a year, the owner will deposit the interest that you've earned on your savings into your FSS escrow savings account.

Q/A What if my earnings go down after I've joined FSS?

If your earned income drops below the level you had when you started FSS, the money you've earned will stay in your account. You won't have any new FSS savings deposits until your earned income increases above what it was when you started FSS.

Q/A Are there any limits on how much I can save?

There is no limit on the total amount of FSS escrow savings you can accumulate in your account! However, if your income goes over 50% of the Area Median Income (AMI), there are limits on how much savings you can earn in a given month, and if your income rises above 80% AMI, you won't receive any new monthly escrow deposits.

Q/A How do I know how much is in my account?

Your FSS program will give you a statement in writing with your FSS escrow savings account balance at least once a year. Some programs share these statements more often. Keep an eye out for these in the mail or at your FSS appointments.

Q/A How do I access the money in my account?

You will get a check for the *full amount* in your FSS escrow savings account if and when you graduate successfully from the FSS program. You won't owe any federal taxes on this money and can use it for whatever you choose.

Some FSS programs also let participants make *interim withdrawals* of some of the money before they finish the program. Every program is a little different, but in general, you can only make interim withdrawals for purposes that help you meet your FSS goals (for example, to pay for classes, or to fix a car). Ask your FSS coordinator for information on your program's rules for interim withdrawals.

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Q/A How do I graduate from the program and access my savings?

To graduate from the FSS program and receive your FSS escrow savings, you must do three things: (1) Everyone in your household must be off of Temporary Assistance for Needy Families (TANF) or other cash assistance programs for the 12 months prior to graduation (this does not include other public benefits such as Supplemental Nutrition Assistance

Program (SNAP)/food stamps); (2) the head of household must have and maintain suitable employment and (3) you must achieve the goals you set for yourself in the FSS Contract of Participation. You have up to 5 years to complete these goals and can adjust the goals throughout the program. Some FSS programs allow you to extend your FSS participation for up to two years.

FSS SAVINGS EXAMPLE:

Steps	Annual Earned Income	Monthly Rent to Owner	Monthly FSS Escrow Savings
When you sign up for FSS	\$6,000 per year	\$150 per month	\$0
After 1 year	\$15,000 per year	\$375 per month	\$225 per month

In this example: your rent increases by \$225 per month because of an increase in your earned income. You will earn \$225 in your escrow savings account for every month with the new income (\$2,700 after a full year).