

**PROVIDE GREATER JOB OPPORTUNITIES
FOR LOW-INCOME FAMILIES THROUGH CAR OWNERSHIP
Cosponsor H.R. 3599, the Creating Access to Rides (C.A.R.) Act**

Dear Colleague:

Recently, I introduced H.R. 3599, the Creating Access to Rides (CAR) Act, which would help low-income workers finance the purchase of cars so that they can access more and better job opportunities.

Public transit is designed to accommodate 9-to-5 commuters who need to get from one city destination to another during the normal workweek. But the entry level jobs of low-income workers are increasingly found in the faraway plants, warehouses, strip malls, and office parks of suburbia. The work schedules of these new hires may include "off-hour" shifts when public transit is unavailable or too unreliable.

Studies show that people are more likely to find steady employment and earn a decent wage when they have access to a vehicle. But all too often, buying and maintaining a reliable automobile is too expensive for families struggling to make ends meet.

In recent years, a number of states and non-profit organizations have developed programs to assist the working poor with the purchase of a vehicle. Most of these programs receive cars donated by the public or purchase them wholesale from dealerships. The used cars are repaired to good working order and then leased or sold to low-income workers and job seekers, usually at a subsidized purchase price. **The CAR Act would establish a 5-year, \$50 million grant program through which states, localities, and nonprofits could apply for funding to strengthen existing low-income car ownership programs or create new ones.**

The CAR Act would also facilitate car ownership through the use of Individual Development Accounts (IDAs). IDAs are special savings accounts for very low-income individuals through which, as an incentive to save, a person's contributions to the account are matched by public and private funding. States can use funds authorized by a little-known law called the Assets for Independence Act (AFIA) to match participant contributions to IDAs. However, when IDA contributions are matched using AFIA funds, withdrawals may be used for only three qualified expenses: homeownership, post-secondary education, and starting a business. **This bill would expand permissible IDA uses under AFIA matching rules to include the purchase of a car.**

In addition to AFIA dollars, states can use their Temporary Assistance for Needy Families (TANF) funds to match IDA contributions. While the purchase of a car is not included in the underlying TANF statute as a qualifying IDA expense, the Department of Health and Human Services has clarified that states can elect to permit withdrawals for car purchases when the participant's IDA is matched with federal TANF dollars. However, some states have found that, as a result of choosing this option, the IDA can be considered an asset when determining the participant's eligibility for other programs such

as food stamps. **The CAR Act would remove this barrier and allow states to use TANF dollars to match IDA savings for a car without the account's assets being counted against the participant's eligibility for other important programs.**

If you would like to become a cosponsor of the Creating Access to Rides Act, or if you have any questions, please contact Judy Burmaster of my staff at 5-4572 or judy.burmaster@mail.house.gov.

Sincerely,

M

Gwen Moore
Member of Congress