**FAIM Program**

**Guidelines for Personal Vehicle Purchase**

**State Grant 2086**

**(Participants enrolled February 2024 or after)**

**To be eligible for Vehicle Purchase:**

* Participant may not already own a reliable vehicle
* Participant must have a valid Minnesota driver’s license and have vehicle insurance.
* Participant must complete minimum enrollment of 6 months + 1 day (from first deposit date)
* Complete Financial Management Training – 12 hours, may include course and 1:1 coaching
* Complete Car Care/Buying Class – 10 hours, may include 1:1 coaching and vehicle research
* Make consistent deposits to their FAIM savings account to reach saving goal.
* Coach must confirm that the participant’s budget can support cost of vehicle ownership:
* Ability to pay cost of insurance, tab renewal, regular service/repairs, driver’s license renewal, etc.

**FAIM Funds CANNOT be used for:**

* Luxury, high-end, high-performance, or sport vehicle, motorcycle, motorhome/RV, semi, etc.
* Vehicle repairs / maintenance or accessories / upgrades
* Vehicle loan payments
* Vehicle insurance premiums
* Fines/fees or cost to obtain Minnesota driver’s license

**Eligible Use of FAIM Funds:**

* Must purchase the personal vehicle from a reputable dealership ***in MINNESOTA***.
	+ **Salvaged vehicles and private party sales are not eligible for FAIM payout.**
* Vehicle purchase is limited to participant’s available FAIM savings/match - ***UNLESS****:*
* Coach works with them and determines their budget can support loan repayment and cost to own.
* Vehicle purchase price is capped at $16,000 (including tax, title, fees, etc.) – ***IF budget supports AND:***
* Participant has additional funds available out of their own pocket (no funds/loans from family, etc.)
* ***OR*** they can secure a loan below 10% interest for remaining balance due after FAIM payment.
* If reasonable loan terms cannot be obtained, the participant will be limited to purchasing a vehicle (including tax, title, fees etc.) in an amount up to their available FAIM savings/match and cash on hand.

**Required Documentation for Payout:**

* ***After contacting their coach, FAIM participant must allow the program 21 days for processing the request.***
* Copy of participant’s valid **Minnesota** driver’s license
* Quote from agent for insurance coverage on the vehicle being purchased
* Printout from KBB **or** NADA showing market value of the vehicle being purchased.
	+ Dealership asking price must fall within the fair market range of the guideline.
* Vehicle Inspection Report with passing grade - completed by a reputable non-biased mechanic/garage.
	+ Repair Estimate is required for items are flagged on the inspection report.
* W9 from the dealership
* Copy of the Vehicle Purchase Agreement completed by the dealership
* Copy of the title (both sides) - AND lien release (if applicable).
* If applicable - Copy of loan document showing terms
* **Required from the dealership or FAIM participant after vehicle is picked up:**
* Copy of purchase agreement with FAIM payment listed – if not listed itemized receipt is also required.
* Copy of the title transfer document dealership will file at DMV – listing FAIM participant as sole owner.