



TO: House Committee On Early Childhood and Human Services

FROM: Oregon REALTORS®

DATE: February 7, 2024

SUBJECT: Oregon REALTORS® Supports HB 4131

Chair Reynolds, Vice-Chairs Nguyen and Scharf, and members of the committee,

Oregon REALTORS® supports HB 4131 and we urge you to vote YES to increase available matching funds for the Individual Development Account (IDA) program by \$10 million.

As described in the Oregon IDA Initiative's one-pager, without additional funding, the IDA program will only be able to enroll approximately 1,600 families in 2024. However, with an investment of an additional \$10 million into the program as outlined in HB 4131, approximately 2,200 families could be enrolled in an IDA. Without this investment, nearly 70% of the current demand for IDAs will not be able to be met by IDA providers.

The IDA program is an essential tool to help low-income Oregonians save for important costs, including but not limited to the purchase of a home, paying for rental housing, or financing a needed home repair. At a time when the costs of purchasing or renting a home are almost unimaginably high due to extremely low housing inventory, this investment in the IDA program is more important than ever to help ensure the housing stability of low-income individuals and households. In fact, more than 20% of IDA participants are focused solely on saving towards the goal of first-time homeownership.

The IDA program does not only help support homeownership and housing stability directly, but also indirectly by reducing other debts that an individual may incur. For example, saving to pay for higher education opportunities through an IDA can reduce an individual's debt upon graduation. Having lower debt means that an individual is able to then save more money for a down payment, and having a lower debt-to-income ratio improves the chances of successfully obtaining a mortgage.

Oregon is in a housing crisis, and while the long-term solution is building more homes to stabilize the market and the imbalance between supply and demand, tools like the IDA program are essential to helping individuals and families ensure housing stability in the meantime.

Oregon REALTORS® supports this investment in the IDA program and we urge you to vote YES on HB 4131.