SB 465 A STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

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Meeting Dates: 4/15

WHAT THE MEASURE DOES:

The measure removes the annual limit on matching funds that may accrue in an individual development account (IDA) and replaces it with a limit of $20,000 in matching funds.

Detailed Summary:

- Removes the annual limit of $6,000 of state-directed matching funds that may accrue in an IDA.
- Removes the requirement that the Housing and Community Services Department adopt rules governing limits on state-directed matching funds deposited into IDAs.
- Establishes a maximum total amount of $20,000 of state-directed matching funds that may accrue in an IDA.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Individual development accounts (IDAs) are personal depository accounts, hosted by a financial institution and funded by the Housing and Community Services Department via tax credits for participating fiduciary organizations. These accounts are created to allow a person from a low-income background to build wealth and save money to achieve financial independence. Account holders must be Oregon residents who are at least 12 years old, meet specified income limits, commit to regularly set aside money for at least 3 months, and be willing to work with a provider organization. Funds that a person deposits are matched at a five-to-one ratio by the financial institution, enabling the account holder to build resources to help with home purchases or repairs, fulfill an educational goal, develop and launch a small business, invest in assistive technology to increase independence, or help cover expenses related to vehicle ownership, rent, debt repayment, and emergency savings.