

Re: Support For HB 2735 -1

Chair Marsh, Vice-Chairs Anderson and Breese-Iverson, and Members of the Committee:

I am writing on behalf of Habitat of Oregon Homeowner Advisory Council to urge you to support HB 2735, with the -1 amendment. Please "Fix the Funding" for IDAs!

In 1999 the Legislature created Individual Development Accounts (IDAs). This matched-savings program provides participants with education and individualized support to reach their financial goals, including homeownership, home repair, higher education, purchasing a vehicle, starting a business, and retirement. The state matches participants' own savings up to 5-to-1 to make their dreams a reality. Over 19,000 Oregonians have participated in this life-changing program over the past 25 years.

However, the state tax credit that funds IDAs has not kept pace with inflation. While the credit has been capped at \$7.5M per year since 2009, the cost of everything that IDA participants save for has increased precipitously. Each saver needs more funds from the program in order to be successful, yet the total funding has remained stagnant. If the Legislature does not act this year, the program will shrink by 50% and will only enroll fewer than 500 people each year going forward.

The IDA saver and has enabled first home buyers, home repairs, or college funds to make the impossible, possible. It encourages responsible saving and helps those with limited income to progress and not be held back.

By passing HB 2735 -1, the Legislature can "Fix the Funding" and return the IDA program to solid financial footing. I urge you to pass this bill.

Sincerely,
Patty Toland
Habitat of Oregon Homeowner Advisory Council