



March 11, 2025

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 for Humanity Portland Region 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.

Habitat for Humanity Portland Region homebuyers are not required to bring a down payment for their home purchase, but they do face the hurdle of closing costs when their purchase is finalized. With an average household annual income of \$54,000, saving \$8-10,000 for closing costs is challenging. IDAs bring this goal within reach. Due to limited capacity in the IDA program, however, less than half of eligible Habitat Portland Region homebuyers are able to access this matched savings.

The IDA program provides a relatively small investment from the state – Habitat Portland Region homebuyers access \$6,000 per household - that makes a transformational difference for families seeking the stability of homeownership. Once each family secures their 30-year mortgage at a fixed, affordable payment, the state's investment yields decades of returns in the form of household financial stability and improved educational and health outcomes.

By passing HB 2735 -1, the Legislature can "Fix the Funding" and return the IDA program to solid financial footing. Let's invest in our people.

Thank you for your service,

A handwritten signature in black ink, appearing to be "J. R. L.", written in a cursive style.

Sarah Radcliffe  
Director of Government Relations  
Habitat for Humanity Portland Region