

Re: Support for Individual Development Accounts in SB 120 -1

Dear Co-Chair Nathanson, Co-Chair Meek, and Members of the Joint Committee on Tax Expenditures:

On behalf of **Portland Community Reinvestment Initiative (PCRI)**, please raise the cap on the tax credit that funds Individual Development Accounts (IDAs) to at least \$14M, through SB 120 -1.

The Legislature created Individual Development Accounts in 1999. 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 – spanning every House and Senate district in the state.

Testimony from PCRI IDA recipients:

The IDA program has helped me tremendously! I have learned to save on a consistent basis and I am closer to my dream of owning a home. --Red Hamilton

Hi, my name is Aisha McCollum, getting accepted into the IDA program was truly a blessing. This account showed me how to save and manage my money. Some months were hard when it was time to make a deposit, but I just keep reminding myself that "Aisha you're going to be a homeowner soon. I want to thank CASA for this opportunity. But most of all a big thanks to Ms. Roshan Etim and Ms. Laura Dickerson at PCRI for teaching me the tools to manage my IDA account. --Aisha McCollum

My name is Carlette James and IDA funding made it possible for me to be able to purchase my first home—turning a long-time dream into reality. I'm so thankful for the support and opportunity!" Just a true blessing and forever grateful. Thank you so much! -- Carlette James

Hello,

I hope this message finds you well. I am writing to share my heartfelt gratitude and testimony on how the IDA fund has made a significant difference in my life.

Thanks to the support of the IDA program, I was able to achieve goals that once felt impossible. With the funds I received, I was able to make a down payment on my first home—something I had only dreamed of before. Owning a home has brought me and my family stability, pride, and a sense of security for the future. In addition to purchasing the house, I was able to use the funds to remodel and improve it, turning it into a safe and comfortable living space that truly feels like home. The ability to invest in these upgrades has added value to the property and improved our quality of life. --Fikre Bierda

The IDA program has been life-changing. I'm currently in the process of buying the home I've been renting in Sellwood—something that still feels surreal. This program gave me the structure, support, and savings tools to finally pursue a lifelong dream and take real steps toward building generational wealth. I'm so grateful. --Jerald Caldwell

My name is Patt Warden and as a first time senior homebuyer on fixed income, my IDA has been a saving grace. To retain a home is one thing but to "maintain" a home with gifted funding allowed me to retain a home that has provided energy and cost-efficient living. Plumbing, electric, insulation and energy efficient appliances.

IDA is a huge and important program for any aged, qualified first-time home buyer that warrants upkeep and presentation of a decent home they would call their own.

I am grateful for this program and hope it is voted in to assist many future applicants. Thank you! --

Patt Warden

Having assisted many of PCRI IDA recipients, I see how it has changed lives by giving people a fresh start from getting out of debt, purchasing home, financing education, purchasing vehicles to get back in forth to work has been so rewarding. The IDAs are changing lives and giving hope! As a participant myself, I am looking forward to purchasing a home back in a city where I spent my rearing years. When I left Portland going off to college, home were much more affordable. However, having moved back to Portland to be closer to my aging parents, I was so surprised of the tremendous price increase in homes – over 700%! I did not think that I would ever be able to purchase the American Dream until I found out about DPAL and IDA program to assist in purchasing homes. These programs are amazing and I look forward to purchasing my home being close to family. –**Roshan Etim**

The 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 dramatically. Each saver needs more funds from the program in order to be successful, yet tax credit revenue has remained stagnant, prompting the Legislature to provide supplemental investments from the general fund in each of the past three budget cycles. An updated \$14M tax credit cap will allow the IDA program to enroll 1,750 new participants each biennium going forward – close to the program's established service level of 2,000 new savers per biennium. (If the Legislature takes *no* action on IDA funding this year, the program will shrink much further, to enroll only 1,000 people per biennium.)

By raising the IDA tax credit cap to at least \$14M through SB 120, the Legislature can return the IDA program to solid financial footing. I urge you to include IDAs in this bill.

Sincerely and proudly submitted by,
Roshan Etim
IDA/Intake/Compliance Coordinator