



Before the
SENATE WAYS AND MEANS COMMITTEE

Proponent Testimony
S.B. 139

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Chairman Terhar, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to provide testimony in support of Senate Bill 139, the First-time Home Buyer Savings Act. My name is Andrew Canan and I serve as the Manager of Legislative and Political Advocacy for the Ohio Credit Union League, which represents Ohio's 264 state-and federally-chartered credit unions and their more than 3 million members.

As member-owned, not-for-profit financial cooperatives, credit unions exist to promote thrift and enrich the lives of their members. Both objectives are accomplished through S.B. 139, which would allow an income tax deduction to be claimed by an individual who opens a "first-time home buyers savings account" at a depository of their choosing. Obtaining home ownership has become a challenge for many Ohioans due to student loan debt, rising costs, and wage stagnation. If enacted, S.B. 139 would enable credit unions to help address the problem of affordable housing by marketing and promoting the first-time home buyers savings account to current and prospective members.

Credit unions continue to be a trusted partner for Ohioans looking for affordable housing due to our fair lending practices, which values the long-term financial health of the member over short-term profit. This philosophy of, "people over profit" has helped Ohio's credit unions consistently grow their real estate portfolios. First mortgages make up 30% of an Ohio credit union's loan portfolio, with the average credit union holding \$31.5 million. At the end of Q1 2019, Ohio's 264 credit unions had a combined total of \$7.5 billion in outstanding first mortgages, which is a 3% increase from Q1 2018. Most importantly, credit unions have seen a 24% decrease in delinquencies, a positive indicator of sound underwriting and member loyalty.

In summary, the Ohio Credit Union League believes that public policy should encourage home ownership, as long as lending practices remain financially responsible and consumer-friendly. We would like to thank Senators Gavarone and Peterson for their leadership on addressing this issue and I am happy to answer any questions you may have.