

**Proponent Testimony
House Bill 186****Emily Leite, Chief Advocacy Officer
Ohio Credit Union League
eleite@ohiocul.org | (614) 581-8460**

Chairman Merrin, Vice Chair Riedel, Ranking Member Sobceki, and members of the House Ways and Means Committee, thank you for the opportunity to support House Bill 186, the First-time Home Buyer Savings Act, during National Homeownership Month. Each June provides an opportunity to place a spotlight on the need to support the dream of homeownership and recognize organizations committed to helping individuals and families, like Ohio's credit unions. To that end, House Bill 186 is perfectly timed to further empower Ohioans to better finance their first home.

The Ohio Credit Union League is the state trade association representing the collective interests of Ohio's 243 federally and state-chartered credit unions and their more than three million members. With the "people helping people" philosophy at the heart of member-owned financial cooperatives, promoting thrift and enriching the lives of their members is right in the credit union wheelhouse.

Both objectives are accomplished through House Bill 186, which would create an income tax deduction opportunity for an individual or couple who establish a "first-time home buyers savings account" at a preferred financial institution. Obtaining homeownership is a challenge for many Ohioans burdened by student loan debt, rising housing costs, limited housing stock, and wage stagnation. If enacted, House Bill 186 would enable Ohio credit unions to help address the problem of affordable housing by offering 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 their consumer-friendly lending practices, which are designed to help all people achieve financial well-being. Mortgage originations at Ohio credit unions increased 77% year-over-year to \$5.1 billion through December 2020, with \$1.5 billion in first mortgage originations in the fourth quarter alone, or the largest quarterly production volume on record. Ohio credit unions also saw growth similar to national financial institution trends, with the amount of outstanding first mortgages increasing \$1.4 billion, or 16.9% year-over-year. At 2020 year-end, first mortgages in Ohio accounted for 40% of total credit union loans, with a low 0.39% delinquency rate, which is a positive indicator of sound underwriting and member flexibility during a challenging economy.

While the ongoing first mortgage volume continues to grow, Ohio credit unions are acutely aware many first-time buyers are unable to provide an adequate down payment, which can be as much as 20% of the purchase price. Factoring in flexible down payment scenarios and a borrower's credit history enables credit unions to creatively address the various challenges facing first-time buyers, like offering complimentary budgeting and advice and specialized mortgage programs designed to reduce long-term financial burdens. Simply put, Ohio credit unions continue to demonstrate how they remain an adapting resource for first-time buyers. Adding a specialized homebuying savings account to a credit union's customized service offerings will further empower their ability to help more members secure affordable housing.

The League applauds Representatives Swearingen and Wilkin for their leadership in helping first-time homebuyers better plan for and secure affordable mortgage financing through financially responsible and consumer-friendly financial cooperatives. Ohio credit unions look forward to further empowering Ohioans more affordably achieve the American dream of homeownership if this legislation be enacted.

Thank you for the opportunity to support House Bill 186, and I am happy to provide additional information or field questions in support of the Committee's important work.