



OHIO MORTGAGE BANKERS ASSOCIATION

Chairman Brenner, Vice Chair Blessing Ranking Member Fedor, and members of the Primary and Secondary Education Committee, my name is Jay Pascoe, and I am the Executive Director and COO of the Ohio Mortgage Bankers Association (OMBA). OMBA is a state-wide trade association representing the real estate finance industry. Our members consist mostly of independent mortgage banking companies, banks, and credit unions, along with industry partners; all of whom are headquartered in Ohio or have a presence in Ohio and employ thousands of individuals across the state. On their behalf, I am happy to offer our support to Senate Bill 1.

You may find it odd for a real estate finance trade association to be weighing in on an education bill, but financial education is vital to future potential homeowners. OMBA is committed, and has been since its founding in 1969, to homeownership for all Ohioans. Homeownership delivers a sense of community, provides security, and is noted as the fastest way for individuals and families to build personal wealth. It means putting down roots and establishes pride of ownership. It is a path to emotional and financial stability. It is a common thread that runs through all aspects of our local and national economies. Homeowners also tend to buy more goods and use more services in their communities, further benefiting the economy. Simply put, homeownership is a cornerstone of the American economy and the American Dream.

All too often however, potential homeowners find they are unprepared to take that step into homeownership because of poor financial decisions in their past. Decisions they may not have even realized would be detrimental to them in the future. Many first-time homebuyers also lack understanding on the total costs of homeownership or how to create a household budget that helps to ensure they can maintain the home and meet the financial obligations of homeownership once they get there.

A recent study by Forbes noted that almost half (48%) of the millennials surveyed admit they find it difficult to save for the down payment on a future home. And 25% of those admit they have less than \$1000 in savings currently. While there are several reasons given which contribute to this issue, lack of financial literacy—understanding how they spend their money, how to calculate the amount of money they need to save to achieve goals, setting those goals and using tools available to save money, is noted as one of the contributing factors.

In a world that is becoming more and more digitized in how we spend money and pay our bills, it becomes easy not to pay attention to how our money is being spent and what it really costs to live in today's world. This is why financial literacy is so important. It gives our young people, many of whom may be starting their first job and earning their first paychecks, the proper tools to correctly manage their finances.

While the focus of OMBA is obviously on how this impacts the potential of future homebuyers to obtain and pay for a mortgage, which is likely the biggest investment of their lives, financial literacy will impact every aspect of their future. From paying bills, putting food on the table and clothes on their backs; to buying and paying to operate a car; to understanding how this body collects and spends the tax dollars they will pay.

For these reasons, OMBA is happy to support S.B. 1. We believe it is an important tool for future generations. We believe that with a strong foundational knowledge of finances they will start out with a stronger financial footing which will better serve them, and perhaps our State and country, in dealing with the challenges of today that will impact their future.

I thank you for the opportunity to voice our support of this legislation.