



OHIO MORTGAGE BANKERS ASSOCIATION

Chairman Blessing, Vice Chair Roegner Ranking Member Williams, and members of the 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 be here today to testify in support of Senate Bill 24.

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.

That dream however, continues to get harder and harder for some to achieve. A study by the National Association of Realtors in June of 2020 noted that low inventory and lower-than-usual sales volume have driven prices up – even before the pandemic – on average 3.5% over 2019 prices. That means a bigger down payment. Ohio needs to act now to help first-time homebuyers have a chance to access this part of the American Dream. That is why OMBA is happy to support S.B. 24.

OMBA is committed, and has been since its founding in 1969, to homeownership for all Ohioans. This past year the membership approved a board-level committee to focus on affordable or what we refer to as workforce housing. The committee will work with this body and other state legislators, local municipalities, our member companies, the national MBA and all partners willing to address the issue and work to make Ohio a model for the Nation on how to successfully achieve what has long been talked about – affordable housing for all you want to participate in homeownership.

We applaud Senators Gavarone and Peterson for sponsoring this bill which will take a much needed step to help potential homebuyers with this tax exemption. A recent study shows that for a median-income family saving 5% a year it would take an average of 11 years to save the money for the down payment on a median-priced home. That is only for the down payment and does not consider all the other costs associated with purchasing a home. Already, lower-income potential homebuyers are struggling to compete in a housing market as tight as it is and where homes sales are resulting in bidding wars. Saving to make the down payment is compounding that struggle.

It is a known fact that the biggest obstacle that first-time homebuyers have in their path to homeownership is down payment. It is our belief that S.B.24 is a vehicle that can assist in overcoming that obstacle. The economic benefits to the individual, a family, the community, and to Ohio in the long run would be tremendous.

I thank you for the opportunity to voice our support of this legislation and I am happy to answer any questions.