



Before the
SENATE WAYS AND MEANS COMMITTEE

Proponent Written Testimony
Senate Bill 24

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Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to support Senate Bill 24, the First-time Home Buyer Savings Act, which would further empower Ohioans to finance the American Dream of home ownership.

The Ohio Credit Union League is the state trade association representing the collective interests of Ohio's 247 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 Senate Bill 24, permitting an income tax deduction to be claimed by an individual or couple who establish 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, Senate Bill 24 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 their fair lending practices, which value the long-term financial health of the member over short-term profit. As of 2020 Q3, Ohio's credit unions consistently grew their real estate portfolios. As of that same period, first mortgages make up 39% of an Ohio credit union's loan portfolio, with a combined total of \$9.5 billion in outstanding first mortgages, or a 16.1% annual increase. Most importantly, credit unions continue to maintain a low 0.48% delinquency rate as of 2020 Q3, which is a positive indicator of sound underwriting and member flexibility during a challenging economy.

We would like to thank Senator Gavarone and Senator Peterson for their leadership in encouraging home ownership through financially responsible and consumer-friendly lending. Credit unions look forward to helping Ohioans achieve their homeownership dreams should this legislation be enacted.

Thank you for the opportunity to provide written testimony, I am happy to provide additional information or field questions in support of the Committee's work.