

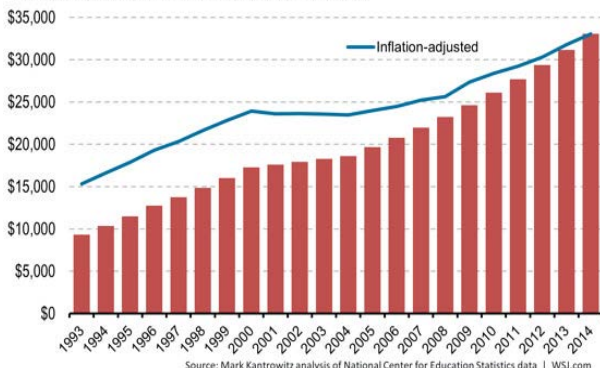
OREGON STUDENT DEBT RELIEF ACT

PROBLEM OF STUDENT DEBT:

Students are coming out of technical school and college with increasing debt. As a result, they are starting off life at a greater disadvantage than prior generations. This disadvantage increases wealth disparity, stymies retirement savings, and prohibits and delays home ownership.

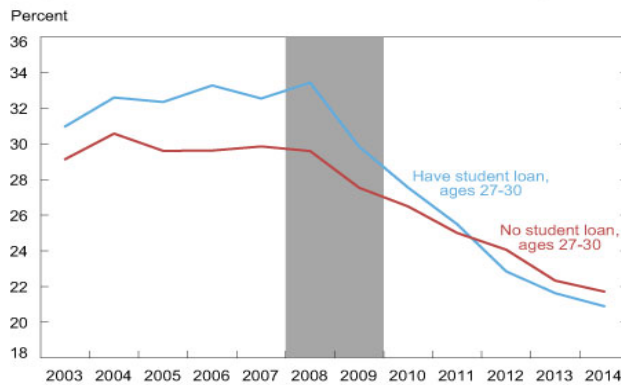
Class of 2014

Average debt per borrower in each year's graduating class.



Source: Mark Kantrowitz analysis of National Center for Education Statistics data | WSI.com

Proportion of Borrowers with Home-Secured Debt at Age 30



Source: Federal Reserve Bank of New York Consumer Credit Panel / Equifax.

The charts above illustrate this growing problem and the connection between student loan debt and homeownership. The Federal Reserve Bank of New York's Consumer Credit Panel further examined this connection and found that for the first time in more than ten years, 30 year olds without a history of student loan debt have a higher rate of home ownership than those with student loan debt.

HOW HB 2929 HELPS:

HB 2929 alleviates the burden of student debt by encouraging and incentivizing early savings and assisting repayment.

Incentivizing Early Savings

- I. Establishes a \$100 refundable tax credit for individuals contributing to a college savings plan. This credit is only available for individuals earning less than \$25,000 or couples earning less than \$50,000
- II. Exempts payments into and assets of a college savings plan in determining eligibility of state benefits
- III. Establishes a \$100 tax credit for employers who contribute to an employee's college savings plan
 - a. Credit is equal to the amount contributed, not to exceed \$100 per account
 - b. The account owner must be the employee
- IV. Increases the tax deductions for payments into a college savings plan from \$2,000 for individuals and \$4,000 for couples per filer to per beneficiary

Assisting Student Loan Repayment - Establishes a \$2,500 state tax deduction for payments on student loan interest. This credit is only available to single people earning less than \$80,000 and couples earning less than \$160,000