



We build strength, stability, self-reliance *and* shelter.

Feb. 4, 2021

Attn: Senate Committee on Housing and Development

Dear Chair Jama, Vice Chair Linthicum, and Members of the Committee,

My name is Shannon Vilhauer, and I am the Executive Director of Habitat for Humanity of Oregon. On behalf of our Board of Directors and the 25 local Habitat for Humanity affiliates we serve, I am writing to share our strong support for the Oregon Individual Development Account (IDA) Initiative. The IDA Initiative is asking that you support renewal the IDA Initiative Tax Credit for the next six years. In addition, we ask that you support additional funding of \$7 million in General Fund appropriations in the next biennium as more Oregonians seek to participate in this important program.

Critically, 34% of Oregonians with IDA savings use this program to help pay for the down payment on their first home purchase. Homeownership is an incredible wealth building opportunity for households of modest means. We know that through policies like redlining and disparate access to credit, people of color have not had fair access to homeownership opportunities in the United States. Over decades, this disparate access has resulted in a well-documented racial wealth gap.

For 30% of U.S. households, their home is their only source of wealth. Prosperity Now conducted a study in 2016 on families who earn the median income in their communities. For renter households at this income level, their net worth was \$5,200. Homeowners at the same income level had achieved \$200,000 in household wealth.

The ongoing COVID-19 pandemic has highlighted the need for enhanced housing stability for all Oregonians. With unprecedentedly low interest rates, some Oregon households may have a unique opportunity to access first-time homeownership over the next two years. In addition, as we saw first-hand in 2007-09, IDA savers with access to financial literacy training have a much greater likelihood of accessing relief programs. Please preserve this critical asset building resource for Oregonians. The IDA Initiative would not be able to accept new savers without your action in 2021. Your support would allow individuals and families from every corner of the state to begin saving for a better future and would help those who are hardest hit by the financial hardships that the spread of COVID has created.

On behalf of the Board of Directors of Habitat for Humanity of Oregon and the 25 Habitat for Humanity affiliates we serve, thank you for your service, and for your attention to this critical request.

A handwritten signature in blue ink that reads "Shannon M. Vilhauer".

Shannon M. Vilhauer, Executive Director