

Ohio Real Estate and Financial Associations support First-Time Homebuyer Savings Act

The First-Time Homebuyer Savings Act would encourage investment in Ohio's communities

(Monday, March 1, 2021) A coalition of Ohio real estate and financial organizations have joined forces in support of Senate Bill 24, Ohio's First-Time Homebuyer Savings Act. The legislation, SB 24, introduced by Sen. Theresa Gavarone (R-Bowling Green) and Sen. Bob Peterson (R-Washington Court House), would authorize a first-time homebuyer to open a tax-deductible savings account in which a person can deposit money that would be used toward a down payment of a home purchased in Ohio.

The coalition supporting SB 24 includes the Ohio Bankers League, Ohio Chamber of Commerce, Ohio Land Title Association, Ohio Manufactured Homes Association, Ohio Mortgage Bankers Association, Ohio REALTORS, Ohio REALTIST Association, and the Ohio Credit Union League.

A "first-time homebuyer" is defined as someone who has not purchased or owned a home within the past three years.

"Saving, especially for the purchase of a first home, is an important part of any individual's financial security and independence. This legislation will make it easier for Ohioans to save toward what, for many, will be the most important financial decision in their lifetime. Ohio banks stand ready to assist customers throughout the state in saving for and purchasing their first home," said Ohio Bankers League President and CEO Mike Adelman.

"These first-time buyers will then put down roots, build a sense of community, and accumulate wealth through the purchase of the home. All this activity builds a stable population and steady workforce that will attract future employers looking to invest in the Ohio economy. This bill is a positive step for the economic future of Ohio," says Tony Long, Director of Tax and Economic Policy at Ohio Chamber of Commerce.

"Promoting thrift and enriching lives is at the heart of the 'people helping people' credit union philosophy," said Ohio Credit Union League President Paul Mercer, "Along with our fellow colleagues, Ohio credit unions champion the American dream of home ownership. Though more challenging for many Ohioans due to student loan debt, rising costs, and wage stagnation, Senate Bill 24 would further empower credit unions to address an affordable housing component by helping first-time homebuyers better plan for and achieve their dream."

"Ohio Land Title Association supports the passage of the First-Time Buyer Savings Act, as it provides tax incentives to help first-time home buyers save to pay closing costs using the accounts. Additionally, the bill casts a "wide net" as it purposely includes as participants individuals who may have lost homes during the prior housing crisis reset themselves. This is a win/win solution for Ohioans," said Ohio Land Title Association President Dione Joseph.

Ohio Manufactured Homes Association Executive Director Tim Williams stated, "Our industry finds that today's home buyers, especially first-time home buyers, are seeking high end finishes and turn-key properties; manufactured housing is an affordable option that can be accessed to get a person into first-time homeownership."

“Homeownership is a cornerstone of the American economy and the American Dream,” says Jay Pascoe, Executive Director & COO of Ohio Mortgage Bankers Association, “That dream however, continues to get harder and harder for some to achieve. Ohio needs to act now to help first-time homebuyers have a chance to access this part of the American Dream. It is our belief that SB 24 is a vehicle that can assist in overcoming obstacles affecting first-time homebuyers, especially when it comes to saving. The economic benefits to the individual, a family, the community, and to Ohio in the long run would be tremendous.”

“Our organization is a proponent of SB 24, First-time Home Buyer Savings Act. We see the inherent value of this bill for Ohioans creating an opportunity for a first-time homebuyer’s to save for the American dream of homeownership. This bill creates the roadmap needed by so many to make this dream a reality. NAREB and the Ohio Realtist Association have spent decades finding ways to help people afford and purchase homes while fighting for the equitable rights of homeownership. This is a program that offers great value to our customers,” said ORA President Veronica Bedell-Nevels.

“Ohio REALTORS strongly supports SB 24 as we believe this savings tool will help Ohioans who are interested in owning a home someday realize the American Dream,” said Ohio REALTORS Chief Executive Officer Scott Williams. “Although this savings program will not reduce all barriers to homeownership, it is certainly a tool that will help hard-working Ohioans move closer to their goal.”

Ohio would join states like Colorado, Montana, Virginia, Oregon, Iowa, New York, Minnesota, Mississippi, and others to offer the First-Time Homebuyer Savings Accounts.

Although an individual could put as much money as they like into the savings account, the interest earned and capital would be tax deductible with annual limits of \$5,000 for single filers, and \$10,000 for joint filers. There would be a lifetime deductible cap of \$50,000 for single filers and \$100,000 for joint filers.

The funds would need to be used toward the purchase of a home including closing costs and bank fees within 15 years or a penalty may apply. Anyone could open an account, and an account holder could hold an account in their name or in that of another person, such as a child, or grandchild. It also includes an exemption that would mean active-duty military personnel were not be penalized if they were called to duty out of Ohio, and therefore needed to either move or be out of the state for extended timeline.

