



HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

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March 11, 2021

Delegate Anne Kaiser, Chair
Ways and Means Committee
House Office Building, Room 131
Annapolis, MD 21041

Re: Testimony **IN SUPPORT** of HB 1178: Income Tax – Subtraction Modification – First-Time Homebuyer Savings Accounts

Dear Chair Kaiser and Members of the Committee,

I commend Delegate Brooks' proposal to increase access to homeownership and long-term wealth building for Maryland families. House Bill 1178 would allow qualifying first-time homebuyers to create tax-free savings accounts to cover their down payment and closing costs. Purchasing a home can be a challenging feat, especially for those without financial assistance from close friends or family members. This legislation would expand the opportunity for more individuals to save for their first home.

Encouraging greater accessibility to homeownership opportunities is an important pillar of my Administration. In 2020, the Department of Housing and Community Development assisted 23 income-eligible, first-time homebuyers through its Moderate-Income Housing Unit Program. The Department also provided \$1.08 million in funding from the Settlement Down Payment Loan Program to 74 first-time homebuyers to cover down payment and closing cost expenses for homes in Howard County. Over the past two fiscal years, my Administration has awarded more than \$2.8 million to first-time homebuyers under this program. Despite these challenging times, we continue to provide homebuyer education workshops and counseling to promote successful homeownership in Howard County.

According to the National Association of Realtors, 22 to 39-year-olds make up the largest share of home buyers. Among this cohort, 86 percent of buyers ages 22 to 29 and 52 percent of buyers ages 30 to 39 are first-time homebuyers. Younger buyers looking to purchase mainly depend on their savings for down payments, or some borrow against their retirement plans. Unfortunately, access to capital and significant debt burdens often hinder many aspirational first-time buyers from being able to move forward. House Bill 1178 would provide an important financial tool to save long-term for the up-front costs a down payment and closing. Historically, communities of color have had less opportunity and experienced barriers to accessing homeownership and building generational wealth. Less than half of 22 to 39-year-old homebuyers are persons of color.

Del. Brooks' bill would provide first-time homebuyers the ability to build more financial stability while supporting strong communities and economic growth. I appreciate your support and partnership as we work to expand access to housing opportunities for all.

Sincerely,

Calvin Ball
Howard County Executive