



KANSAS HOUSING ASSOCIATION, INC.

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Testimony Before the House Committee on Rural Revitalization House Bill No. 2516 February 11, 2020

Chairman Smith and Members of the Committee:

Kansas Housing Association, Inc. (KHA) is an alliance of for-profit and non-profit developers, businesses, financial institutions, public housing associations, chambers of commerce, economic development organizations, service providers, individuals and other organizations to belong and work to strengthen the state's economic vitality by making safe, decent, affordable housing available throughout Kansas. We appreciate the opportunity to submit remarks in support of House Bill No. 2516.

House Bill No. 2516 creates a first-time home buyer savings account program, providing a tax-advantaged savings account that incentivizes home buyers to save toward their future home purchase. Funds saved in these accounts can be applied toward eligible expenses for the beneficiary's acquisition of their first-home. The funds can be applied toward either the purchase or construction of a primary residence.

A first-time homebuyer savings account can be opened by an individual for themselves or by a parent, a grandparent, a guardian, an aunt or by any person as a gift. This program model has been used successfully in other states.

As most of us know, saving for a down payment and other closing costs is a huge barrier of entry to homeownership. However, it has proven to be even more challenging for our children and for future generations due to a variety of factors, including rising student loan debt and the price of rent.

Homeownership can provide many social and economic benefits, not just for the homeowner, but for the communities in which they live. This will be a valuable tool for the path to new home ownership and we hope a catalyst to additional housing in Kansas.

Thank you for your consideration and the opportunity to present written testimony to the Committee. Kansas Housing Association urges you to support House Bill No. 2516.

Doug Smith
Kansas Housing Association