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Testimony in Support of LD 1978
An Act To Promote Home Ownership by Reducing Education Debt
Presented to the Joint Standing Committee on Innovation, Development, Economic
Advancement and Business

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Senator Curry, Representative Roberts, and distinguished members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business, my name is Troy Jackson and I represent the good people of northern Aroostook County in Senate District 1. I am here today in support of LD 1978, "An Act To Promote Home Ownership by Reducing Education Debt."

In Maine, access to affordable housing has reached a crisis point. Whether it's purchasing a new home or finding a decent apartment near work, childcare and family, the lack of affordable housing is a problem across this state, including up my way in rural Aroostook County. The cost of purchasing a home makes it more difficult for young people, who may have left Maine to continue their education or pursue a new job, from returning home to live, work, raise their family and eventually retire. Add in student debt, whether it's from community college or a traditional four-year program, and it makes the idea of our young people returning to Maine almost impossible. All of which is holding back our communities and economy.

Policies that make it easier for working families to make a good life here in Maine are good for all of us. For parents and grandparents, it is about keeping our loved ones close. For communities and businesses, it's about making sure we have a new generation of workers and community leaders. With one of the oldest populations in the union, there is a whole generation of Mainers getting ready to retire, and we need young people to fill these roles and carry on this legacy.¹

The situation with student debt is dire. We all know young people who have relocated to another state because they needed a high-paying job. With student loans, car payments, rent, utilities, and other basic expenses, it is hard enough to make ends meet, let alone purchase a home. In Maine, the average student graduates with \$33,500 in student debt.² This debt is crippling over 178,000 Maine residents — 13.3 percent of the Maine population.³ And, to make matters worse, the cost of property in Maine is skyrocketing. According to the Maine Realtors Association numbers from

¹ <https://www.prb.org/resources/which-us-states-are-the-oldest/>

² <https://ticas.org/interactive-map/>

³ <https://educationdata.org/student-loan-debt-by-state#maine>

December 2021, "the statewide median sales price (MSP) reached \$299,000, an increase of 16.8 percent compared to December 2020."⁴

In 2021 the median sales price for a single family home increased in every single county in Maine. The highest increase was in Knox County at roughly 28 percent and the lowest increase was in Washington County at just under 10 percent.⁵ This is all on top of last year's 13.78 percent rise in the median price of homes.⁶ These numbers are staggering and make it virtually impossible for young people starting out on their own to afford a home in Maine.

Last session, I introduced legislation, which this committee turned into a resolve, to try to incentivize young people to settle in Maine, whether they were born here or chose to make it their home. The committee directed MaineHousing in consultation with the Finance Authority of Maine (FAME), to research and design a program that helps people get into homes by helping to reduce student debt. LD 1978 is the result of this report.

In designing the proposed program, Maine State Housing Authority reviewed opportunities offered in other states and municipalities. The housing authority, along with FAME, compared the attributes of those programs to the possibilities our state has to offer. The program they created would help first time home buyers by using the MaineHousing First Home Loan Program criteria while forgiving an educational loan over a 5-year period. This would help the borrower with regard to their debt-to-income ratio and help them establish their American Dream right here in Maine.

The way I see it, lawmakers have an opportunity to attract and retain young people by supporting a program that increases homeownership and provides student debt relief. We're counting on young people to fill workforce shortages, keep our heritage industries going and lead our state into the future. With this program, we can make it easier for young people to create a meaningful and fulfilling life here.

LD 1978 would fully fund the Maine Smart Buy program for the 2022-2023 fiscal year. It puts Maine in a good position to begin tackling these twin crises, and will go a long way in attracting young families to build a life here. I want to thank Sen. Chip Curry and the members of this committee for bringing this bill forward. I hope you will join me in supporting the measure.

⁴ <https://www.mainerealtors.com/wp-content/uploads/2022/01/MaineHousingReport-December21.pdf>

⁵ <https://www.mainerealtors.com/wp-content/uploads/2022/01/MaineHousingReport-December21.pdf>

⁶ <https://www.mainerealtors.com/wp-content/uploads/2021/01/MaineHousingReport-December2020.pdf>