



**OREGON HOUSING *and*  
COMMUNITY SERVICES**

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Chair Marsh, Vice Chairs Breese Iverson and Anderson, and Members of the Committee,

My name is Nathan Clark and I am a Government Relations and Legislative Coordinator with Oregon Housing and Community Services. I am joined today by Scott Shaw, Assistant Director of Homeownership Lending. We wanted to provide a little background on HB 3035, which will make several small changes to existing statute that clarify OHCS' authority to offer Flex Lending.

In 1977, OHCS established the Oregon Residential Bond Loan Program (ORBLP), its first mortgage lending program. The Oregon Residential Bond Loan Program was OHCS' only mortgage lending program until 2018, when OHCS began to pursue launching a To Be Announced (TBA) mortgage lending program that would later be named Flex Lending. To Be Announced based mortgage lending products have been the primary mortgage lending tool of Housing Finance Agencies (HFA's) across the country for more than a decade because they are not reliant on Private Activity Bonds, and they give Housing Finance Agencies, like OHCS more flexibility.

Development of Flex Lending began in 2018 in an effort to modernize our lending platform, resulting in lower rates and better terms for lower income Oregonians while reducing risk to the agency. Flex Lending's first product - known as NextStep - launched in March of 2023, followed by FirstHome in November of 2024. These programs and products allow OHCS to provide additional resources to help yet more lower income Oregonians realize the dream of homeownership.

OHCS has been operating Flex Lending on approval from the Department of Justice (DOJ), and as the program has matured DOJ has recommended that OHCS put Flex Lending in statute like the Oregon Residential Bond Loan Program. In short, HB 3035 codifies Flex Lending.

OHCS, as Oregon's HFA, was designed to operate not in competition with, but in collaboration with, lenders in the private sector. Helping to provide solutions to our housing crisis by offering programs and products to populations that would not be able to realize the dream of homeownership through traditional lending channels, and leveraging flexibilities afforded to HFA's for low- to moderate - income households in Oregon.



## **Technical Advisory – Date**

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In our conversations with stakeholders, we have requested an amendment which has been posted as –1. The amendment is very small, changes page 6, line 23 from "Multifamily and single-unit housing" to "single-unit housing and multifamily up to four units". We are matching language with the Federal Housing Finance Administration that classifies single-family homes as under five units. This additional clarification is needed as our lending program in HOD is not for Multifamily which is classified as five or more units.

