



The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

April 12, 2023

To: [Senator Mark Meek](#), Chair, [Senate Committee on Finance and Revenue](#)

Re: [SB 976](#) - Mortgage Interest Deduction Reform - **Support**

The League of Women Voters of Oregon believes the state's tax system should be equitable and flexible enough to adjust to social and economic changes. Furthermore, state and local tax structures should be examined and revised to benefit communities that provide housing for lower-income families.

The League urges your support for SB 976, legislation that would rebalance the mortgage interest deduction so that it supports more Oregonians in need of safe and stable housing.

The mortgage interest deduction currently is structured in a way that overwhelmingly benefits the wealthiest Oregonians, with less than four percent going to the lowest-earning 40 percent of homeowners (Source: Oregon Center for Public Policy). In addition, a recent Oregon Secretary of State audit revealed that the subsidy disproportionately favors urban residents. The Department of Revenue forecasts the cost for the deduction in the 2023-25 Biennium at \$900 million. At the same time we provide these subsidies to high-income urban homeowners, Oregon is in the throes of a homelessness state of emergency.

As a state we need to carefully evaluate every available housing subsidy to ensure that we are doing all we can to meet the overwhelming housing crisis facing our communities throughout the state. When so many families and individuals have no place to live, the time is right to redirect some of the resources from the deduction to individuals and families with the greatest need.

By modifying the deduction, funds can be redirected to the Oregon Housing Opportunity Account to be administered by Oregon Housing and Community Services. The resources can be put to good use by promoting affordable homeownership for low- and moderate-income households, people of color, and community members with disabilities by providing loans, down payment assistance, and foreclosure counseling. The resources can also be used to prevent homelessness through rental assistance and other services for those on the brink of losing their homes. Capacity building, technical assistance, and training will address the needs of rural communities and address racial disparities in home ownership. The funds can replace aging and deteriorating manufactured homes and park infrastructure. Programs supported under this bill can significantly address and help prevent homelessness in our state.

The League is particularly concerned about the well-being of our most vulnerable community members. One of the biggest challenges we face in Oregon is the lack of housing that is affordable to extremely low-income households. Directing the savings realized by reforming the mortgage income deduction to families most in need, along with other investments in low-income housing, is the most effective way to address our housing crisis.

We urge your support for SB 976. Thank you for the opportunity to comment on this legislation.



Rebecca Gladstone
President LWVOR

Nancy Donovan
Housing Portfolio

Debbie Aiona
Housing Portfolio