



April 12, 2023

Chair Meek, Vice Chair Boquist, and Members of the Senate Committee on Finance and Revenue

Re: Senate Bill 976 – Support, Mortgage Interest Deduction (MID)

Chair Meek, Vice Chair Boquist, and Members of the Committee. For the record, my name is Creeana Bort, I am a member of the Cheyenne River Sioux Reservation, and I represent the NAYA Action Fund located in Portland, OR. Founded by the community, for the community, the NAYA Action Fund is a 501(c)(4) social welfare organization with a mission to expand political advocacy and build electoral power in partnership with the Native community. The NAYA Action Fund provides tools to shape public policy, cultivate leadership, and elect's champions for issues impacting Native people. Our vision of systemic change is youth-centered, family-driven, and elder guided. I write in support of Senate Bill 976.

As we know, Oregon continues to suffer from a continuing housing crisis. We also know that there are not enough affordable, safe homes for every Oregonian who needs one. Meanwhile, the mortgage interest deduction dedicates roughly \$1B dollars every budget cycle and is—by far—the biggest expenditure on housing by the state, yet this subsidy is wasted on subsidizing housing for those who do not need help: that is, the state’s most well-off homeowners. Despite being the largest housing subsidy in Oregon, the MID fails to directly benefit any renter in Oregon, whose housing costs weigh more heavily compared to homeowners. SB 976 seeks to reform Oregon's mortgage interest deduction to prevent waste and dedicate funding to those families that are in the greatest need of support in achieving homeownership or avoiding homelessness.

SB 976 will not eliminate the MID but will place limitations. The bill aims to eliminate the option to claim a deduction on mortgage interest for individuals with high incomes. Specifically, the MID begins to phase out once a household reaches \$200,000 in adjusted gross income and completely phases out at \$250,000 in adjusted gross income. SB 976 also eliminates the option to claim a deduction on mortgage interest for non-principal residences.

Aside from limitations, SB 976 will establish the Oregon Housing Opportunity Act, which would take the recaptured revenue that otherwise would go to claimed mortgage interest deductions and create programs dedicated to promoting homeownership among communities of color and low-income families while preventing and addressing homelessness in Oregon. Monies that would fund programs that promote homeownership through contributions toward loans that create new affordable options for aspiring homeowners, Individual Development Accounts (IDAs), home repairs, foreclosure counseling, replacing and upgrading manufactured homes, and so much more. The Oregon Housing Opportunity Act will also address and prevent homelessness through funding programs that would provide rental assistance vouchers and case management for recipients of



rental assistance vouchers, create single-room occupancy-style housing for youth aging out of the foster care system, and other services for youth aging out of the foster care system, and services to communities of color disproportionately represented in the homeless population to name a few.

When this legislature considers the effectiveness of housing subsidies as a matter of good public policy, subsidies should be extended to families that need the most assistance. In the context of mortgage interest deduction, it would be a reasonable outcome if such a vital housing subsidy were to be extended to homeowners with the lowest of incomes, first-time homebuyers, or to work in a way to address racial disparities in homeownership. As the deduction is currently structured, it, unfortunately, falls short of promoting homeownership opportunities. This is why we urge you to consider the passage of SB 976, a bill that aims to correct a tax system that is riddled with racial disparities. A bill that will help to create an opportunity for the state to lend a helping hand to those in need while addressing our ever-growing housing and homelessness crisis.

Thank you,

Creeana Bort  
Policy and Advocacy Organizer