



February 17, 2026

Nancy Nathanson
Chair, House Committee on Revenue
900 Court St. NE, HR A
Salem, OR 97301

RE: Support for House Bill 4123

Dear Chair Nathanson and Members of the House Committee on Revenue:

The Portland Housing Bureau **supports HB 4136** in reforming the Mortgage Interest Deduction (MID) to support first-time and first-generation homeowners.

Currently, Oregon subsidizes vacation properties to the tune of \$18-\$20 million a biennium. This is on top of the federal mortgage interest deduction tax benefits these higher income earners already receive. At the same time, Oregon provided zero funding this biennium for nonprofit-administered down payment assistance, one of the most effective tools for helping first-time and first-generation homebuyers. Research shows that vacation properties primarily serve as wealth-building assets for existing homeowners, reinforcing inequality rather than expanding access to housing. The result is a tax policy that prioritizes vacation houses over supporting new homeownership opportunities.

In Portland, the median home price has reached \$500,000 with no sign of dropping, making homeownership out of reach for many of our community members. Homeownership remains a priority for many Oregon residents. Yet rising home prices, high interest rates, and limited housing supply – particularly for starter homes – pose additional challenges to hopeful homeowners.

HB 4136 takes a thoughtful approach to reforms of the MID:

- Maintains the deduction for primary residences
- Ends tax breaks for vacation homes
- Refocuses resources towards supporting low-income first-time and first-generation homebuyers
- Does not diminish or take financial benefits from small Oregon landlord businesses because they use a more favorable portion of the tax code instead of MID

Increasing homeownership rates will support housing stabilization and the potential for generational wealth for communities across the state, especially those historically locked out of these opportunities. HB 4136 is a necessary first step in addressing the wealth and homeownership disparities in the State.

The Portland Housing Bureau respectfully urges your support of HB 4136.

Sincerely,

A handwritten signature in black ink that reads "Michael Buonocore".

Michael Buonocore, Interim Director