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On Behalf Of:

Committee: House Committee On Revenue

Measure: SB1527

Allowing people to contribute to tax-favored first-time homebuyer savings accounts is good public policy; however, this bill could be improved by limiting the custodians of such accounts to financial institutions that actually make loans to first-time homebuyers and developers of housing that comes in at affordable price points.

Historically, the market provided access to community housing and housing finance needs through the highly-regulated Savings and Loan industry. Corporate citizens could invest in local S&L's that would know the community, and loan officers would be able to evaluate loan applications on the basis of knowledge about that community rather than abstract FICO metrics. State-chartered S&L's effectively used a window-guidance mechanism to drive local housing development, and it is really the collapse of this model in the 1980's that is the root of the housing affordability crisis - not a supply and demand issue. The idea that we need to simply build more housing and that the market will make housing affordable is a myth. In Multnomah county, the population declined 2.6% over two years, but home prices increased 10% over that period.

This bill could be improved if it allowed the state, counties, and cities to charter publicly-owned community development banks where elected Treasurers would set community lending policies to reflect community needs - such as housing development, first-time homeowner lending, small business finance, etc. To attract depositors, these institutions could be given a monopoly on first-time-homeowner savings accounts in the state. This is the REAL solution to affordable housing because we constantly hear developers cannot obtain financing to build market housing at affordable price points. If we give them easy credit, they will build. Moreover, the short and medium term investments of our state and local treasuries used to capitalize such public lending and banking institutions would be directed into investing in Oregon instead of flowing out to Federal securities or far-away corporate bonds.

The legislature also needs to be mindful that there is a deliberate and covert official policy that has been going on since the 1970's to purposefully make housing unaffordable and convert our society from one of owners into one of renters. This has been openly spoken about by elites in the population control movement and at institutions such as the World Economic Forum who implement such covert policies through assets in the intelligence community. The deliberate destruction of the S&L's has been proven by researchers to have been a Central Intelligence Agency project, as was the carefully-constructed and pre-planned 2008 housing bubble which pushed

housing into large investment trusts controlled by the likes of BlackRock, chaired by Obama's National Security Advisor. Although there is a push to build program "affordable housing," under an ostensible purpose of making housing affordable, the true purpose of such housing programs is to make large swaths of our society dependent on such housing programs as a means of population control in order to erode independence as well as fertility.

I know most people roll their eyes and dismiss this as "conspiracy theory," unless we can rationally analyze the problem and understand what we are up against, the legislature will not be able to craft solutions and push back against this very real conspiracy that created the problem.