



# EAST COUNTY HOUSING

Mailing Address: 4233 SE 182<sup>nd</sup> Ave, PMB 367, Gresham, OR 97030  
Office Address: 18445 E Burnside St, Gresham, OR 97233  
(503) 847-9163 | [info@rockwoodcdc.org](mailto:info@rockwoodcdc.org) | [eastcountyhousing.org](http://eastcountyhousing.org)

February 18, 2025

House Committee on Housing and Homelessness  
Oregon State Capitol  
900 Court St NE  
Salem, OR 97301

**Re: Support for HB 3507**

Dear Chair Marsh, Vice-Chair Breese-Iverson, Vice-Chair Andersen and Members of the Committee:

East County Housing urges your support of HB 3507, which provides critical technical fixes to the state's Culturally Responsive Organization Down Payment Assistance Program.

Homeownership remains a top priority for many Oregonians. It is a time-tested way to build generational wealth and a powerful tool for advancing racial and economic equity.

However, three major barriers stand in the way of homeownership. The first is affordability—the average sales price for a moderate home in Oregon is currently \$499,400 (HOUZEO.COM). Even with low down payment programs available through partnerships with OHCS, the second barrier quickly becomes evident: saving for a down payment. First-time homebuyers often need to set aside \$20,000 to \$30,000, not including closing costs. This challenge is made even greater by the high cost of rent, with many families already paying the equivalent of a mortgage each month, leaving little room to save.

The third barrier is mortgage insurance. Low down payment mortgage programs require it, and in the case of FHA loans, the insurance lasts for the life of the loan. This added expense reduces purchasing power and increases monthly costs for new homeowners.

Expanding income eligibility to households earning up to 120% AMI—who currently lack access to IDA's or down payment assistance programs capped at 80% AMI—helps address the long-standing inequities of first-generation homeownership. Additionally, increasing funding caps would enable these buyers to make a 20% down payment, eliminating the need for costly mortgage insurance and making homeownership more attainable.

HB 3507 will further enhance CRO Down Payment Assistance in the following ways:

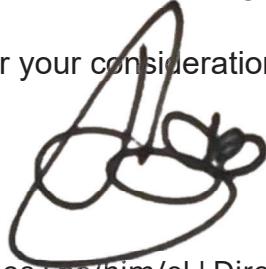
- Expand eligibility to households earning up to 120 percent of the area median income.
- Raise the maximum funding cap for first-time homebuyers to \$40,000.
- Increase the maximum funding cap to \$100,000 for first-generation homebuyers, using the current self-attestation method.

Over the past decade, Oregon has primarily relied on the Home Ownership Assistance Program (HOAP), funded by 14 percent of the document recording fee, as the state's primary source for down payment assistance. Due to high interest rates and a decline in real estate transactions, Oregon Housing and Community Services does not plan to offer any HOAP down payment assistance in the next biennium.

The \$30 million included in the Governor's Recommended Budget to support CRO Down Payment Assistance will ensure current service levels, during this time of document recording fee decline.

The proposed technical fixes will help ensure that organizations like [Organization Name] can partner with more Oregonians to plant roots in their communities.

Thank you for your consideration and service,



Juan A. Campos | he/him/el | Director of Program Development

HOME Pathways - *Home Ownership Means Equity*

503-887-6478 | [jcampos@rockwoodcdc.org](mailto:jcampos@rockwoodcdc.org)



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