



Rachael Duke, Chair -
Community Partners
for Affordable Housing

Kymberly Horner, Vice
Chair - Portland
Community
Reinvestment
Initiatives

Kristy Willard,
Treasurer - Housing
Authority of Malheur &
Harney Counties

Shannon Vilhauer,
Secretary - Habitat for
Humanity Oregon

Trell Anderson -
Northwest Housing
Alternatives

Jessica Blakely -
Salem Housing
Authority

Julie Delgado, The
Urban League of
Portland

Aubre Dickson -
Community Housing
Fund

Rita Grady - Polk CDC

Maria Elena Guerra -
Farmworker Housing
Development Corp

Jackie Keogh -
RootedHomes

Erica Ledesma -
Coalición Fortaleza

Erica Mills -
NeighborWorks
Umpqua

Margaret Salazar -
Reach CDC

Sheila Stiley - NW
Coastal Housing

2/18/2025

Re: Support for HB 3507

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

Housing Oregon urges your support for HB 3507, which provides critical technical fixes to the state's Culturally Responsive Organization (CRO) Down Payment Assistance Program. These improvements will expand access to homeownership by increasing eligibility, raising funding caps, and ensuring that targeted assistance reaches first-time and first-generation homebuyers.

HB 3507 makes key enhancements to the CRO Down Payment Assistance Program by:

- Expanding eligibility to households earning up to 120% of the area median income (AMI).
- Raising the maximum down payment assistance for first-time homebuyers to \$40,000.
- Increasing the maximum funding cap to \$100,000 for first-generation homebuyers

As home prices continue to rise and interest rates remain high, many Oregon families are struggling to achieve homeownership—the foundation of long-term financial stability and generational wealth-building. Down payment assistance remains the number one barrier for low- and moderate-income households seeking to purchase a home. The ability to reach a 20% down payment threshold eliminates the added cost of private mortgage insurance (PMI), making monthly payments more manageable and increasing affordability.

This investment strengthens homeownership centers and community-based organizations across the state. These organizations play a vital role in deploying down payment assistance with a specific focus on closing the racial homeownership gap.

Housing costs in Oregon have steadily risen, with the typical home price reaching approximately \$528,000 in 2023—24% higher than the national average and 11% above pre-pandemic levels. With interest rates at historic highs, affordability is slipping further out of reach. Oregon is ranked as the fourth most difficult state to save money, making it nearly impossible for many

working families to accumulate enough for a down payment, let alone the 20% needed to avoid PMI costs.

Down payment assistance programs have already made a difference. As of September 2024, 74% of funds went to first-generation homebuyers. The average assistance provided was \$32,982 per homeowner—proving that these investments are making real, tangible impacts.

With Oregon's primary downpayment assistance program, the Homeownership Assistance Program, (HOAP) facing funding challenges due to a decline in document recording fee revenue, the \$30 million allocated in the Governor's Recommended Budget for CRO Down Payment Assistance is essential to maintaining current service levels. HB 3507 ensures that these critical funds are deployed effectively by making necessary technical fixes.

We strongly urge your support for HB 3507 to help more Oregonians access stable, affordable homeownership. Thank you for your time and consideration.

Sincerely,

Kevin Cronin
Director, Policy & Advocacy
Housing Oregon