

February 14, 2012

To: Christine.Broniak@state.or.us

Oregon State Senate Finance and Revenue Committee

Regarding: Senior Property Tax Deferral /written testimony for HB4039 hearing to be held Wednesday, February 15, 2012

To all Senators considering Bill HB4039 passed by the House,

My husband, who is soon to be 86, a WWII and Korean War veteran on disability, and I, were able because of our limited income, to purchase a home in Redmond, Oregon 3 years ago, with a USDA Rural Home Loan / Direct Loan with a 1% interest rate for 30 years. We moved into our home at the end of March, 2009. For those of you not familiar with this loan, I encourage you to go to their web site and review it. When we were informed that we had qualified for this loan, I contacted the Oregon State Tax Dept. by phone to check if we were eligible for a tax deferral, which would allow us to have a home payment approximately the same as our rent in a subsidized senior apartment in Bend. We knew we would not be able to afford a payment which included taxes, as the USDA does not allow homeowner choice in paying taxes, but rather adds a divided amount to the payment monthly.

I was assured by the person I was speaking to at the Oregon State Tax Dept., that if our income never exceeded the allowable limit that we would never lose the deferral, and did not have to re-qualify every year. On that verbal assurance, we went ahead with the purchase.

We were removed from the Deferral Program for only one reason: we had not occupied our home for five years. We currently meet all of the other requirements.

We paid the tax bill in November with our savings, leaving us under \$1,000.00 for all future emergencies. Our home payment was raised from \$610.23 per month to \$782.23 per month immediately following notification to the lender. We have struggled these last few months to meet our obligations, which also include a vehicle payment of \$364.00, insurance, high utility bills and medical costs. Our monthly income after Medicare deductions and expenses, is \$400.to \$500.per month for food, gas, and other necessities.

We would **NOT** have purchased our home even after qualifying for the loan, if we had not been assured of receiving the Senior Home Tax Deferral.

We are asking you to reconsider our removal for the following reasons:

1. When my husband passes away, I will lose my home. I will have only 80% of his Social Security and no other income.
2. We have no living children, grandchildren, or close relatives to assist us/me.
3. Under the USDA guidelines, when this home is sold, changes hands or is repossessed, all taxes will be paid at that time, as the USDA does not allow liens against the property to remain with a new conveyance. This assures you that our taxes will be paid in full.

If you feel you cannot return us to the deferral program, at least be fair and re-include us along with the reverse mortgages you have selectively chosen to help. We are in no better circumstances than many of them.

Thank You Most Sincerely,

Lloyd J. Hornbeck
Joan E. Hornbeck
2123 NW Larchleaf Lane
Redmond, Oregon 97756
541-526-0897
Jhornbeck111@aol.com