

Oregon is in a "Housing Crisis", so let's not attack those that worked hard to obtain housing by impacting one of the best benefits available to entry level buyers, the Mortgage Interest Deduction; therefore I strongly oppose SB-976.

Limited to Primary residences and 2nd homes with a mortgage cap of \$750,000, the Mortgage Interest Deduction is not a tool for the extremely wealthy or large property investors, but as seen in the past years, a benefit for first time home buyers of both work force and middle income to expand their capacity to invest in themselves and their families by lowering their tax burden and retaining more liquidity. The average entry level home price in Bend is easily between \$659,000 to \$980,000 depending on zip code; current loan limit in Deschutes County for a first-time home buyer through FHA is \$690,000, calculating at an interest rate of 6.45% for principal and Interest alone places the beginning payment at about \$4330/month without the adding the mandatory mortgage insurance premium, property taxes and insurance.

Of the purported 500,000 people availing themselves of this deduction in 2018, the 1% deemed above average income at that time amounted to 5000 individuals in a state that has roughly 4.3 million residents. The remaining percentage of those who utilize the mortgage interest deduction would be those with an average mortgage (see the example above) in today's market. These are not people who have a lot of liquidity and are stretched thin just to live and work in our region and many other regions throughout Oregon. Eliminating the Mortgage Interest Deduction is a tool which would create financial hardship to those who can least afford it in today's volatile economy and not the tax hit against the wealthy it is purported to be.

Lawrence Yun, Chief Economist for the National Association of REALTORS recently reported that "homeownership is a catalyst for building wealth for people from all walks of life. A monthly mortgage payment is often considered a forced savings account that helps homeowners build a net worth about 40 times higher than that of a renter." In the same article, statistic show that low and middle housing owners gained from 68-74% in equity in their homes in the past decade. The added benefit of the decreased tax burden is often the incentive needed to step into a mortgage versus continuing to pay market rents.

Retaining the mortgage interest deduction and supporting home ownership is the right thing to do.

Sincerely,

Catherine "Cat" Zwicker