

HB 3507 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Meeting Dates: 2/19

WHAT THE MEASURE DOES:

Direct the Oregon Housing and Community Services Department (OHCS) to amend the Home Ownership Assistance Program and the Culturally Responsive Organization Down Payment Assistance Program to expand eligibility to households with low or moderate income, increase the maximum per household payment cap to \$100,000 for first-generation home buyers, and raise the maximum funding cap for first-time home buyers to \$40,000 by January 1, 2026. Adds language that specifies both low and moderate income households are eligible for OHCS' homeownership assistance programs. Takes effect on 91st day following adjournment sine die.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Home Ownership Assistance Program (HOAP) is funded through the Home Ownership Assistance Account and administered by Oregon Housing and Community Services (OHCS). These funds are allocated to eligible organizations that assist veterans who are homeowners or homebuyers by providing health and safety home repairs, down payment assistance, and closing cost support. The program prioritizes funding for organizations that deliver culturally responsive services.

The Down Payment Assistance (DPA) program provides funding to organizations across Oregon through a competitive selection process to establish, sustain, and expand their down payment assistance initiatives. Funding for this program comes from Document Recording Fees, which are collected when deeds, mortgages, and other home loan-related documents are officially recorded, as well as Construction Excise Taxes levied in certain jurisdictions on residential construction and renovations. A portion of these funds is distributed by OHCS to increase access to affordable homeownership opportunities for low- to moderate-income individuals and families, particularly communities of color. A dedicated portion of the funds is reserved specifically to support Oregon veterans. The DPA program offers down payment and closing cost assistance to first-time and first-generation homebuyers earning 100% or less of the Area Median Income (AMI). Eligible homebuyers can receive up to \$60,000 or 20% of the home's purchase price, whichever is lower, based on program guidelines and specific eligibility criteria. Assistance may be provided as a grant or a forgivable second lien, depending on the program structure. To qualify, applicants must be first-time or first-generation homebuyers, earn at or below 100% AMI, and complete First-Time Homebuyer Education along with a certified housing counseling session.