

HB 3035 A STAFF MEASURE SUMMARY
House Committee On Housing and Homelessness

Carrier: Rep. Levy E

Action Date: 02/12/25

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 11-0-1-0

Yeas: 11 - Andersen, Breese-Iverson, Dobson, Edwards, Fragala, Gamba, Helfrich, Javadi, Levy E, Mannix, Marsh

Exc: 1 - Sosa

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 2/5, 2/12

WHAT THE MEASURE DOES:

The measure requires the Oregon Housing and Community Services Department to set income limits for families who want to buy homes financed in whole or in part by the department. The bill also removes the limit on how much can be borrowed to fix or improve a single-family home for low-income households. It updates the definitions of "residential housing" and "dwelling accommodations" and expands the meaning of "residential loan" to include refinancing, even if the original loan wasn't from the department.

Detailed Summary:

Housing Programs

- Requires the Oregon Housing and Community Services (OHCS) Department to establish maximum household income limits for residential homeownership financed in whole or in part by OHCS.

Loan Authority of OHCS

- Removes cap on maximum principal amount of a single loan for rehabilitation or improvement of existing single-family homes for persons and families of lower income.

Definitions

- Modifies "residential housing" definition to include "dwelling accommodations" and defines "dwelling accommodations."
- Expands the definition of "residential loan" to include refinancing a loan that meets specific criteria, whether or not the original loan was made by the department.

Role of OHCS

- Adds refinancing to purposes for which OHCS may make or participate in the making of residential loans.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF AMENDMENT:

Revises the definition of dwelling accommodations.

BACKGROUND:

The Oregon Housing and Community Services Department (OHCS) [offers a variety of programs to assist Oregonians](#) with housing needs. The Department is organized into seven divisions overseeing 12 sections that administer over 35 federal and state programs.

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The Homeownership Division is dedicated to helping low- and moderate-income Oregonians achieve and maintain homeownership. It is organized into four areas that work together to widen access to affordable home options:

- Homeownership Programs
- Manufactured & Marina Communities
- Homeowner Assistance
- Homeownership Lending

These areas provide services such as

- competitive market-rate mortgages,
- down payment assistance,
- pre-purchase education, and
- personalized counseling.

They also support long-term homeownership by offering

- ongoing education,
- foreclosure prevention counseling,
- mediation services,
- funding for necessary repairs, and
- specialized resources for manufactured housing.

Introduced in 2018, Flex Lending is a program designed to expand homeownership opportunities. This initiative provides two loan options—FirstHome (2023) and NextStep (2024)—through a network of approved lenders across the state.

- FirstHome is a fixed-rate mortgage tailored for individuals purchasing their first home. It can be paired with down payment assistance (DPA) of either 4 or 5 percent, offered as a silent or repayable second mortgage. These funds can be applied toward both down payment costs and closing expenses, including prepaid items. Eligibility is determined by county-specific income limits and total household income.
- NextStep, another fixed-rate mortgage, is designed for individuals who have previously owned a home. Like FirstHome, it can be combined with DPA at either 4 or 5 percent, which can be used for down payment and closing costs. However, NextStep has an income cap of \$125,000, based on the borrower's qualifying income for the loan.