

House Bill 3235

Sponsored by Representative NATHANSON; Representative GAMBA, Senator TAYLOR (at the request of Network for Oregon Affordable Housing) (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells a state agency to give money to people who support home buyers to build equity in their homes more quickly. (Flesch Readability Score: 64.6).

Directs the Housing and Community Services Department to give a grant to an organization to support first-time home buyers that purchase residential property to build equity ownership in the residential property through reduced interest rate loans and accelerated loan terms. Specifies qualifications for loan recipients.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

1
2 Relating to a grant program to support accelerated mortgages for first-time home buyers; amending
3 sections 40, 41, 42 and 43, chapter 223, Oregon Laws 2023; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** Section 40, chapter 223, Oregon Laws 2023, is amended to read:

6 **Sec. 40.** (1) The Housing and Community Services Department shall make a grant to the Net-
7 work for Oregon Affordable Housing (NOAH) [*to establish a revolving loan fund that will allow*] **for**
8 **the purpose of allowing** a first-time home buyer who is purchasing a home, including a share of a
9 cooperative or a condominium unit, in which the purchaser's equity will be limited, to establish eq-
10 uity at a faster rate while making monthly payments similar to those described in subsection
11 (3)(a)(A) of this section. The department may not make a grant under this section until NOAH has
12 demonstrated that it has dedicated to a loan fund described in this section no less than
13 [*\$7,500,000*] **\$10 million** of additional private moneys.

14 (2) Loans made from the loan fund must be used for the purchase of a dwelling that is subject
15 to an affordability restriction, such as a restriction as described in ORS 456.270 to 456.295, that:

16 (a) Has the effect of limiting the purchaser's ability to gain equity from the appreciation of the
17 dwelling's value; and

18 (b) Requires that the purchaser be a low income household as defined in ORS 456.270.

19 (3) Loans made from the loan fund must:

20 (a) Be made only to applicants that have met with an approved or certified housing counseling
21 agency, as described in 24 C.F.R. 214 subpart B, and have a first-time home buyer program offered
22 by the agency;

23 (b) Have a term of 20 years or less; and

24 (c) Have a fixed interest rate that is not more than the greater of:

25 (A) The rate that would allow monthly amortized principal and interest payments under the term
26 of the loan to be the amount that would result from a 30-year fixed-rate amortized mortgage at the
27 national current average rate as published by a reputable financial source; or

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (B) 0.5 percent.

2 **SECTION 2.** Section 41, chapter 223, Oregon Laws 2023, is amended to read:

3 **Sec. 41.** Section 40 [*of this 2023 Act*], **chapter 223, Oregon Laws 2023**, is repealed on January
4 2, [2026] **2028**.

5 **SECTION 3.** Section 42, chapter 223, Oregon Laws 2023, is amended to read:

6 **Sec. 42.** In addition to and not in lieu of any other appropriation, there is appropriated to the
7 Housing and Community Services Department, for the biennium beginning July 1, [2023] **2025**, out
8 of the General Fund, the amount of [*\$7,500,000*] **\$10,000,000**, to make a grant under section 40 [*of this*
9 *2023 Act*], **chapter 223, Oregon Laws 2023**.

10 **SECTION 4.** Section 43, chapter 223, Oregon Laws 2023, is amended to read:

11 **Sec. 43.** On or before September 15, [2025] **2027**, and on or before September 15, [2027] **2029**, the
12 Housing and Community Services Department shall provide a report to an appropriate interim
13 committee of the Legislative Assembly, in the manner provided in ORS 192.245, on the use of the
14 loan funds described in section 40 [*of this 2023 Act*], **chapter 223, Oregon Laws 2023**, as reported
15 to the department by the Network for Oregon Affordable Housing (NOAH).

16 **SECTION 5. This 2025 Act being necessary for the immediate preservation of the public**
17 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**
18 **July 1, 2025.**