

# House Bill 3507

Sponsored by Representative HARTMAN, Senator PATTERSON

## 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: Amends OHCS's HOAP and CRO-DPA programs to reach more home owners. (Flesch Readability Score: 80.3).

Requires the Housing and Community Services Department to amend specified down payment assistance programs to increase eligibility by January 1, 2026. Amends department home ownership programs to expand eligibility to moderate income households.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to Housing and Community Services Department home ownership programs; creating new  
3 provisions; amending ORS 458.655 and 458.658; and prescribing an effective date.

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

5 **SECTION 1. On or before January 1, 2026, the Housing and Community Services Depart-**  
6 **ment shall amend the Home Ownership Assistance Program and the Culturally Responsive**  
7 **Organization Down Payment Assistance Program, including by adopting rules, if necessary,**  
8 **to require that organizations applying for grants under these programs to be used for pro-**  
9 **viding down payment assistance to households:**

10 (1) **Expand eligibility to households with low or moderate income, as defined in ORS**  
11 **458.610;**

12 (2) **Increase the maximum per household payment cap to \$100,000 for first-generation**  
13 **home buyers; and**

14 (3) **Raise the maximum funding cap for first-time home buyers to \$40,000.**

15 **SECTION 2. ORS 458.655 is amended to read:**

16 458.655. (1) The Home Ownership Assistance Account is administered by the Housing and Com-  
17 munity Services Department to expand this state's supply of homeownership housing for [*families*  
18 *and individuals with income at or below area median income*] **low and moderate income**  
19 **households**, including persons over 65 years of age, persons of color, indigenous persons, members  
20 of federally recognized Indian tribes, persons with disabilities, veterans and agricultural workers.  
21 An amount equal to 25 percent of moneys deposited in the account pursuant to ORS 294.187 is  
22 dedicated for expenditure to expand this state's supply of homeownership housing for veterans and  
23 families of veterans. The Oregon Housing Stability Council shall have a policy of distributing funds  
24 statewide while concentrating funds in those areas of this state with the greatest need, as deter-  
25 mined by the council. The council's policy of distributing funds may differ from the distribution  
26 policy for the Housing Development and Guarantee Account.

27 (2) Funds in the Home Ownership Assistance Account must be used for:

28 (a) Grants to organizations that provide down payment assistance **to low or moderate income**

**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 **households;**

2 (b) Grants to organizations that both sponsor and manage homeownership programs for house-  
 3 holds with income at or below area median income; or

4 (c) Grants and technical assistance to organizations that, in working with households with in-  
 5 come at or below area median income, assist persons of color in obtaining homeownership under  
 6 ORS 458.658.

7 (3) The council shall develop a policy for disbursing grants or technical assistance under sub-  
 8 section (2) of this section for any or all of the following purposes:

9 (a) To aid homeownership programs for [*households with income at or below area median*  
 10 *income*] **low or moderate income households**, including **by providing aid to support** program  
 11 administration, [*providing assistance with down payment costs*] **down payment assistance**[,] or  
 12 [*providing*] homeownership training and qualification services [*or any combination thereof*]. Funds in  
 13 the [*Home Ownership Assistance*] account may not be used by an organization to pay for its general  
 14 operations that do not support homeownership.

15 (b) To match public and private moneys available from other sources to provide homeownership  
 16 assistance for households with income at or below area median income.

17 (c) To administer the [*Home Ownership Assistance*] account as provided for in the legislatively  
 18 approved budget, as that term is defined in ORS 291.002, for the Housing and Community Services  
 19 Department.

20 (4) The council, in developing policy under subsection (3) of this section, shall give preference  
 21 in making grants to those entities that propose to:

22 (a) Ensure long-term affordability and opportunities for generational wealth building, including  
 23 through loan forgiveness or shared equity;

24 (b) Ensure the longest use for the units as homeownership housing units for households with  
 25 income at or below area median income, such as by including some form of equity recapture, land  
 26 trust or shared equity provisions, as determined by the council;

27 (c) Include services for occupants and proposed occupants of housing including homeownership  
 28 training, mortgage qualification service and financial literacy; and

29 (d) Support a comprehensive strategy to reverse the decreasing rates of homeownership among  
 30 persons of color, giving priority to activities that support and incorporate best practices or demon-  
 31 strate proven success in increasing homeownership for persons of color or receive grants or tech-  
 32 nical assistance under ORS 458.658.

33 **SECTION 3.** ORS 458.658 is amended to read:

34 458.658. (1) The Housing and Community Services Department, in consultation with the Oregon  
 35 Housing Stability Council, shall provide grants and technical assistance to organizations that, in  
 36 working with [*households with income at or below area median income*] **low or moderate income**  
 37 **households**, attempt to increase access for persons of color to programs and services that assist  
 38 with homeownership, including counseling, financial literacy, post-purchase counseling and down  
 39 payment assistance.

40 (2) Technical assistance and grants provided to organizations under this section should prioritize  
 41 organizations that have an identified commitment and capacity to:

42 (a) Provide services to persons of color through services that incorporate the cultural values  
 43 of the persons' communities;

44 (b) Support or expand culturally specific homeownership counseling and education programs for  
 45 those populations with disparities in homeownership;

- 1 (c) Leverage partnerships with the private sector, credit unions or other financial institutions;  
2 (d) Leverage funding from other nonprofit sources; or  
3 (e) Identify and use best practices in establishing course content guidelines and in exploring  
4 ways to systematically deliver certain services, including language access, program materials and  
5 counseling, to both increase service availability and reduce costs to individual providers, especially  
6 in rural areas.

7 **SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
8 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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