



House Housing and Homelessness Committee HB 3235--Support

February 12, 2025

Bill Van Vliet, Executive Director
Network for Oregon Affordable Housing (NOAH)

Chair Marsh, Co-Vice Chairs Rep. Breese-Iverson and Rep. Anderson, and members of the committee:

My name is Bill Van Vliet, Executive Director of NOAH, the Network for Oregon Affordable Housing and I'm here to speak in support of HB 3235.

Formed in 1990 under the leadership of the OBA, NOAH is a nonprofit lender that provides financing for affordable housing projects throughout the state.

NOAH currently administers about \$420 million across a range of financing programs including acquisition, predevelopment, and permanent loans, mostly for affordable rental housing developments.

Amplify Oregon is an exciting new fund for NOAH. We are pleased to be partnering with two other Oregon CDFIs (Community Development Financial Institutions) on the design and implementation of the program.

This program will be a powerful new resource for homebuyers. By blending private bank capital with state funding, we're able to double the impact of the state investment while delivering loans with below market interest rates.

The lower rate allows homebuyers to fully repay the loan over twenty years for the same monthly loan payment, or less. As the name suggests, the loans

will accelerate the homeowner equity accumulation from faster debt reduction while greatly reducing the amount of interest paid.

See the chart for example:

Loan Amt: \$275,000				5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
Mortgage Term	Rate	Mo. Pmt.	Equity from Principal Reductions						
30 Year-Standard	6.89%	\$1,809	16,445	39,630	72,319	118,407	183,386	275,000	
20 Year-Program	4.90%	\$1,800	45,910	104,535	179,400	275,000			
Net Accelerated Equity			29,465	64,905	107,080	156,593			
Mortgage Term	Rate		Interest Paid to Date						
30 Year-Standard	6.89%	1,813	92,114	177,487	253,357	315,828	359,407	376,352	
20 Year-Program	4.90%	1,800	62,074	111,431	144,550	156,933	156,933	156,933	
Interest Savings from Program			30,040	66,056	108,807	158,895	202,474	219,419	

You can see the increasing benefit to the homebuyer over time from both equity accumulation due to faster loan amortization and the interest savings. Combined, they have considerable impact on household wealth creation, one of the primary goals of homeownership.

We expect to fund approximately 50 homes with the first round of capital, and another 75 with this current request. With the bank leverage in the fund, we should be able to fund about 7 home loans per \$1 million of state investment.

This program will be particularly valuable to support the recent allocations of LIFT capital for new homeownership developments. As a revolving loan fund, loan repayments will be used to fund new mortgages, continuing to expand the bank leverage of the state investment.

We look forward to combining the benefits of this program with the preservation of long-term affordability offered by community land trusts and other shared appreciation mortgages.

We urge your support of HB 3235 to expand the availability of Amplify Oregon mortgages and increase access to affordable mortgages for first time homebuyers.

Thank you.