



April 17, 2025

To: House Committee on Climate, Energy and Environment

From: Craft3

Re: **Support Senate Bill 830**

Chair Lively and Vice-Chair Gamba and members of the committee,

For the record, my name is Tawny Reader, Consumer Lending Director at Craft3. I live and work outside of Bend, Oregon in a community called Terrebonne.

Thank you for the opportunity to speak about Oregon's Clean Water Loan program. DEQ selected Craft3, a nonprofit lender, to administer Oregon's Clean Water Loan program in 2016. This is an effective, affordable, and fiscally responsible program that helps homeowners who are dealing with often urgent, unexpected, and costly repairs to their septic systems.

Craft3 supports Senate Bill 830, which would allow DEQ to provide grants and/or loans to qualified homeowners. Over the past two years, DEQ and Craft3 have provided a combination of grants and loans to qualified low-income homeowners using federal ARPA funds. DEQ and Craft3 discussed using the same approach moving forward with state funds with the goal of assisting qualified low-income homeowners with grants. Other changes to the bill would help clarify that multi-family housing qualifies for funding, distinct from small businesses.

In testimony on House Bill 2168, which would fund the Clean Water Loan program for the next biennium, Craft3 shared with the House Committee on Agriculture, Land Use, Natural Resources, and Water that as of December 1, 2024, 224 homeowners in 29 of Oregon's 36 counties received loans funded by state dollars. Nearly 40% of the families served by this program are low-income. These borrowers benefit from the lowest rates and most-flexible repayment programs. Loans cover the entire cost of eligible design, permitting and installation and include a reserve to cover maintenance costs. I've included a copy of this testimony below, including information about how Craft3 revolves funds to make state dollars go farther.

Thank you for the opportunity to testify in support of SB 830.

Tawny Reader
Director of Consumer Lending, Craft3

Testimony presented to the House Committee on Agriculture, Land Use, Natural Resources, and Water on House Bill 2168 (January 22, 2025)

Good morning, Co-Chairs Owens and Helm and members of the committee. For the record, my name is Tawny Reader, Consumer Lending Director at Craft3. I live and work outside of Bend, Oregon in a community called Terrebonne.

I'm joined today by Patrick Flynn, President of Econo Rooter. Patrick will be able to answer any technical questions you may have about installing and replacing septic systems.

We want to thank you for the opportunity to speak about Oregon's Clean Water Loan program. Septic repairs are often urgent, unexpected, and costly, and for some homeowners, a septic repair can be a crisis. DEQ selected Craft3, a nonprofit lender, to administer Oregon's Clean Water Loan program in 2016. As with the other water programs up for discussion today, this program helps improve water infrastructure across the state.

State funding takes the program through the end of the current biennium. If funds are not allocated, the program would need to be scaled back or shut down completely at the end of the current biennium.

As of December 1, 2024 of this year, 224 homeowners in 29 of Oregon's 36 counties received loans funded by state dollars. Craft3 helps state dollars go farther by revolving and re-lending capital when loans are repaid. We also work with private investors to bring in additional funds, distinct from public dollars.

Clean Water Loans cover the entire cost of eligible design, permitting and installation and include a reserve to cover maintenance costs. Nearly 40% of the families served by this program are low-income. These borrowers benefit from the lowest rates and most-flexible repayment programs. We have written testimony to share from some of these borrowers.

This is an effective, affordable, and fiscally responsible program. An allocation of \$5 million to the Clean Water Loan program for the 2025 – 2027 biennium will help maintain this program at current levels. It will preserve homeownership, promote housing stability, support local septic contractors, and result in healthier living conditions and communities.

Again Mr. Flynn, President of Econo Rooter is here today, and we available to answer questions you may have.

Tawny Reader
Director of Consumer Lending
Craft3