

Pacific Crest

FEDERAL CREDIT UNION

Joint Committee on Ways and Means

April 25, 2025

Co-Chair Lieber, Co-Chair Sanchez and Members of the Committee, I am Chad Olney, President/CEO of Pacific Crest FCU which was founded right here in Klamath Falls in 1936. Beginning from our deep roots in the forest products industry, today we serve 25,000 members who call the communities within Klamath, Lake, Modoc and Northeast Siskiyou counties their home. We are designated as a low Income credit union, and we are a CDFI who serve this geographical region which has an average population of four people per square mile.

Homeownership is an important goal for all of us in this state. A home is the single biggest investment most people ever make. Passing a home on to the next generation is an amazing gift that builds generational wealth. Saving even 5% for a down payment can be challenging. Many homebuyers juggle additional financial obligations, like student loan or car payments, family expenses, household costs, and more.

Oregon Credit Unions are supporting the funding and policy package of the “unlocking homeownership coalition” which includes a variety of state programs that move the needle on homeownership. Specifically, we support the legislation to fully fund Individual Development Accounts. IDA’s empower families to save for homeownership, education, or small business goals with matched savings.

In addition, Oregon credit unions are working with a bi-partisan group of legislators in support of HB3188, which passed out of the House Housing and Homelessness Committee on a unanimous vote. The goal of this bill is to create a state loan loss reserve program of \$2.5 Million to expand home financing options for families at or below 120% of the median household income level. Members of participating financial institutions would be able to achieve homeownership through this program with a 100% financed mortgage loan. When a borrower meets the program criteria, this program can provide an avenue to overcome affordability, down payment and credit qualification challenges, and enable families to escape the cycle of renting and building wealth.

Typically, borrowers making a down payment of less than 20% of the purchase price of a home will need to pay mortgage insurance. This is usually included in the total monthly payment to the lender and can add up to hundreds of dollars. This mortgage program has no mortgage insurance requirement, saving consumers considerable amounts of money every month.

The loan loss reserve funds are a type of credit enhancement tool used to improve the credit risk profile of a lender or its investors to obtain better terms of debt repayment.

By providing 100% financing, eliminating down payments, and private mortgage insurance (PMI), the program removes key barriers to homeownership for low-to moderate-income families and essential workers. Thank you for the opportunity to provide our support for HB3188 and for your visit to Klamath Falls!

FIND YOUR PATH

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