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**February 13, 2026**

**To: House Committee on Revenue**

**Re: Testimony in support of HB 4136**

Dear Chair Nathanson, Vice-Chairs Werner Reschke and Walters, and Members of the Committee:

Northwest Housing Alternatives (NHA) is a 40-year-old nonprofit, mission-oriented, community-based housing organization with a portfolio of 2,600 affordable rental homes in 12 counties across Oregon. On behalf of the families, seniors, veterans, and people living with disabilities who live in NHA's housing, we urge your support for HB 4136 to create a reliable funding source for downpayment assistance and support the continuum of housing opportunities in Oregon.

HB 4136 makes a meaningful investment in people and long-term stability by expanding access to homeownership for Oregonians seeking to buy their first home and put down roots in their communities. Homeownership remains one of the most effective pathways to financial security, intergenerational opportunity, and community connection. Yet today, many first-time and first-generation homebuyers face unprecedented barriers, including record home prices, high interest rates, limited housing supply, and limited access to support. For many of these households, including renters in NHA's housing, the inability to assemble a down payment is often the sole obstacle to homeownership.

HB 4136 addresses this challenge by enacting narrowly defined amendments to Oregon's mortgage interest deduction and dedicating the resulting funds to down payment assistance for first-time homebuyers. The bill maintains the deduction for primary residences while ending its application to "single-use" or "second house" vacation properties that sit vacant for much of the year.

Down payment assistance is one of the most effective and well-documented tools for expanding access to homeownership. In the last biennium, OHCS partnered with nonprofit homeownership providers to distribute more than \$22 million in down payment assistance, helping over 600 first-time and first-generation buyers purchase homes. Many of these households served were families of color and first-generation buyers who have historically faced systemic barriers to homeownership. Despite these proven outcomes, down payment assistance programs currently lack a stable and dedicated funding source.

HB 4136 helps address this gap by directing approximately \$9–10 million per year to support this critical investment in our neighbors and communities. This proposal reflects a thoughtful realignment of public resources toward households who will live in these homes year-round, contribute to their local economies, and put down roots in Oregon communities of all sizes. It's a practical investment in household stability, economic resilience, and community strength. We urge you to support HB 4136 and help expand sustainable pathways to homeownership.

Thank you for your dedication and thoughtful consideration.

Sincerely,

Trell Anderson, Executive Director