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February 13, 2026

Re: Support for HB 4136

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

Should Oregon subsidize vacation homes that sit empty for much of the year? Or should we invest in first-time homebuyers working to build stable lives in the communities where they live and work?

HB 4136 makes that choice clear. It preserves the mortgage interest deduction for primary residences, while ending its use for second and vacation homes. It does not affect rental properties, mom-and-pop landlords, or income-generating short-term rentals. Those fall under a different part of the tax code. This bill simply redirects a subsidy that currently benefits non-primary residences toward first-time and first-generation homebuyers who need help overcoming upfront costs.

In Bend, where median home prices exceed \$700,000, the families we serve can typically qualify for a first mortgage of about \$185,000. The math does not work without additional gap support.

Bend-Redmond Habitat for Humanity has 75 permanently affordable homeownership units in development, deed-restricted to remain affordable in perpetuity. These homes are designed to create long-term stability for local families. But without reliable funding to help buyers bridge the upfront gap, they remain out of reach.

We know this approach works. In the last biennium, Oregon Housing and Community Services helped more than 600 first-time and first-generation buyers purchase homes through targeted assistance paired with homebuyer education. HB 4136 would dedicate approximately \$9–10 million per year to expand that proven model.

This bill is a practical realignment of public resources toward families who will live in these homes year-round, contribute to their communities, and build long-term stability. I urge your support.

Sincerely,



Carly Colgan
Chief Executive Officer
Bend-Redmond Habitat for Humanity