

Submitter: Suzanne Carvlin  
On Behalf Of: self  
Committee: House Committee On Revenue  
Measure, Appointment or Topic: HB4136

Dear Members of the House Revenue Committee,

I am writing to express my strong opposition to HB 4136, which seeks to eliminate the Oregon Mortgage Interest Deduction (MID) for second homes. As a resident and stakeholder in the Oregon real estate community, I am deeply concerned about the negative financial impact this legislation will have on working families and the local economies of communities like Sisters and Black Butte.

I urge you to oppose this bill for the following reasons:

**Lack of Guaranteed Funding:** While the bill suggests that savings will be used for downpayment assistance starting in 2028, these funds are directed to the General Fund. There is no statutory guarantee that these dollars will not be diverted to other legislative priorities, leaving both current homeowners and aspiring buyers unsupported.

**Significant Tax Hikes on Families:** For an Oregonian purchasing a \$500,000 home at current interest rates, losing this deduction results in a tax increase of approximately \$2,500 in the first year and nearly \$50,000 over a 30-year mortgage. This is a substantial financial burden taken directly out of family budgets.

**Unfair Playing Field:** Eliminating the MID for these homes disproportionately hurts middle-class Oregonians who rely on financing. It creates an advantage for wealthy, cash-heavy investors who do not need mortgages, while working citizens are forced to shoulder higher taxes.

**Existing Limits are Sufficient:** Oregon already maintains strict limits on the MID. Current state and federal laws restrict deductions to interest on up to \$750,000 in total mortgage debt across primary and second residences. Further restrictions are unnecessary and set a dangerous precedent for future homeowners.

**Economic Repercussions:** In regions where the second-home market is a vital part of the local economy, this bill could have serious repercussions for property values, local businesses, and the real estate industry.

Taking away established tax deductions from homeowners is the wrong way to fund state programs. I respectfully ask that you vote "no" on HB 4136 to protect Oregon's homeowners and the stability of our housing market.

Thank you for your time and for considering my testimony.

Sincerely,

Suzanne Carvlin  
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