Submitter: Morgan Greenwood

On Behalf Of:

Committee: House Committee On Revenue

Measure, Appointment or Topic: HB4136

Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and distinguished Committee members,

Cascades East Association of Realtors is appreciative of this opportunity to provide testimony against HB 4136. The prospect of the elimination of the Oregon Mortgage Interest Deduction of second homes raises a number of concerns, including:

- The bill says that the money saved by the state will be used for downpayment assistance programs beginning in 2028. But the money goes to the General Fund, and there is no guarantee that legislators won't divert it to other priorities.
- For an Oregonian purchasing a $500,000 home at today's interest rates, losing the Mortgage Interest Deduction would mean a tax increase of roughly $2,500 in the first year alone—and nearly $50,000 over the life of a 30-year mortgage. That's real money taken out of household budgets.
- Limiting the MID doesn't just make homeownership more expensive—it tilts the playing field in favor of wealthy, cash-heavy investors who don't need mortgages, while working Oregonians shoulder higher taxes.
- Oregon already has strict limits on the Mortgage Interest Deduction. Under state and federal law, homeowners may only deduct interest on up to $750,000 in total mortgage debt, covering primary residences, second homes, and qualifying home equity loans combined. Further restrictions are unnecessary and harmful, whether aimed at second homes today or first homes tomorrow.

In addition, the retroactive nature of this bill unfairly penalizes homeowners who purchased their second home with the reasonable expectation that their MID would be part of their household budget - it is unfair to change the terms of homeownership after the transaction has closed.

Thank you sincerely for your consideration. I urge you to oppose HB 4136.

Morgan Greenwood
Government Affairs Director
Cascades East Association of Realtors