

Submitter: Suzanna Fierstos
On Behalf Of:
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB4136

There are several reasons I am not in favor of this bill. 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. This total debt covers primary residences, second homes, and HELOCs in aggregate. This is an unnecessary change, regardless of whether it is for first or second homes.

Home affordability a challenge for all buyers who finance a purchase and down payment assistance programs including the Oregon Bond that help buyers are important. Many buyers in are competing with Cash buyers who are buying starter homes as an investment. They don't need the MID, because they are looking to rent the home. We have low inventory of affordable homes in the area and limiting the MID takes tax payer money away from buyers who own wanting to benefit from tax deductions like everyone has for decades by purchasing homes. In January the average sales price in Deschutes County zip code 97701 was \$706,470 and the average list price is \$847,769.

The market is self-limiting already and limiting the deductions for tax payers is not helpful, except for those who do not need it. If the goal is to help working Oregonians focus on tax reform that make sense for the majority.