



# Oregon

## Housing and Community Services

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Human Services and Housing Committee  
Attn: Regina Wilson, Committee Administrator  
900 Court St. NE  
Salem, OR 97301

Thank you for the opportunity to comment on HB 2872 yesterday, the bill which requires OHCS to report to DAS on the continued management of outstanding housing bond indebtedness in the event the agency undergoes a major reorganization of its functions.

I am writing today to advise the committee that, during my oral testimony, I provided incorrect information with regard to the amount of current outstanding bonds. In response to a question from Rep. Whitsett, I stated that we have over \$3 billion in outstanding bonds, when in fact that amount reflects the approximate amount we have issued since the inception of our bond-financed loan programs. The amount of our current outstanding bonds is actually \$1.465 billion.

These bonds are repaid through mortgage loan payments received from properties that benefitted from the financing and other pledged reserves of each specific bond indenture. One indenture, with approximately \$120 million outstanding, is considered a State of Oregon General Obligation bond, backed by the full faith and credit of the State of Oregon. As such, if mortgage loan payments and other pledged indenture reserves dedicated to repay this debt were to fall short, it is possible that either the State General Fund would be tapped or State ad valorem taxes would be levied to make debt service payments to bond holders. This indenture has strong cash flows, adequate reserves and is well monitored to ensure ongoing ability to make timely payments to bond holders. Of the total current outstanding bonds of \$1.465 billion, approximately \$237 million are pass-through ("conduit") revenue bonds, which are issued as "no obligation" debt to either OHCS or the State of Oregon.

I regret the error, and will seek to prepare more thoroughly for future hearings. As always, please call if you desire more information about OHCS or its programs.

Best regards,

Margaret S Van Vliet  
Director, Oregon Housing and Community Services

