

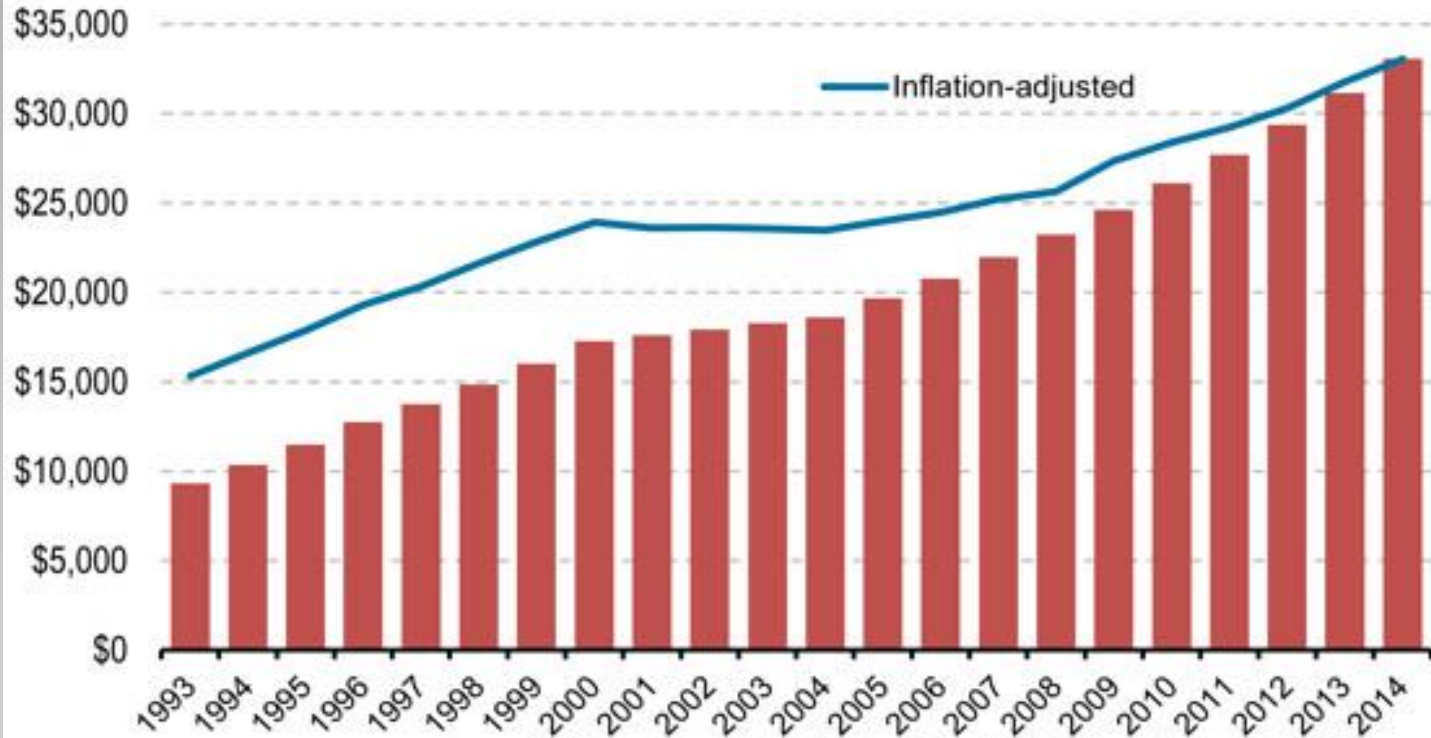
HB 3342

Oregon Student Debt Deduction

The Problem

Class of 2014

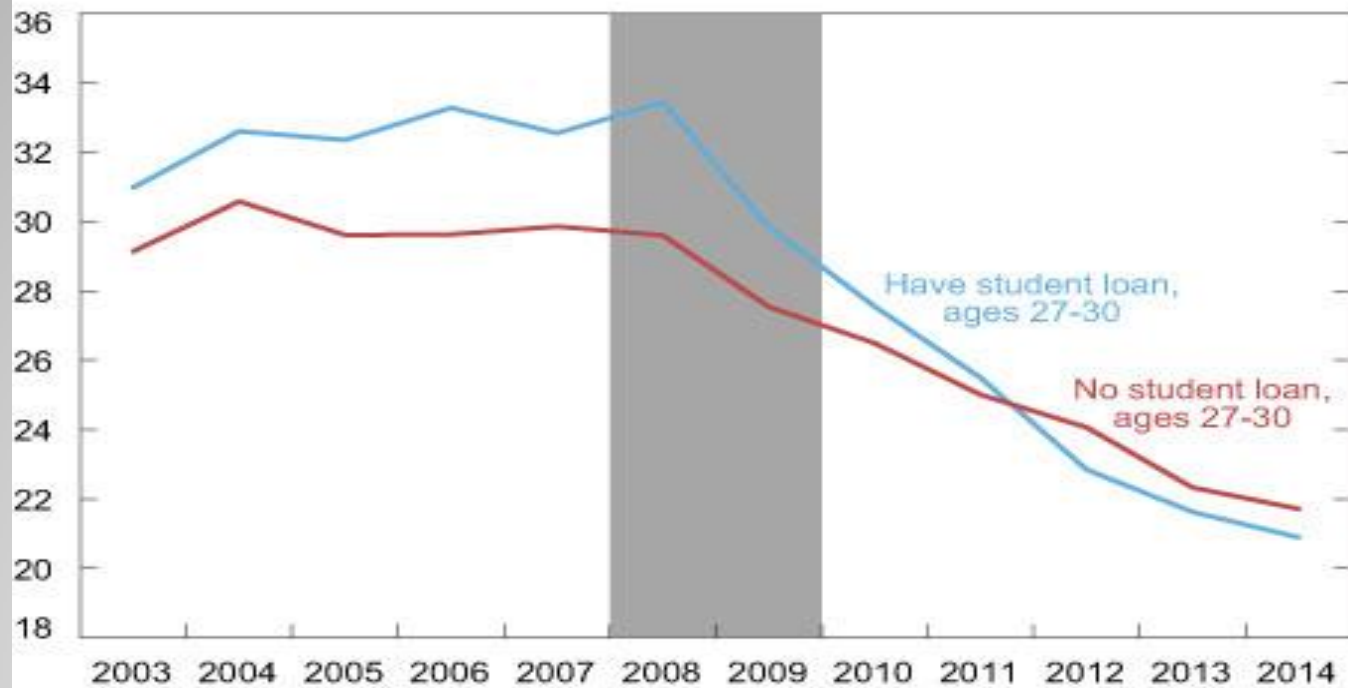
Average debt per borrower in each year's graduating class.



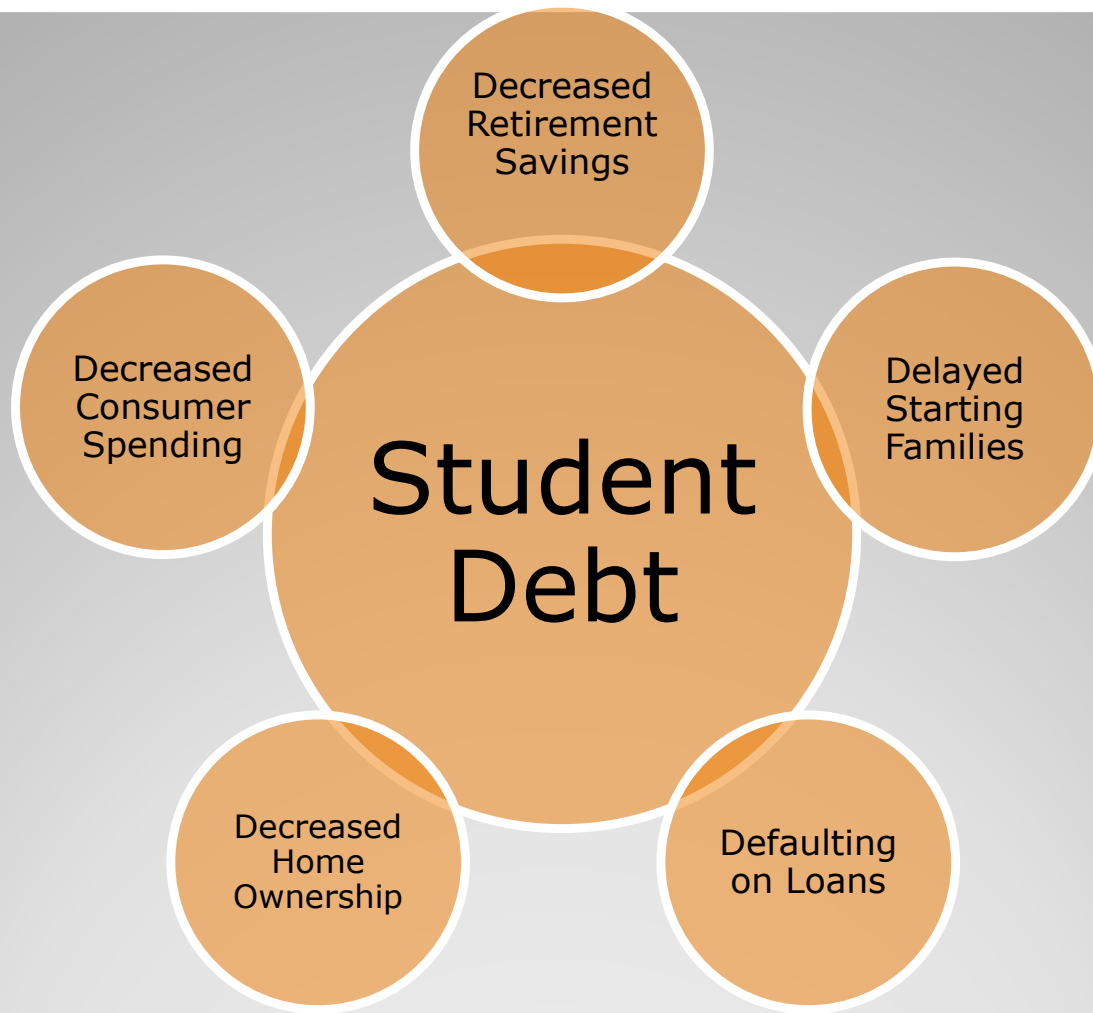
Source: Mark Kantrowitz analysis of National Center for Education Statistics data | WSJ.com

Proportion of Borrowers with Home-Secured Debt at Age 30

Percent



Source: Federal Reserve Bank of New York Consumer Credit Panel /Equifax.



The Cost of Student Debt

HB 3342

Deduction Amount	Source
\$2,500	Current Federal Deduction
\$3,500	New State Deduction
\$6,000	Total New Deduction Under HB 3342

29
Million
Over 4
Years

The infographic features a central orange circle containing the text '29 Million Over 4 Years'. Surrounding this central circle are six smaller orange circles, each containing a specific factor. The factors are: 'Less Default On Loans' (top), 'Competitive Recruitment of Professionals' (top-left), 'Increased Home Ownership' (right), 'Stimulate Upward Mobility' (bottom-right), 'Increased Retirement Savings' (bottom), and 'Increase Consumer Spending' (left). The entire graphic is set against a light gray background with a white border.

Less Default
On Loans

Competitive
Recruitment
of
Professionals

Increased
Home
Ownership

Increase
Consumer
Spending

Stimulate
Upward
Mobility

Increased
Retirement
Savings

Expanding Middle Class

Strong Nexus

- \$35,750 cap on the amount of home mortgage interest Oregonians can deduct

Proposed

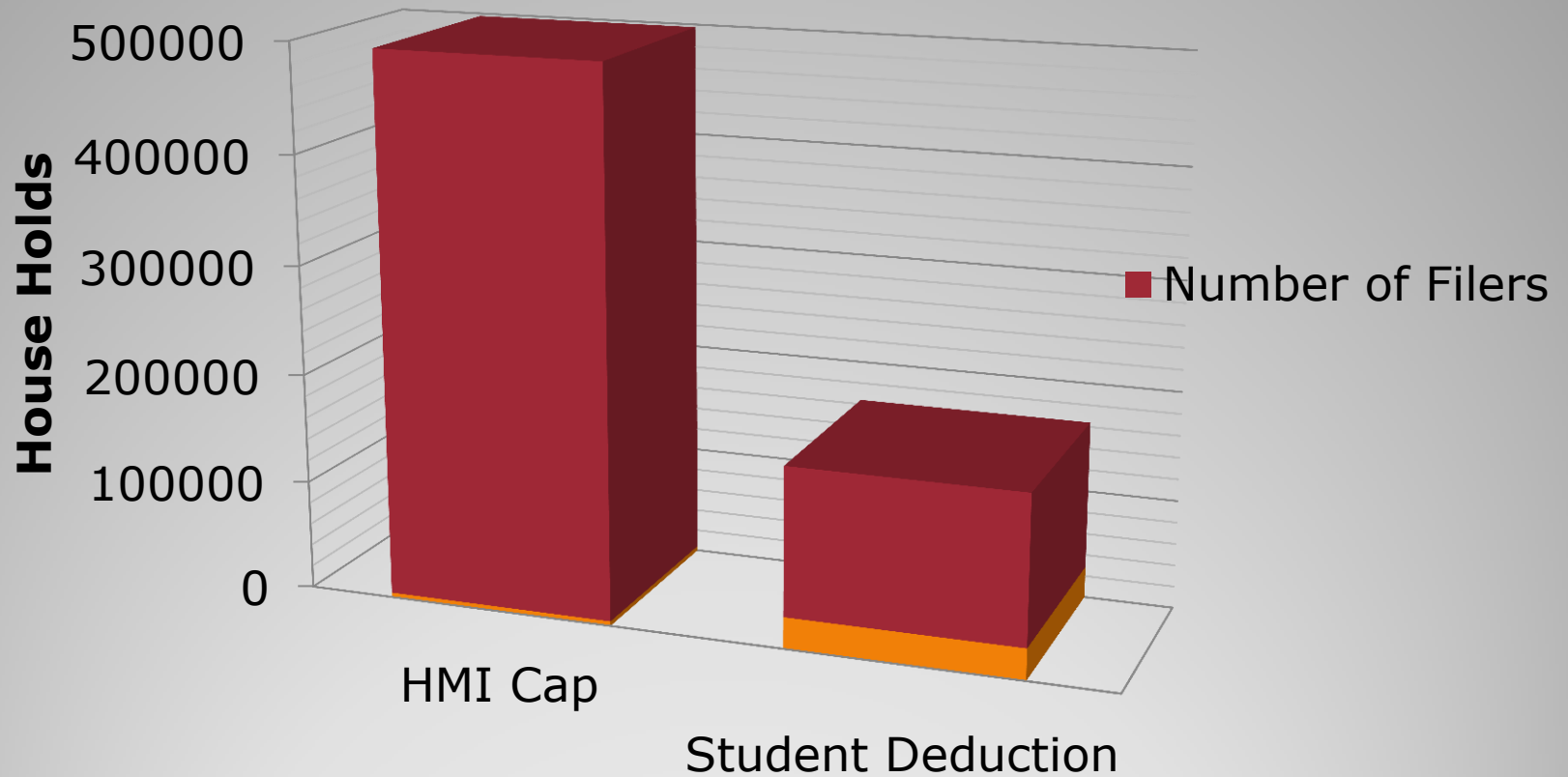
- 800,000 at 4.5%
=
\$35,735 in interest on first year

Example

Funding Mechanism – HMI Cap

$> 1\%$

Impact



Impact to filers applying for respective deductions

7 - 1



Oregon Health and Sciences University

Oregon Dental Association

OSPIRG

Oregon Veterinary Medical Association

Oregon State Building & Construction Trades Council

Osteopathic Physicians and Surgeons of Oregon