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February 2, 2016

TO: House Human Services and Housing Committee

RE: HB 4064 The Affordable Housing Mortgage Loan Fund

Chair Keny-Guyer and Members of the House Human Services and Housing Committee

NeighborWorks Umpqua and CASA of Oregon believe HB 4064 creates a loan fund that is unsustainable. This bill proposes to create a secondary market for a 0% interest loan product that has no income potential. We believe this model is unsustainable as it does not generate income to cover the overhead of administering the fund. This fund would create a significant pool of money that will diminish over time, thereby missing the opportunity that most loan funds of this sort would typically use to leverage other funds.

In addition, the wording of the bill only allows the product to be used by one type of non-profit housing developer in the state, and is not able to be utilized by the majority of non-profit lending organizations in Oregon. Any funding model directed to low-income single-family development should be comprehensive, providing structure and funding that is responsive to the existing models that allow for a range of loan products.

Although we support the idea of creating a secondary market for low-income single-family homeownership in the State of Oregon, this bill does not adequately address this need.

Our organizations appreciate the effort and intent of all groups within the state who are working diligently to provide long-term working solutions to single-family development and lending in Oregon. We respectfully submit that this bill is not that solution. And while we are eager for a legislative solution to the needs of single-family developers and lenders in the state, we feel this matter needs to be further vetted by the non-profit lending community.

Both of our organizations pledge to work with our non-profit colleagues to find an effective solution to single-family development and financing for low-income Oregonians. All of us are committed to giving underserved Oregonians an opportunity to build the assets that will help them move into the middle class.

Without significant changes to the bill, we urge the committee to vote "no" on HB 4064

Sincerely,



Peter Hainley

CASA of Oregon Executive Director



Merten Bangemann-Johnson  
NeighborWorks Umpqua CEO

