



McMinnville Area

**Habitat for Humanity**<sup>®</sup>

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March 8, 2017

Members of the Human Services & Housing Committee  
Oregon Legislature  
900 Court St., NE  
Salem, OR 97310

Re: HB 2006

Dear Chair Keny-Guyer, Vice-Chair Sanchez, Vice-Chair Olson, and Members of the Committee:

I am writing regarding HB 2006, which would change the mortgage interest deductions and provide a source of funds to help address the housing crisis in our State. As you are well aware, there are many bills before you this session that seek funding for important housing programs. As the Executive Director of the McMinnville Area Habitat for Humanity (MacHabitat), I strongly support HB 2006 as a logical means of providing funding for all aspects of housing, but particularly for those that encourage homeownership.

Since 1991, MacHabitat has been building homes, community, and hope in McMinnville, Amity, Carlton, Lafayette, Sheridan, Willamina, and Yamhill. Just last Saturday, March 4, we dedicated the Garcia Family home, the 55<sup>th</sup> for our affiliate and the seventh home in our Aspire Community Development, which will provide homes for 34 families. We will complete two more homes by the end of the summer and hope to pour three foundations in July for homes for families yet to be selected. We currently have a list of 70 families awaiting the opening of our application period in May; we anticipate many more will apply once we begin soliciting for applications.

The benefits of homeownership for low income families are clear and well documented; breaking the cycle of poverty is the most important. Several of our MacHabitat homeowners are single mothers who have escaped abusive relationships. Many of our families experienced horrible living conditions that included mold, poor insulation, crowded quarters, and unsafe neighborhoods. Most have flourished in their new homes thanks to the skills they learned while building their homes and taking the required Habitat homeowner classes. They are contributing members of the community, paying property taxes and school bonds. As a former county commissioner, I can attest to the importance of that! Subsidizing homeownership programs provides a significant return on the investment.

Mortgage interest deductions were created to encourage “homeownership and make owning a home more affordable, especially for taxpayers at the lower end of the economic spectrum- those on the margin of affordability.”<sup>1</sup> Yet Oregon’s mortgage interest deduction does little to help moderate and low income homeowners, while subsidizing extremely expensive homes and vacation homes. In light of the looming budget crisis, it makes perfect sense to limit this deduction and use the resulting funds to invest in affordable homeownership, affordable rental units, and supportive services to prevent homelessness.

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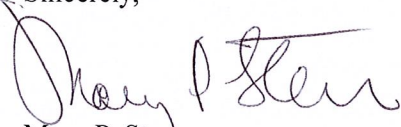
<sup>1</sup> Donald Morris and Jing Wang, *How and Why States Use the Home Interest Mortgage Deduction*, Tax Analysis Special Report 2012.

Now is the time to support HB 2006. You can ensure homes for more Oregonians by reforming the mortgage interest deduction.

Should you have any questions, please contact me at [mary@machabitat.org](mailto:mary@machabitat.org) or 503-687-1411.

Thank you for your service to the State of Oregon and her citizens!

Sincerely,



Mary P. Stern