



HOUSE OF REPRESENTATIVES

Chair Keny-Guyer, Vice Chair Sanchez, Vice Chair Olson, members of the committee:

As one of the co-chief sponsors of HB 4010, I would like to thank you for hearing this bill.

As we look toward the future to study and dismantle barriers to homeownership for people of color, I also believe that we can use this opportunity to learn and understand from policies in the past. HB 4010 will provide a key process to understand these barriers to homeownership, and it's my hope that in doing so, it will help us overcome Oregon's history of racial exclusion.

We already know that many factors have contributed to the disparity in homeownership. For example, the historic (and now illegal) practice of redlining restricted people and resources to neighborhoods based on race, ethnicity, and country of origin. Bankers and realtors graded neighborhoods on a block by block basis, classifying sections as hazardous, definitely declining, still desirable, and best. Prospective buyers could not get financing in hazardous areas, and those areas were the only areas where black families could buy homes. History tells us that this left black families needing to pay up front in cash, work with predatory lenders, or continue renting. Some families in America lost all their assets through sham mortgages or speculative contract purchases. Black Portlanders were concentrated in North and Northeast Portland.

Despite that redlining was prohibited by the Fair Housing Act in 1968, it continued in Portland into the 1990s. The Oregonian reported that in 1990, loans in North and inner Northeast Portland were made at one-quarter the rate of other parts of the city. In black neighborhoods, loans were offered at one-sixth the rate.

Today, we recognize the history and extensive wealth allocation that occurred under redlining, and must remember that its effects are still felt today. Pew Research Center studies have shown that black and Hispanic would-be homebuyers have "a much harder time getting approved for conventional mortgages than whites and Asians, and when they are approved, they tend to pay higher interest rates."¹ As of 2016, the median wealth of white households was 10 times that of black households and eight times that of Hispanic households.

I see stable housing as crucial to building successful families and communities, and it's my hope that as this task force is formed, it can look to recommended solutions as a modern-day pathway for reparations for our state's past practices. Everyone should have the opportunity to buy a home regardless of race, ethnicity, or country of origin. I commend you for taking up this important bill and look forward to working with you on HB 4010.

Representative Karin Power

¹ <http://www.pewresearch.org/fact-tank/2017/01/10/blacks-and-hispanics-face-extra-challenges-in-getting-home-loans/>

