



We build strength, stability, self-reliance and shelter.

February 20, 2018

To: House Committee on Revenue

Dear Chair Barnhart, Vice-Chair Smith, Vice-Chair Smith Warner and Members of the Committee:

My name is Shannon Vilhauer, and I am the Executive Director of Habitat for Humanity of Oregon. I am writing to share our organization's support for HB 4007.

Habitat for Humanity helps families achieve stability by building and selling them a key asset: their home. Habitat homeowners pay down an average of \$50,000 in mortgage principal during the first 10 years of ownership, facilitating the very real intergenerational transfer of wealth. We have a proven track record of helping to close our state's minority homeownership gap. Over 10% of the households we serve have at least one member with a permanent disability. The average median income of Habitat homebuyers statewide is 41%. That's \$24,000 in annual earnings for a family of four. Thanks to Habitat's diligent homebuyer selection process and thorough financial education, our mortgage repayment rate exceeds 98%. This year Oregon Habitat for Humanity affiliates reached an important milestone. Together we have made the dream of stable and affordable homeownership a reality for 2,000 Oregon households. We are committed to doing still more.

Today, one in four Oregonians pay more than half of their income for rent. In communities throughout our state, skyrocketing home prices mean that qualified buyers are priced out of the opportunity to purchase their first home—adding pressure to a rental market already bursting at the seams. The need to provide meaningful options to stabilize families on the brink of displacement has never been greater.

For these reasons, we ask you to support HB 4007, which will increase the document recording fee. With each home that Habitat for Humanity builds and sells (current statewide production is more than 150 homes per biennium), we pay the document recording fee at closing. We will gladly pay the increased fee—as we believe it is a critical investment in a broad array of affordable housing solutions.

In 2017, Habitat for Humanity of Oregon and several of our larger affiliates competitively applied to Oregon Housing and Community Services for two HOAP programs funded by the document recording fee:

Habitat for Humanity of Oregon

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- Down payment assistance
- Veteran home improvement program (a new initiative)

We are pleased to report that HCS collectively awarded \$400,000 in down payment assistance to Habitat for Humanity to help homebuyers pay closing costs and provide a modest down payment at the time of sale. In addition, Habitat for Humanity was delighted to receive \$300,000 to provide much-needed home repairs for Veterans. These programs will truly help us to serve additional households—providing them with the opportunity to live in health and safety in homes they can afford.

The document recording fee is disbursed by HCS according to the following formula:

- 10% goes to emergency rent assistance
- 14% goes to help folks access homeownership
- 76% goes to build more affordable rental homes
- Within each of these accounts, 25% is set aside to serve Veterans (including the new Veteran home repair program)

Homeownership developers like Habitat for Humanity believe that raising the document recording fee to \$75 will provide the capital HCS needs to bring new programs on-line, like expanded home repair resources for Oregonians of all backgrounds, and possibly a revolving loan fund to assist with new home construction. These programs are critically needed by the Oregonians we serve—as well as additional down payment assistance resources.

Thank you for your thoughtful consideration of HB 4007. On behalf of the Board of Directors of Habitat for Humanity of Oregon and the 28 Habitat for Humanity offices building and repairing homes statewide, thank you for your service.

With tremendous appreciation,



Shannon M. Vilhauer, Executive Director