

## **HB 4010 A STAFF MEASURE SUMMARY**

### **Joint Committee On Ways and Means**

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**Prepared By:** Kim To

**Meeting Dates:** 2/22, 2/28

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#### **WHAT THE MEASURE DOES:**

HB 4010 establishes the 11-member Task Force on Addressing Racial Disparities in Home Ownership. The task force is charged with making recommendations for changes in lending practices to eliminate discrimination and remove barriers to home ownership for people of color in Oregon. The bill requires the task force to report to the Legislature by September 15, 2019. The bill requires the Legislative Policy and Research Office to provide staff support to the task force. The task force sunsets December 31, 2019.

#### **ISSUES DISCUSSED:**

- Fiscal impact
- Task force representation
- Task force scope of work

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Oregon Housing and Community Services reports decreasing home ownership rates across the state from 2000 to 2015 for all Oregonians. According to the U.S. Census American Community Survey, individuals identifying as Pacific Islander (23%) or African American (30%) accounted for the lowest home ownership rates in Oregon in 2014. Other racial and ethnic minorities also experienced low home ownership rates in 2014. Fifty years after the Federal Fair Housing Act banned discrimination, modern-day redlining persists through predatory lending. Lenders flood communities of color with inferior loan products and limited access to conventional lines of credit. Loopholes in laws like the Community Reinvestment Act of 1977 compound the problem. Designed to help blighted neighborhood, this Act is based on geography so it's possible to comply by lending to newcomers instead of the long-time residents it's intended to help.

HB 4010 establishes an 11-member Task Force on Addressing Racial Disparities in Home Ownership to examine these issues. The Task Force is directed to compile data concerning levels of home ownership, identify barriers to home ownership, investigate practices and procedures for approving mortgage loans, identify discriminatory mortgage loan practices, identify other barriers reducing or preventing home ownership, and recommend solutions to improve home ownership among people of color in Oregon.