



80<sup>TH</sup> OREGON LEGISLATIVE ASSEMBLY  
JOINT TASK FORCE ADDRESSING RACIAL DISPARITIES IN HOME OWNERSHIP

**List of Policy Options Discussed on July 29, 2019 and August 14, 2019**

#	Policy Options	Barrier Addressed
1	Require landlords to report positive payments to at least one credit bureau quarterly (or require them to offer the option to tenants).	Credit
2	Exempt non-profit organizations from regulatory and training requirements for small zero-interest loans (between \$250 and \$2,500), as California has done, to compete with “payday” style lending.	Credit
3	Provide free education on understanding the importance of a credit score, how it is calculated, and how to increase/maintain a high credit score. Require practical financial education courses in Oregon’s high school curricula, including the importance of credit, the cost of credit, and how to repair credit.	Credit
4	Define “alternative data,” and ensure it meets the regulatory standards for accuracy and fairness required by the Fair Credit Reporting Act and the Equal Credit Opportunity Act.	Credit
5	Require cell phone service providers, cable companies, and utility companies to report to a least one credit bureau quarterly (or require them to offer the option to customers). (There are federal regulatory barriers that deter utility and telecommunications companies from furnishing on-time payment data to credit bureaus. Congress was considering bipartisan legislation that would have amended the Fair Reporting Credit Act (FRCA) to clarify that utility and telecommunication companies can report certain data, such as on-time payments, to credit bureaus.)	Credit
6	Require lenders to use the updated version of FICO: FICO Score 9 (which includes rental payments, etc.). (There are associated expenses with upgrading, and the housing Government Sponsored Enterprises (GSE) - secondary market government sponsored enterprise - require FICO Classic securitization, with limited exceptions.)	Credit
7	Request that the GSEs redevelop and expand the credit scoring models they accept. (Fannie Mae and Freddie Mac are required to request applications to evaluate additional credit scoring models for their mortgage underwriting process. Outcome is to be determined.)	Credit
8	Grossing up income	Cultural – Income Sources

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9	Explore ways to either formalize existing lending circles to include credit bureau reporting or make online lending circles, such as the MAF program, more accessible as a financial tool for communities of color.	Cultural – Lending Circles
10	Review current laws, rules, and guidance, along with the implementation of HB 2001, to ensure that there are options available to multigenerational homebuyers.	Cultural – Multigenerational
11	Require state agencies and institutions licensed by the state to engage in authentic community participation and culturally relevant processes as they develop policy and programs	Cultural – Tailoring Programs
12	Establish state regulation or stronger consumer protections related to banking fees and costs for communities of color. Banks need to understand, acknowledge, and rebuild relationships and trust with communities of color.	Cultural – Trust in Lending
13	Develop targeted strategies or best practices to address the lack of trust, increase access to affordable banking services, and help households with little to no credit history establish and build credit history.	Cultural – Trust in Lending
14	Increase state support for cultural organizations to tailor, offer, or expand culturally-specific homeownership services that support cultural values, increase knowledge about finance and credit systems, and incorporate opportunities for participants to access and use financial tools and services. For certain communities, incorporating intergenerational learning in financial capability programs may strengthen relationships and increase trust. Support development of multigenerational approaches to homebuyer education and financial literacy efforts	Education/Awareness – Culturally-Specific Cultural – Trust in Lending Historical
15	Identify program best practices or content guidance for community organizations to incorporate into their services or curriculum to qualify for existing or additional state funding for homebuyer education or counseling.	Education/Awareness – Culturally-Specific
16	Embed financial capability programs in state and local institutions that engage families of color (schools, public benefits programs, and workforce programs).	Education/Awareness – Culturally-Specific
17	Add a new diploma requirement or adjust an existing diploma requirement to include financial literacy.	Education/Awareness – HS Literacy
18	Require course content and learning objectives related to homebuyer assistance programs in the licensing requirements of DCBS and the Oregon Real Estate Agency.	Education/Awareness – Professionals
19	Support an industry certification program, with similar training and certification requirements to HOWNW.com, for mortgage and real estate professionals across the state.	Education/Awareness – Professionals

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20	Enhance the partnerships between local workforce development boards and culturally-specific community organizations, homeownership education programs, and mortgage readiness programs.	Finances – Affordable Wages
21	Expand existing programs, including down payment assistance, down payment savings credits, and IDAs, to ensure that assistance is available to the communities that need it most. Increase access and visibility of down payment programs. Increase funding for down payment programs. Focus on and use down payment funds in historically redlined areas and for groups that were historically and systematically kept out of homeownership.	Finances – Down Payment Mortgage Lending – PMI and Funding Sources Wealth Gap
22	Increase both the visibility of and access to down payment assistance programs, and help improve potential borrowers' understanding through consumer education. Make programs and training more accessible through media channels, employers, and counseling, real estate, and lending professionals.	Finances – Down Payment
23	Increase the total amount available for IDA tax credits or accelerate match earnings to benefit those saving for homeownership.	Finances – IDAs Wealth Gap
24	Additional targeted promotion of IDAs through mortgage readiness programs or other culturally-specific community organizations.	Finances – IDAs
25	Create a state purchase program similar to the HUD Good Neighbor Next Door Sales Program that could include the state purchase of dilapidated or foreclosed homes combined with rehabilitation (sweat equity, grants, or other financing), down payment assistance, and residency requirements to support homeownership. This option could also include setting up a local pilot program for cities or counties in partnership with cultural organizations.	Finances – Income & Market Price Disconnect Wealth Gap
26	Establish pre-qualification programs or identifying individuals (i.e. millennials of color) who are mortgage ready and targeting for appropriate programs/assistance (online, in-person, or culturally specific).	Finances – Mortgage Readiness
27	Provide additional support to non-profits and other organizations that offer community-specific homebuyer or financial literacy courses. Provide funding to support capacity-building for non-profits serving communities of color with homeownership programs.	Finances – Mortgage Readiness Education/Awareness Tailoring Programs
28	Require annual reporting on housing disparities. OHCS has started to compile this data.	Historical
29	Chicago Neighborhood Rebuild Pilot Program	Historical
30	The Detroit home mortgage program seeks to remedy the loss of homes of blacks during the recession by allowing qualified buyers to borrow against the replacement value of a home rather	Historical

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	than the appraised value. This program addresses the appraisal gap by offering two mortgages: one for the appraised value of a home, and a second to cover the gap between the appraised value	
31	Modify Oregon's income tax structure so that the lowest income taxpayers are not paying a higher percentage of their incomes than the wealthiest taxpayers.	Historical
32	Remove property tax limit restrictions (Measure 5, 1990) which arguably benefit higher income, white individuals and disproportionately affect people of color who pay higher fees for access to certain services because of the lack of sufficient property taxes to fund local governments. Despite Oregon being ranked eighth in the country in economic vitality, the lower and middle classes are paying more taxes compared to income.	Historical
33	Review language accessibility and support efforts of state and community homeownership programs, including financial literacy and other services to communities of color, to meet needs. Develop a statewide tool (internet or mobile phone application) that makes homebuying programs and resources accessible in more communities and languages. Provide housing counselors who speak other languages, and explore ways of making these counselors available across the state.	Historical – Access & Language
34	Education in K-12, teaching how to build inclusive movements, social groups, and instill social solidarity.	Historical - Intersectionality
35	Homeownership programs and investment for tribal members on or off trust lands.	Housing Program Gaps – 184 Loans
36	Identify alternative AMI thresholds (minimums and/or maximums) for recommendations to address specific barriers to homeownership for communities of color.	Housing Program Gaps – AMI Thresholds
37	With new measurable goals in the Statewide Housing Plan, the Task Force and OHCS should identify ways to set targets and increase reporting by community of color, especially related to any Task Force recommendations.	Housing Program Gaps - Goals
38	Create a rural focus to existing programs (such as the OHCS priority and goal); adapt funding strategies to support rural communities; or implement approaches to strengthen and empower rural communities to partner and collaborate on solutions.	Housing Program Gaps – Rural Capacity Location – Rural Access
39	In partnership with Oregon's nine federally-recognized tribes, create homeownership programs and investment for tribal members on or off trust lands.	Housing Program Gaps – Tribal. Historical
40	Support and expand culturally-specific homeownership outreach and education programs for Native Americans and American Indian and Alaskan Native populations in Oregon.	Housing Program Gaps – Tribal. Historical

#	Policy Options	Barrier Addressed
41	Take stock of surplus public lands.	Land/Supply/Costs - Costs
42	Subsidize land purchases for certain types of projects.	Land/Supply/Costs - Costs
43	Consider discussing solutions with the DLCD.	Land/Supply/Costs - Costs
44	Review fee structures and allow local governments to set impact and development fees on a per-acre, gross land, or square-foot basis rather than a per-unit basis to more accurately reflect true infrastructure costs for residential projects. This will enable higher-density projects to be financially feasible.	Land/Supply/Costs – Land Use Policies
45	Shorten lengthy building review and permitting processes that add cost and allow for manipulation by growth opponents. Utilize updated technology to decrease costs and uncertainty.	Land/Supply/Costs – Land Use Policies
46	Establish zoning that allows high-density residential development in a half-mile radius around high-capacity transit station areas and within a quarter-mile of frequent-service/rapid-service transit lines to build up to the allowed height without additional review or approvals.	Land/Supply/Costs – Land Use Policies
47	Empower the DLCD to audit Oregon cities for adherence to statewide laws requiring clear and objective standards in approving needed housing and meeting existing permitting timelines.	Land/Supply/Costs – Land Use Policies
48	Incentivize taller homes with smaller footprints by using a floor area ratio model similar to one outlined by the City of Portland.	Land/Supply/Costs – Land Use Policies
49	Review requirements around system development charges. Review inclusionary zoning laws.	Land/Supply/Costs – Land Use Policies
50	Establish density bonuses to incentivize the building of a certain number of units.	Land/Supply/Costs – Land Use Policies
51	Pay system development charges.	Land/Supply/Costs – Rural Construction
52	Offer cash rebates on new home construction that are in desired locations. The DLCD may offer funding for these kinds of programs.	Land/Supply/Costs – Rural Construction
53	Invest in high speed internet to draw workers who work remotely.	Land/Supply/Costs – Rural Construction
54	Incentivize manufactured and modular housing.	Land/Supply/Costs - Stock
55	Vacancy tax. Consider taxing vacant land and properties to both encourage development and place vacant properties on the market. Florida, California, Illinois, and Michigan have similar disincentives.	Land/Supply/Costs - Stock

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56	Provide funds to those who would restore dilapidated homes and put them on the market.	Land/Supply/Costs - Stock
57	Consider ways to increase the availability of construction labor.	Land/Supply/Costs - Stock
58	Require banks and credit unions to make their general requirements available online in a centralized location. This would make researching various bank requirements more accessible and improve the ability of a consumer searching for a loan to be matched with the best available loan.	Mortgage Lending – DTI Requirements
59	Provide education to mortgage professionals regarding down payment programs.	Mortgage Lending – Funding Sources
60	Discuss options to streamline transaction processes with organizations who provide down payment assistance.	Mortgage Lending – Funding Sources
61	Student loan forgiveness. Reduce student debt through increased state investment in higher education or student loan forgiveness.	Mortgage Lending – Funding Sources Wealth Gap
62	A joint memorial could be submitted to request a requirement that regulators annually report all fair lending examinations, and include basic information, such as indicators of potential discriminatory activity, identification of the groups thought to be disadvantaged, and the outcome of the examination.	Mortgage Lending – HMDA
63	Other similar recommendations may also require federal-level intervention, such as curtailing steering by requiring objective pricing standards and requiring subprime lenders to disclose more detailed underwriting data.	Mortgage Lending – HMDA
64	Hold lenders and brokers to similar standards as a securities broker. Create an affirmative fiduciary duty requiring the lender/broker to recommend loans that are well-suited and advantageous for the borrower.	Mortgage Lending – Illegal Discrimination
65	Minority borrowers, even those with good credit, are less likely to shop around and compare mortgage options. Consider investing in financial education and counseling options, including at the high school level.	Mortgage Lending – Illegal Discrimination Education/Awareness
66	Update the Community Reinvestment Act, federal-level efforts to improve enforcement, and demand that data collection be improved using updated technology to detect illegal discrimination. Consider passing a joint memorial to Congress.	Mortgage Lending – Illegal Discrimination
67	Review language accessibility in the financial sector in Oregon.	Mortgage Lending – Language
68	Require a written translation or verbal interpretation of closing documents in the preferred	Mortgage Lending – Language

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	language of the borrower.	
69	After closing, require servicing documents be provided in the preferred language of the borrower. Require banks to provide interpreters when communicating substantive changes.	Mortgage Lending – Language
70	Require banks to accept certain documents in languages other than English.	Mortgage Lending – Language
71	Provide housing counselors who speak other languages.	Mortgage Lending – Language Aug 14 topic
72	Create a healthy small-dollar/micro-mortgage market and/or a low-interest loan program where Oregon has homes available within certain price brackets. These loans would also assist with initial repair and renovation.	Mortgage Lending – Lender & Broker Incentives
73	Create a program/organization with brokers and agents that specialize in serving communities of color and certain types of loans, without the incentive for providing borrowers with higher interest rates or larger loans.	Mortgage Lending – Lender & Broker Incentives
74	Increase counseling and outreach for renters and mortgage-ready millennials.	Mortgage Lending – Lender & Broker Incentives Education/Awareness
75	Create a public state bank, encourage municipal banks, or allow for municipal-level public banking institutions.	Mortgage Lending – Lender & Broker Incentives/PMI
76	Offer state insurance for lower rates.	Mortgage Lending – PMI
77	Provide education so borrowers understand how to avoid or eliminate PMI pursuant to the federal Homeowners Protection Act (1998).	Mortgage Lending – PMI Education/Awareness
78	Increase the use of Housing Choice Vouchers (HCV) for homeownership.	Other Policies or Regs – Favoring Renting Over Buying
79	Increase lease-purchase mortgage programs (“rent-to-own”) that allow households to build a positive credit history and increase savings while locking in lower interest rates and home prices.	Other Policies or Regs – Favoring Renting Over Buying
80	Identify ways to move people along the housing continuum from renting to homeownership in conjunction with other wealth building supports, such as IDAs and homebuyer education or training.	Other Policies or Regs – Favoring Renting over Buying
81	Eliminating or limiting the mortgage interest deduction in Oregon to make funding available for homeownership programs.	Other Policies or Regs - MID



#	Policy Options	Barrier Addressed
82	Change licensure requirements or specify content for continuing education for real estate and mortgage lending professionals. For example, offer a reduced license fee for professionals with demonstrated service to communities of color in conjunction with an agency or industry certification program.	Other Policies or Regs – Professional Licensure
83	Creating an experience rating program for real estate and mortgage lending professionals.	Other Policies or Regs – Professional Licensure
84	Creating a state agency or industry-recognized certification for companies or specific professionals who specialize in assisting customers with down payment assistance, IDA, bond program, and other homeownership programs.	Other Policies or Regs – Professional Licensure
85	As the Task Force considers specific program or policy recommendations to address identified barriers, a conversation is needed with OHCS about whether the budget and staff capacity exists within the agency or its partners to implement those recommendations. The final Task Force recommendations should include a description of the amount of additional investment or capacity needed for implementation to make meaningful progress in addressing the barrier.	Program Funding – Available Capital and Investments
86	Consider funding distribution formulas that account for population density and the language or cultural needs of service areas.	Program Funding – Rural Service Location – Rural Access
87	Leverage state investments strategically with nonprofit or philanthropic organizations to increase available per capita funding.	Program Funding – Rural Service
88	Explore ways to systematically deliver certain services, for example language access to program materials or counseling, to both increase service availability and reduce costs to individual providers.	Program Funding – Rural Service Location – Rural Access
89	Allow the acceptance of foreign credentials (likely to be addressed by SB 855). Require more transparent licensing requirements (some can be extremely complex).	Status – Immigrant/Refugee
90	Increase access to courses for professional English and other educational gaps.	Status – Immigrant/Refugee
91	Encourage lenders to offer more ITIN loans. Include information and training regarding ITIN loans in lender and real estate agent education. Provide information and outreach to immigrant communities on the availability and requirements of ITIN loans.	Status – Legal Status
92	Encourage community and neighborhood wealth building that supports individual wealth accumulation, maintenance, and protection. This includes supporting community organizations or making infrastructure investments in disadvantaged communities.	Wealth Gap



#	Policy Options	Barrier Addressed
93	Increase access to low- and no-cost financial services, especially for communities with less access to financial services.	Wealth Gap
94	Create a first-time homebuyers tax credit scaled to income.	Wealth Gap
95	Implement a state savers tax credit.	Wealth Gap
96	Target a percentage of homeownership investments to communities (by county or census tract) where 20 percent or more of the population has lived below the poverty line for the last 30 years.	Wealth Gap

*This document has been prepared by the Legislative Policy and Research Office (LPRO) for the Task Force on Addressing Racial Disparities in Home Ownership. LPRO provides centralized, professional, and nonpartisan research, issue analysis, and committee management services for the Legislative Assembly.*