



March 11, 2019

House Committee on Human Services and Housing
900 Court Street NE
Salem, Oregon 97301

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

My name is Karen Saxe and I work at NEDCO and Willamette Neighborhood Housing Services, two nonprofit affordable housing development and counseling agencies that merged as of January 1st. I am here to talk about potential solutions to help Oregonians obtain and maintain homeownership.

NEDCO and Willamette Neighborhood provide financial and pre-purchase education and counseling throughout our four offices to low and moderate income first-time homebuyers. Our classes help clients understand the homebuying process, connect with local lenders and real estate agents, plan for those unexpected homeownership expenses and avoid predatory lending practices. We build upon this knowledge in one-on-one counseling sessions that ensure our clients are ready to take the step to homeownership, that their financial and credit picture make them mortgage-ready and that they've assembled a team of professionals they can trust.

We are not alone in this work. We are part of the network of 17 homeownership centers that serve all 36 counties throughout Oregon. Homeownership centers are a neutral, third party support for first-time homebuyers in analyzing and repairing their credit, evaluating the mortgage product that is right for them and helping first-time buyers access financial resources for their purchase.

Paired with education and counseling, down payment assistance is one of the greatest resources to help low-income Oregonians on their path to purchasing a home. It offers a chance to homeownership in a market that is pricing out low and moderate income families, when rising rents make it harder and harder for families – even those with stable income - to save for a down payment.

While education, counseling and down payment assistance are crucial for mortgage readiness, the availability of affordable homes is also a critical component in that path. Average home prices in Eugene are over \$300,000, up over 7% from a year ago, while buyers in Corvallis and Portland are facing prices close to and above \$400,000 with the market predicted to raise another 3% in the upcoming year. New homes being built by private developers are selling even higher than these existing homes. This is not a market that provides entry for any low or moderate income family despite all of their work to become

212 Main Street
Springfield, OR 97477
T (541) 345-7106
F (541) 345-9584

437 Union Street
Salem, OR 97301
T (503) 779-2680
F (503) 779-2682

421 High Street
Suite 110
Oregon City, OR 97045
T (503) 655-8974
F (503) 303-4763

www.nedcocdc.org



March 11, 2019

financially stable. Affordable homeownership development helps correct the market by providing housing options for these families.

As an industry we use every option available to increase the supply of affordable homeownership units. Land Trusts are one way we are working to get new units on the ground, homes that will remain affordable to low-income first-time buyers in perpetuity. We thank you for your support of LIFT funds, especially the set aside for dedicated resources to homeownership. We also want to keep homeownership in mind as a part of conversations related to changes in land use and zoning, as it's a vital piece of the housing continuum – and we simply need more affordable units.

Because new development can be expensive and difficult, it's also imperative that we preserve the homes low income Oregonians are already in and keep their families stable. Opportunities to support home repair and rehab funding as well as foreclosure prevention counseling do just that. We see that distinct benefit and cost savings in repairing issues with current homes, especially given our rapidly aging housing stock. We also know that foreclosure prevention counseling works, families entering the Oregon Foreclosure Avoidance program come to an agreement with their mortgage servicer over 70% of the time, helping them to avoid immediate displacement into a rental market that is severely burdened or becoming homeless.

Homeownership is the single greatest way that Americans build wealth. It helps to break the cycle of generational poverty and reduce the racial wealth gap. Kids succeed in school when they know their family has a safe, affordable place to call home, families are more engaged in their neighborhood and community and employers can rely on a more stable workforce. We thank you for what the Legislature has done to support homeownership opportunities and we urge your continued support for the bills you'll be hearing about today and throughout the session.

212 Main Street
Springfield, OR 97477
T (541) 345-7106
F (541) 345-9584

437 Union Street
Salem, OR 97301
T (503) 779-2680
F (503) 779-2682

421 High Street
Suite 110
Oregon City, OR 97045
T (503) 655-8974
F (503) 303-4763

www.nedcocdc.org

Thank you for the opportunity to speak with you today.

Sincerely,
Karen Saxe

Director of Asset Building Programs
NEDCO and Willamette Neighborhood Housing Services