

April 11, 2019

To: Oregon House Committee on Revenue  
From: Edgar Hayes, Portland resident  
Re: Testimony against HB 3349

My testimony is primarily regarding the second home mortgage interest deduction portion of HB 3349.

My wife and I work hard and are middle class. Our Portland home is modest. We are conservative with our finances and have been fortunate to be successful in our careers. We recently purchased a second home in Bend. That second home is below Bend's median home value. Our second home is not used as a business (rental). We do not receive any tax benefit in that respect. We purchased the home to be a transitional home for us and a vacation home in the short term. We plan to move from Portland to Bend over the next phase of our lives, when we semi-retire one day. Our budget allowed us to purchase the second home at today's price. If we waited 5 to 10 years, we might be priced out of the area we want to retire to.

Our second home is a small 1650 square foot home, not a mansion. Due to the nature of the loan and interest rates, our mortgage interest on the second home is significantly more than the interest on our primary home. We greatly appreciate the ability to deduct this interest from our taxes. This deduction was taken into account when we budgeted our finances to support purchasing a second/transitional home. Removing the mortgage interest deduction will squeeze our finances and increase our tax burden beyond what we have budgeted.

It is my hope that sharing my status helps show that not all people who own second homes are millionaires with multiple mansions. Many are normal citizens who have chosen to allocate their savings among an additional property, rather than other investments.

I encourage a vote against HB 3349.

Sincerely,

Edgar Hayes, Portland