

[Corrected date and footnote reference from March 30 testimony submitted]

To: Senate Committee on Housing and Development
From: Donna L. Cohen, Portland, OR
Date April 1, 2021
Re: SB 852

Chair Jama and Committee: my name is Donna Cohen and I live in Portland. I am semi-retired and conduct Civics workshops for adults for libraries and community organizations, like the League for Women Voters [www.civickinker.info].

I completely support this bill which is a modest effort to provide more monies for various housing programs, all of which are sorely needed. The government housing subsidy known as the mortgage interest deduction is grossly inequitable. The most well-off homeowners receive the most benefit, the subsidy raises the cost of homes and does nothing to improve homeownership rates.

Politicians on the right and the left have been suggesting alternatives for years. The Conservative think tank the Mercatus Center wrote: "If the main proposed benefit of the mortgage interest deduction, increased homeownership, is small or nonexistent, the case for the deduction is significantly weakened...the case is weakened further...because **the distribution of income is skewed in favor of the wealthy...This outcome may further the popular notion that the entire system is rigged in favor of the wealthy.**" [1]

SB 852 is a starting point for changing the mortgage interest deduction and should be a slam-dunk for this committee and legislature.

[1] *The Home Mortgage Interest Deduction*. Horpedahl and Searles. Mercatus Center. George Mason University. Jan. 2013.

I can attest to the enormous value of a first-time homeowner program. 17 years ago, I was a beneficiary. I'm thankful every day for my house. Now...

- **Financial stability** [I honestly don't know where I'd be were I to be renting now.]
- **Asset building** – I will probably need a reverse mortgage at some point, but I have **lots of equity** now.
- **I am physically healthier**. After moving in I realized I was in no shape to do the work I wanted to do around my home and yard, so I started taking exercise classes.
- I have connected with my community around neighborhood issues and have been **instrumental in major community improvements**.
- Overall, I am happier, more productive, less stressed and able to contribute so much more to society.

I would happily give up my mortgage interest deduction if it were to help others get housed or to buy their first home.



My little house.