

# Senate Bill 937

Sponsored by Senator MANNING JR

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Housing and Community Services Department to make grants to nonprofit institutions to provide low-interest loans to purchasers of homes with limited equity. Appropriates moneys to department from General Fund for grants.

Sunsets January 2, 2026.

Requires department to report on use of loan fund to interim committee of Legislative Assembly by September 15, 2024, and September 15, 2026.

Declares emergency, effective July 1, 2023.

## A BILL FOR AN ACT

1  
2 Relating to homeownership; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Housing and Community Services Department shall make one or**  
5 **more grants to nonprofit institutions to establish a revolving loan fund that will allow a**  
6 **first-time home buyer who is purchasing a home, including a share of a cooperative or a**  
7 **condominium unit, in which the purchaser's equity will be limited, to establish equity at a**  
8 **faster rate while making monthly payments similar to those described in subsection (4)(a)(A)**  
9 **of this subsection.**

10 **(2) To be eligible for a grant under this section, the nonprofit institution must be a**  
11 **community development financial institution that operates statewide to support investment**  
12 **in affordable housing.**

13 **(3) Loans made from the loan fund must be used for the purchase of a dwelling that is**  
14 **subject to an affordability restriction, such as a restriction as described in ORS 456.270 to**  
15 **456.295, that:**

16 **(a) Has the effect of limiting the purchaser's ability to gain equity from the appreciation**  
17 **of the dwelling's value; and**

18 **(b) Requires that the purchaser be a low income household as defined in ORS 456.270.**

19 **(4) Loans made from the loan fund must:**

20 **(a) Have a term of 20 years or less; and**

21 **(b) Have a fixed interest rate that is not more than the greater of:**

22 **(A) The rate that would allow monthly amortized principal and interest payments under**  
23 **the term of the loan to be the amount that would result from a 30-year fixed-rate amortized**  
24 **mortgage at the national current average rate as published by a reputable financial source;**  
25 **or**

26 **(B) 0.5 percent.**

27 **SECTION 2. In addition to and not in lieu of any other appropriation, there is appropri-**  
28 **ated to the Housing and Community Services Department, for the biennium beginning July**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 1, 2023, out of the General Fund, the amount of \$10,000,000, to make grants under section 1  
2 of this 2023 Act.

3 **SECTION 3.** Section 1 of this 2023 Act is repealed on January 2, 2026.

4 **SECTION 4.** On or before September 15, 2024, and on or before September 15, 2026, the  
5 Housing and Community Services Department shall provide a report to an appropriate in-  
6 terim committee of the Legislative Assembly in the manner provided in ORS 192.245 on the  
7 use of the loan funds described in section 1 of this 2023 Act as reported to the department  
8 by the grantees.

9 **SECTION 5.** This 2023 Act being necessary for the immediate preservation of the public  
10 peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect  
11 July 1, 2023.

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