

A-Engrossed Senate Bill 937

Ordered by the Senate March 23
Including Senate Amendments dated March 23

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.

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

Sunset January 2, 2026.

Requires department to report on use of loan fund to interim committee of Legislative Assembly by September 15, [*2024*] **2025**, and September 15, [*2026*] **2027**.

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 a grant to**
5 **the Network for Oregon Affordable Housing (NOAH) to establish a revolving loan fund that**
6 **will allow a first-time home buyer who is purchasing a home, including a share of a cooper-**
7 **ative or a condominium unit, in which the purchaser's equity will be limited, to establish**
8 **equity at a faster rate while making monthly payments similar to those described in sub-**
9 **section (3)(a)(A) of this subsection. The department may not make a grant under this section**
10 **until NOAH has demonstrated that it has dedicated to a loan fund described in this section**
11 **no less than \$10,000,000 of additional private moneys.**

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

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

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

18 **(3) Loans made from the loan fund must:**

19 **(a) Be made only to applicants that have met with an approved or certified housing**
20 **counseling agency, as described in 24 C.F.R. 214 subpart B, and have a first-time home buyer**
21 **program offered by the agency;**

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

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

24 **(A) The rate that would allow monthly amortized principal and interest payments under**
25 **the term of the loan to be the amount that would result from a 30-year fixed-rate amortized**

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 mortgage at the national current average rate as published by a reputable financial source;

2 or

3 (B) 0.5 percent.

4 **SECTION 2.** In addition to and not in lieu of any other appropriation, there is appropri-
5 ated to the Housing and Community Services Department, for the biennium beginning July
6 1, 2023, out of the General Fund, the amount of \$10,000,000, to make a grant under section
7 1 of this 2023 Act.

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

9 **SECTION 4.** On or before September 15, 2025, and on or before September 15, 2027, the
10 Housing and Community Services Department shall provide a report to an appropriate in-
11 terim committee of the Legislative Assembly in the manner provided in ORS 192.245 on the
12 use of the loan funds described in section 1 of this 2023 Act as reported to the department
13 by the Network for Oregon Affordable Housing (NOAH).

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

17
