

Submitter: Linda Fields

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure: SB976

Chairman and Members of the Senate Committee on Finance and Revenue

As a fortunate owner of a condominium in North Portland, I am writing to urge you to support SB 976. While it is commonly thought that the mortgage interest deduction fosters and supports home ownership, current research indicates it is neither fair nor effective in achieving its intended goal.

As you know, a recent Oregon Secretary of State's audit found that "Black, Latino and Native American residents received disproportionately less benefit from the program than white Oregonians, and the top 1% of beneficiaries of the policy received more money back than the more than 700,000 Oregonians in the bottom 40% of people eligible for the tax benefit." As is commonly known, homeowners who take the standard deduction rather than itemize deductions, mostly middle-class and low income earners, do not benefit from this deduction.

The Brookings Institution reported in 2017 that the mortgage interest deduction "does not raise home ownership rates much, if at all." and that other countries like Canada, the United Kingdom, and Australia have no subsidies for mortgage debt yet their home ownership rates are slightly higher than ours." The same report noted that the deduction encourages the construction of larger, more expensive houses, which, in turn, leads to higher energy costs, urban sprawl, and encourages people to finance homes with too much debt,

By repurposing revenue that otherwise would go to claimed mortgage interest deductions, SB 976, if passed, would make measurable inroads into increasing homeownership for communities of color and low-income families and addressing the homelessness crisis in Oregon.