



House Housing and Homelessness Committee HB 3236--Support

February 12, 2025

Bill Van Vliet, Executive Director
Network for Oregon Affordable Housing (NOAH)

Chair Marsh, Co-Vice Chairs Anderson and Breese-Iverson, and members of the committee:

My name is Bill Van Vliet, Executive Director of NOAH, the Network for Oregon Affordable Housing. NOAH is a nonprofit lender that provides a wide range of loan programs for affordable housing projects throughout the state.

I'm here in support of HB 3236 with the -1 amendments. The amendments effectively replace the text of the bill and clarify the proposal.

HB 3236 seeks to provide a narrow expansion of the Oregon Affordable Housing Tax Credit (OAHTC) to allow its use with a mortgage fund for first time homebuyers using shared appreciation mortgages, such as the Amplify Oregon accelerated mortgage fund.

The OAHTC is a state tax credit program that lowers the interest rate on loans for affordable housing by offering Oregon financial institutions a tax credit in exchange for lower interest rates on the loans.

Amplify Oregon blends traditional bank capital with state funding, doubling the state investment. By applying the OAHTC to the bank portion of the capital, the lower interest rate will further expand the affordability of the

program, allowing these loans to reach a broader range of potential first-time homebuyers.

State funding for Amplify requires the following:

- Homes must be subject to a shared appreciation model, such as a community land trust
- Homebuyers obtain certified first-time homebuyer education
- Loans are to first time homebuyers with incomes at 80% or below
- Loans have a term of 20 years or less
- Offer a fixed rate that allows amortized payments to not exceed a standard 30-year market rate mortgage

My uploaded testimony compares a standard 30-year mortgage, an Amplify mortgage without the OAHTC, and an Amplify mortgage if the OAHTC applies:

Mortgage Comparison:

Market Mortgage:	Principle	275,000
	Rate	6.89%
	Amortization/Term	360
	Monthly Pmt.	\$1,809

Amplify Mortgage:	Principle	275,000
	Rate	4.90%
	Amortization/Term	240
	Monthly Pmt.	\$1,800

Amplify Mortgage w/OAHTC:	Principle	275,000
	Rate	2.90%
	Amortization/Term	240
	Monthly Pmt.	\$1,511

These examples demonstrate the lower payment achieved from applying the OAHTC to the program.

For a qualifying mortgage fund such as Amplify, the amendments propose that OHCS allocate the OAHTC to the fund, rather than to each individual loan as is the normal practice for rental projects. Because each loan under this program will be small, annual reporting requirements for many individual small mortgages would be cost prohibitive.

There should not be any material difference in the amount of the credit claimed by the lenders using this streamlined approach.

For over 30 years, the OAHTC has been a powerful tool for developing affordable housing in Oregon. This proposal seeks to expand those benefits to targeted individual mortgages under qualified mortgage funds.

We ask for your support of HB 3236 to further lower the interest rate on these Oregon mortgages and increase access to affordable mortgages for first time homebuyers.

Thank you.