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**Testimony in Opposition to Senate Bill 1567
Senate Committee on Housing and Development
February 3, 2026**

Chair Pham, Vice Chair Anderson, and members of the Senate Committee on Housing and Development, my name is Kevin Christiansen and I am the government affairs director for the Oregon Bankers Association ("OBA") and Community Banks of Oregon ("CBO"). Our organizations represent the diverse FDIC insured banks and trust companies doing business in Oregon. The banking industry employs nearly 20,000 Oregonians at approximately 800 locations throughout our state. Thank you for the opportunity to provide testimony in opposition to Senate Bill 1567.

SB 1567 is the successor to SB 684 (2025). The bill addresses a program related to mixed income housing. During the 2025 session, negotiations concerning SB 684 and a provision related to the subordination of public lending to private lending took place. An agreement was reached related to subordination. The following is the pertinent amended provision reflected in SB 684B:

SB 684 B (2025) Page 2 Lines 4-5

(4) Loans made under this section must be made subordinate to any existing or concurrently made private loan on the property.

While the bill was eventually narrowed to a study bill late in the session for budgetary reasons, an agreement was reached with Oregon Housing and Community Services ("OHCS") regarding subordination when a private lender is involved in a public private partnership with OHCS under the proposed program.

Unfortunately, the word "must" in SB 684B has been changed to the word "may" in SB 1567.

SB 1567 Page 1 Lines 22-23

(4) Loans under this section may be made subordinate to any existing or concurrently made private loan on the property.

We would respectfully request the word "may" be changed back to "must" or, alternatively, to "must, unless the private lender agrees not to be subordinate."

With this change, as was the case in 2025, we can remove our opposition to the bill. We believe the change will help some projects envisioned by the program get off the ground that might otherwise struggle for funding. In the majority of the testimony on SB 684 where similar programs have been successful in other jurisdictions, the lending involved was a combination of both public dollars and private capital. Without this requested change we believe private capital will likely shy away from this program.

Thank you for your consideration. If you have any questions, please feel free to contact me at (503) 576-4123 or our lobbyist John Powell at (503) 510-8758. Thank you.