



Oregon faces an affordable housing crisis. Escalating home prices, high rents and income taxes, student loan debt, and wages that don't keep up with the cost of living are leaving many Oregonians out of the housing market and hindering their ability to save money for a down payment.

That's why the Oregon Association of REALTORS® (OAR), among other prominent housing and related industry groups, support [HB 4007](#) to create the First-Time Home Buyer Savings Account for Oregonians.

Like the Oregon College Savings Plan established in 2001, the First Time Home Buyer Savings Account would allow individuals to take a state tax deduction for saving money towards a down payment on the purchase of their first home.



Research shows that 86% of Oregonians view saving for a down payment as a significant obstacle to buying a home. In addition, 79% support a statewide First-Time Homebuyers Savings Account.

Savings would be held in a special bank account opened at any Oregon bank or credit union. Deposits into the account would be tax deductible, and the interest earned on the account would be tax free.

Here's how the plan in the proposed legislation works:

- The funds in the account would have to be used for a down payment or other closing costs associated with the purchase or construction of a home, new or existing, of any type.
- The savings account would be available only to people who have never owned a home or those who have not owned a home in the last three years.
- Families could save up to \$50,000, including deposits and interest earned on the account, over a span of 10 years. The law would limit annual tax-free contributions for individual filers to \$5,000 and joint filers to \$10,000.

As a compromise to supporting this legislation, the Democratic leadership in the Oregon House is requiring an increase of real estate document recording fees to \$60 per instance, with the bulk of that revenue dedicated to supporting other existing housing affordability programs statewide.

Talking Points:

- Allow a state tax deduction for saving money towards the purchase of a home
- Only those who have never owned a home or not owned a home in the last three years qualify
- Families can save up to \$50,000 total, including deposits and interest earned on the account
- Nearly 80% of Oregonians support a First-Time Homebuyers Savings Account program
- Similar programs in five other states have proven to incentivize saving for a home purchase
- Takes effect on the 91st day following 2018 session adjournment sine die; applies to tax years beginning on or after January 1, 2019, and before January 1, 2025



The Oregon Association of REALTORS® **supports** this legislation