

## OHCS Homeownership Division

### DRAFT '23-'25 Agency Recommended Budget (ARB)

#### May 2022 Webinar Q&A

*Additional Questions? Please contact Alexandra Ring with OHCS Government Relations at [alexandra.ring@hcs.oregon.gov](mailto:alexandra.ring@hcs.oregon.gov)*

#### Local Innovation Fast Track

**Q. OHCS received a number of questions regarding the future continuation of the Local Innovation Fast Track (LIFT) for Homeownership Program.**

A. Thank you for voicing your thoughts, we heard additional concerns during the Housing Alliance Homeownership Work Group meeting on May 16<sup>th</sup>. We encourage you to submit any additional concerns via the [survey](#). OHCS staff heard important considerations about the potential of layering funds and the concerns about a revolving loan development fund source. OHCS leadership will take these thoughts into considerations as we continue to develop our draft legislative agenda.

#### Oregon Bond Loan

**Q. When will the Oregon Bond Loan be opened to other lenders to apply for the program?**

A. OHCS will accept applications for new lenders when the Request For Applications is posted in conjunction with the launch of our Flex Lending Program.

#### Homeowner Counseling Resources

**Q. Will the proposed funding for foreclosure counseling be ongoing, or one time only?**

A. OHCS is asking for one-time funds, as there is not a permanent funding source identified for the Oregon Foreclosure Avoidance program or the Foreclosure Avoidance Counseling program.

#### New Homeowner Development Program

**Q. Is the existing pot of \$25 Million for homeownership development being considered for a loan fund model?**

A. The new Homeownership Development Program is in beginning stages of its development, and many of these details will be determined using stakeholder feedback. The \$25 million could be a loan fund model, it could be a grant model, and we will fully explore these options with all

our partners, both non-profit developers and for-profit developers, during the upcoming stakeholder engagements sessions.

The \$20 million from 2021 Session will be a revolving loan fund, but further details about the program will be determined after these engagement sessions.

Stakeholder engagement and program development is occurring for the investment secured during the 2021 legislative session. Please save the date and use the links below to join us!

- [May 25th at 9 AM](#)
- [June 14th at 1 PM](#)

**Q. If the \$25M is structured as a loan fund, how is OHCS envisioning those projects pay that back? Where would additional grant subsidy come from, on a recurring basis?**

A. A loan fund is just one possible way of structuring this program. If it were to be structured as a loan, the loan could have a lower interest rate and be repaid at the sale of the properties. The program could combine loans and grants in each transaction to reduce the financial burden on the developer. We are interested in learning from you at the listening sessions.

**Q. How do you envision the private sector being involved in this process?**

A. OHCS has had for profit homeownership developers reach out to us to see how they could work with the State to help create affordable housing for homeowners. They have said they want to continue to have discussions with us, and we have asked for profit developers to participate in our listening sessions to provide feedback and information. All sectors must be part of the solution to create homeownership opportunities for all.

Flex Lending

**Q. Will FLEX mortgage loans be compatible with LIFT for Homeownership?**

A. LIFT HO is currently not compatible with Fannie Mae, Freddie Mac or Federal Housing Agency (FHA) insured mortgage types due to the recorded covenants. Underwriters must represent and warrant that the Community Land Trust and the underlying liens on the land meet the respective requirements of Fannie Mae, Freddie Mac or FHA and the file must be accompanied by the appropriate rider to the note and deed of trust. Currently underwriters cannot do that due to LIFT's requirements.

Oregonians with Disabilities & OHCS Homeownership Programs

**Q. Of the money coming from your programs what percentage is going to people with a disability?**

A. OHCS does not operate very many direct service programs within our Homeownership Division, and program data does not always include disability information. For the Homeowner Assistance Fund program, 55 out of the 158 applications were from Oregonians with disabilities, and 38 out of the 158 applicants have a dependent with disabilities. Please keep in mind that

applicants and dependents may all be in the same application, so we cannot sum the for a "total" figure.

The Homeowner Protection Program Policy Option Package (POP) proposes a \$13M program focused on foreclosure avoidance for fixed income Oregonians, including seniors and disabled households. This has been a key area that our stakeholders highlighted when we were standing up the Homeowner Assistance Fund. Knowing the need is great for these communities, we look forward to continuing this work.