

OREGON HOUSING AND COMMUNITY SERVICES

Hearing Officer's Report to Agency on Rulemaking Hearing

Date (of report):	April 9, 2025
To:	OHCS
From:	Jaci Davis
Subject:	Hearing Officer's Report on Rulemaking Hearing
RAC Date:	November 19, 2025
Public Hearing Date:	January 22, 2025
Hearing Location:	Virtual
Rule Number:	813-020-0000 & 813-022-0000
Rule Title:	Revisions for Flex Lending programs, NextStep product and Oregon Bond Residential Home loan Program.

Rules Advisory Committee: OHCS conducted engagement with impacted partners through a series of email and survey questions to verify the filing fiscal and economic impact statements. The proposed impact statements were agreed upon by partners and impacted communities members and there was no additions or comments to add into the Notice of Proposed Rulemaking.

The rulemaking hearing on the proposed rules was convened on January 22, 2025. People were asked to sign the attendance form and indicate if they wished to comment on the proposed rules. They were informed of the procedures for taking comments. They also were told that the hearing was being recorded. Before receiving comment, Jaci Davis briefly summarized the proposed rules. There was also an informal opportunity for people to raise questions about the proposed rules, and Scott Shaw was available to answer questions. Twenty-one people attended. Zero individuals signed up to present oral comments and zero individuals submitted written comments.

The hearing was adjourned at 1:30pm. The public comment period closed at 5 PM on January 31, 2025.

Appendices:

A – Transcript of public hearing

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Hearing Officer Statement

Date: 01/22/25

813-020-0000, 0005, 0020, 0021, 0022, 0025, 0035, 0045, 0046, 0047, 0048, 0049, 0054, 0055, 0056, 0057, 0060, 0070, 0090, 0100, 0120,

813-022-0000, 0035, 0045, 0055, 0060

Preliminary Information/Logistics – *Optional if anyone shows*

My name is Jaci Davis, and I will be serving as OHCS's hearing officer. The purpose of this hearing is to take public comment on the rules proposed for adoption of Oregon Administrative Rule:

813-020-0000, 0005, 0020, 0021, 0022, 0025, 0035, 0045, 0046, 0047, 0048, 0049, 0054, 0055, 0056, 0057, 0060, 0070, 0090, 0100, 0120 & 813-022-0000, 0035, 0045, 0055, 0060

by OHCS regarding HB 5511(2023) and the Housing Stability Council's approval guidance. No responses to questions will be made during the hearing.

The agency will review issues raised during the public comment period, and the hearing officer's report will contain responses. In addition to the opportunity to present oral comments at this hearing, anyone may submit written comments until 4:00 PM on January 31st, which is the close of the public comment period. Comments received after that time will not be reviewed or considered by OHCS unless the agency decides to extend the public comment period for everyone.

Each person wishing to comment orally at this hearing should indicate by raising your virtual hand or unmuting yourself.

When I call your name, please state your name and who you represent. You may then present your comments. If you have written material to enter into the record, please say so, summarize it for the record, and submit it to the hearing officer.

I will begin the hearing in about five minutes to give you an opportunity to sign the attendance sheet. Are there any questions on how the hearing will be conducted?

Opening Statement – Mandatory, must be recorded

This hearing is now in session and is being digitally recorded to maintain a permanent record. My name is Jaci Davis and I am the hearing officer. Today is January 22, 2025 and the time is 1:12PM. (will give exact time)

The purpose of this hearing is to provide an opportunity for public comment on the rules proposed for adoption of Oregon Administrative Rule 813-020-0000, 0005, 0020, 0021, 0022, 0025, 0035, 0045, 0046, 0047, 0048, 0049, 0054, 0055, 0056, 0057, 0060, 0070, 0090, 0100, 0120 & 813-022-0000, 0035, 0045, 0055, 0060

by OHCS regarding HB 5511(2023) and the Housing Stability Council's approval guidance. No responses to questions will be made during the hearing.

The rules change to the FLEX Lending Program include:

- Explain NextStep and additions into rule guidance - The NextStep is the rebranding of the current Flex Lending Program. The loan program itself will have 2 changes, a new program name and adjusted the DPA 2nd mtg lien (for borrowers whose AMI is less than 80%) to be a silent second which replaces the existing forgivable DPA 2nd mtg. All other program parameters will remain the same.
- Explain FirstHome and the changes from the Bond Residential Loan – The FirstHome product is replacing the existing Oregon Bond Residential loan program. This change will align with the NextStep loan program in servicing, compliance and loan delivery. This allows the loans to be securitized into mortgage backed securities. This will triple the number of lenders that can offer the product which will allow us to reach more Oregonians. We have also included the ability to pair our existing DPA with the FirstHome loan product, which was not available on the previous Oregon Bond Residential Loan program. The DPA is in the form of a Silent or repayable second mortgage.
- These changes are the first steps to creating a stable platform to help more Oregonian's achieve homeownership. As well as opportunities for more lending products with more options and offer below-market interest rates.

OHCS invites comments about these proposed rules and whether other options should be considered for achieving the rules' goals while reducing potential negative impacts that may derive from the rules as currently proposed.

In addition to presenting oral comments at this hearing, written comments may be submitted until 4:00 PM on 1/31, which is the close of the public comment period. Please submit comments to me, Jaci Davis, here is my email address in the meeting chat (Jaci.Davis@hcs.oregon.gov). Comments received after 4:00 PM on 1/31 will not be reviewed or considered by OHCS unless the agency decides to extend the public comment period for everyone.

OHCS will not respond to questions during this hearing. After the close of the public comment period, I will prepare a report to OHCS capturing all comments and responses.

If people are in attendance

I will begin taking comments now.

Begin by calling on those that have identified (raise hand, unmute) and record their name for your report OR

As no one has indicated that they would like to provide oral comment, I will stop recording. Should anyone come wishing to provide oral comment, I will restart the recording.

Closing Statement – must be recorded

Thank you for coming! It is now 1:30PM PST (use exact time) and the hearing is adjourned. I will stop the recording at this time.

Good Bye~