

Oregon Bond Program



Through the Oregon Housing and Community Services (OHCS) Residential Loan Program, the State of Oregon offers below-market rate loans to qualifying eligible buyers. The Oregon Housing and Community Services Residential Loan Program is a mouthful, so everybody just calls it the “Oregon Bond” Program.

What’s in a Name?

The “bond” part of the name comes from the method the State uses to fund the program — the IRS allows the State to sell tax-exempt Housing Bonds. There is a certain “everybody wins” aspect to this that is just lovely. High-income households can buy a low-risk tax-exempt investment — these investments fund low-cost mortgages for low- and moderate-income first-time buyers.

Off and on through the housing crisis, OHCS suspended the program for a lack of funding, but since 1978, it has consistently provided an on-going supply of below market-rate home loans.

Rate Advantage vs. Cash Advantage

The Oregon Bond Program offers a choice between two programs:

- “Rate Advantage” offers the lowest fixed rate, generally .5% to 1.5% lower than market rates for a comparable 30-year fixed rate loan.
- “Cash Advantage” offers closing cost assistance equal to 3% of the loan amount. The Cash Advantage rate is generally 0.5% higher than the Rate Advantage.

Check out current rates at oregonbond.us. Not too shabby, huh? Oregon Bond loans are always at a fixed interest rate, usually for a 30-year term.

Qualifying

To qualify, both you and the property must meet a few criteria:

- You must be a first-time buyer (defined as not having owned a primary residence for the last 3 years) or buy in a Targeted Area*. Large parts of Multnomah County are targeted.
- You must occupy the property as a primary residence within 30 days of closing, and for the life of the loan.
- Your household income must be below the applicable limit* for your area and household size. Note: Income from all household members counts toward this limit.
- You must buy a single-family home, condo or townhome (no duplexes or ADUs).
- Your purchase price must be below the applicable limit*.
- You will not own any other residential property by the time of closing.
- You will not use more than 15% of the living area for business purposes.

*Targeted areas and current income and purchase price limits can be found at oregonbond.us.

The Oregon Bond loan is compatible with a variety of loan programs—FHA, USDA and conventional loans. The Program can be used with virtually any Down Payment Assistance program.

