Oregon Housing and Community Services
Oregon Flex Lending Program
Homeownership, Empowering New Buyers

Summary

Oregon's Flex Lending is a first-of-its-kind mortgage loan program that helps homebuyers with lower incomes, especially those who are historically underserved, to purchase homes with favorable terms and down payment assistance, which is the number one barrier to owning a home. Because of the Flex Lending program, nearly 1,000 Oregon homebuyers were able to purchase in 2025.

Oregon Flex Lending Program

According to Credit.org, down payment assistance is the number one barrier to homeownership. Oregon's Flex Lending program is designed to overcome that obstacle to help homebuyers, especially those who are historically underserved and of low to moderate income, to purchase homes.

Oregon Housing and Community Services (OHCS) has developed Flex Lending, a first-of-its-kind lending program to help fulfill OHCS' mission of providing affordable homeownership opportunities. Flex Lending offers two loan products to approved lenders statewide: FirstHome and NextStep. These products may be paired with down payment assistance (DPA) to create more accessible pathways to homeownership, resulting in stronger communities. By doing so, OHCS aims to provide families with greater stability and a solid foundation for the future.

Are innovative
What OHCS has done with its Flex Lending program has never been done before in Oregon. Previously, OHCS' ability to support more Oregonian homebuyers with lower incomes was constrained by its sole source of funding: bonds. To expand lending capabilities, OHCS sought the private marketplace, which provides more opportunity and has no constraints on volume.

Flex Lending brings multiple funding sources to OHCS' mortgage operations, providing Oregonians on lower incomes with additional pathways to homeownership. It's versatile because it provides two loan products that focus on both first-time homebuyers and experienced homebuyers.

FirstHome is available with or without down payment assistance (DPA). DPA is provided as a second mortgage with terms based on income. FirstHome is a first-time homebuyer product with exemptions for veterans and properties located in targeted areas, which the U.S. Department of Housing and Urban Development defines to promote economic development and expand access to homeownership.

NextStep is paired with DPA and available to assist all homebuyers. It aims to provide mortgage financing to help Oregonians with low to moderate incomes buy homes without the capacity constraints of qualified mortgage loans like FirstHome.

Are replicable
The goal of the Flex Lending program is to generate its own resources and build capacity by creating income through its DPA loan product. Engaging lenders during the program development was essential, and it led to a DPA structure that provides the greatest benefit to homebuyers with the greatest needs through a silent second loan with no payments and no interest. Median income homebuyers are also

supported through an amortizing DPA offered at an interest rate only 1% higher than the first mortgage. The program also establishes a network of approved lenders who can use the product and help promote its benefits. By taking a similar approach, other state housing finance agencies can build their own lender networks to offer loan products tailored to the needs of their homebuyers.

Fulfill an important state housing need

Flex Lending helps those who otherwise cannot afford to buy a house access homeownership by providing monetary assistance for expenses such as down payment, closing costs, prepaid items, upfront borrower paid mortgage insurance, and other allowable fees. In addition, the down payment assistance is stackable, meaning it can be used in conjunction with other DPA resources. There is often a long waitlist for publicly supported housing. Moving renters along the housing continuum into homeownership frees up more units and opportunities for those who do not have a permanent place to live to gain more stability.

Benefit Oregonians and underserved markets

Flex Lending products serve Oregonians with lower incomes – especially those in rural communities, veterans, and people of color – by creating access to homeownership, possibly for the first time. These products require no minimum financial investment, accept credit scores down to 620, offer expanded debt-to-income limitations and reduced mortgage insurance rates, all with no adjustments to rate or price. It allows many to start building the kind of generational wealth that previously eluded them. Those who have used the program have spoken about how it has given them a chance to establish roots, become part of a community, and one day pass along generational wealth to their children.

Use data, research, and analysis to demonstrate measurable benefits

The department introduced a Focused Demographics DPA option to help close persistent homeownership gaps. Using loan demographic data, Focused Demographics offers increased down payment assistance with more favorable terms for borrowers who meet at least two of four criteria:

- Having a household of four or more people,
- Having a household member with a disability,
- Carrying a debt ratio of 28% or higher, or
- Being a sole head of household with eligible dependents.

This assistance is opening doors for more Oregonians who have historically faced barriers to homeownership. Demand has been higher than ever, and the results are remarkable—more rural households, people of color, and single-parent families are achieving homeownership at younger ages than in previous years.

Are successful in the marketplace

The record-breaking Flex Lending program continues to be popular with approved lenders and homebuyers. By helping to fill the deep need for low-cost mortgage loan products, OHCS is creating exciting pathways to homeownership for underserved Oregonians.

- 954 households served totaling 1,378 individuals served.
- Worked with 33 lenders.
- Trained 3,206 lending partners.
- Provided almost $300 million, including $7.5 million in down payment assistance.
- 31% of homebuyers identified as people of color.

- 32 were veteran households.
- 43% live in rural areas throughout the state.
- Social media reach: OHCS conducted an expensive social media campaign on LinkedIn and Facebook that resulted in:
  - 9,020 impressions.
  - 348 engagements.
  - 86 post link clicks.
  - 4% engagement rate.

Provide benefits that outweigh costs
How much value can one assign to a new homeowner's sense of stability after years of uncertainty about where they're going to live? What is a single mother's ability to pass along generational wealth to her five children worth? If you ask Phoenix Paintin, who can now realize her dreams thanks to the Flex Lending program, it's immeasurable. "The Flex Lending program made homeownership feel attainable and supportive rather than overwhelming," she said. "Becoming a homeowner is something I do not take lightly. It creates space for rest, connection, and the ability to invest in my future in a way that once felt out of reach."

Employ partnerships and resources effectively
From the outset, OHCS has collaborated with community leaders, nonprofit partners, homeownership centers, lenders, the real estate community, and borrowers, creating deep and cohesive relationships built on trust and communication. Weekly training sessions welcome new Flex Lending participants and provide refreshers for those who already have been using the program. Consistently providing outreach to the community either virtually or in person elevates the Flex Lending program as the best dynamic solution in the marketplace for underserved Oregonians.

Flex Lending continues to achieve more with the same lean staffing model by partnering with approved lenders to deliver its loan products to homebuyers efficiently and effectively. With only a small team, Flex Lending can operate the program, onboard new lending partners, and work toward providing new offerings, all while upholding strong compliance standards — capabilities that other programs often require significant additional resources to accomplish. Even as demand grows and the program expands rapidly, Flex Lending delivers a streamlined approach to maximize efficiency and deliver strong, measurable results without increasing staff.

Achieve strategic objectives
OHCS' vision is that all Oregonians, especially those who are historically underserved, have the opportunity to pursue prosperity and live free from poverty. The Flex Lending program helps OHCS achieve that vision by creating more opportunities for Oregonians to move along the housing continuum, from renting to homeownership, so that more people can enjoy the benefits that homeownership brings, which includes building generational wealth, investing in one's future, establishing roots, and experiencing a sense of community.

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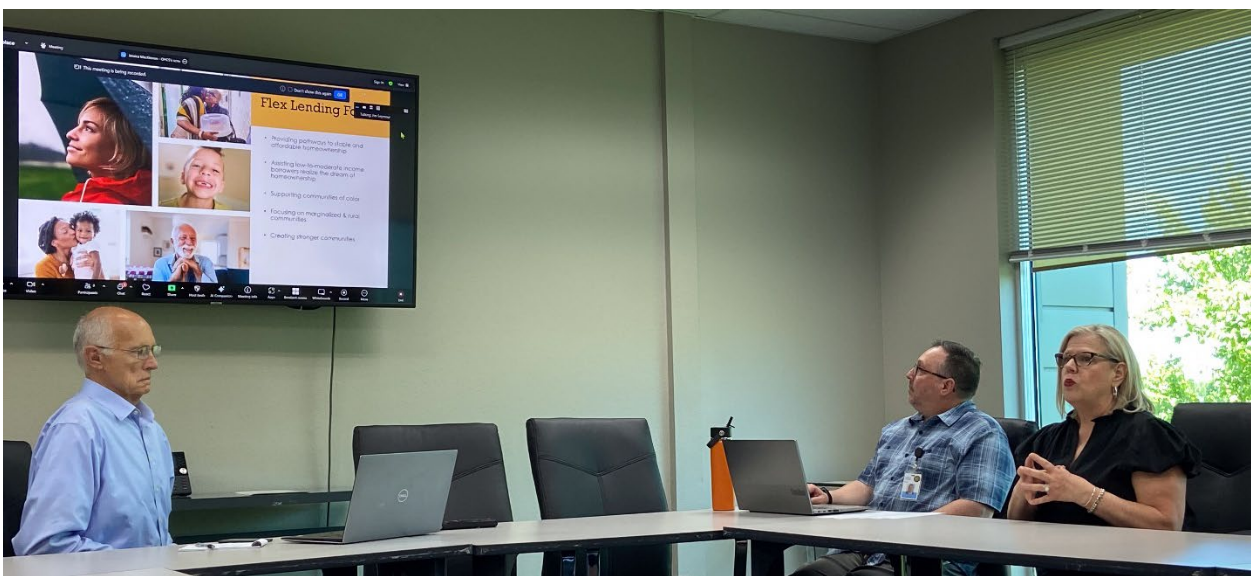
Visual Aids

Press release/success story: Phoenix Paintin in front of her new home: https://apps.oregon.gov/oregon-newsroom/OR/OHCS/Posts/Post/ohcs-lending-products-helped-almost-1000-Oregon-households-buy-a-home-in-2025

Lender engagement



Flex Lending program manager Scott Shaw (middle) and Business Development Field Manager Susan Román (right) talk about their program at a lenders organization meeting.

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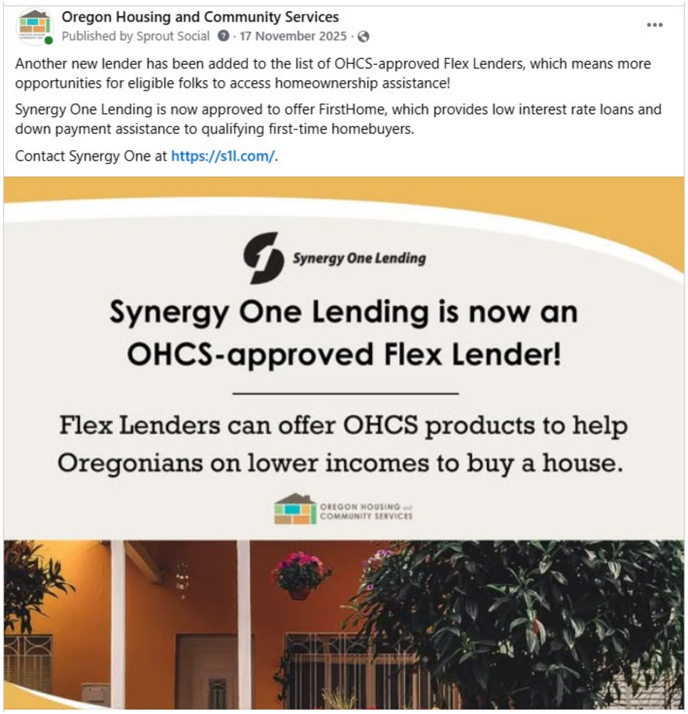
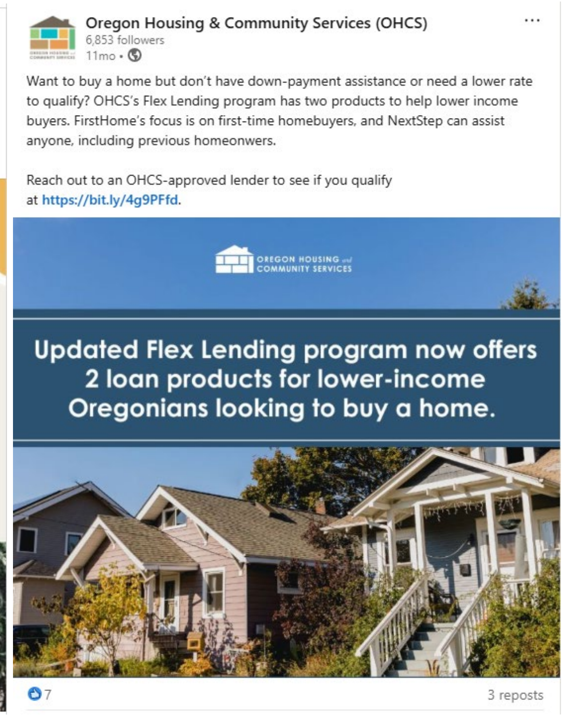
Social media





Website:

For homebuyers: https://www.oregon.gov/ohcs/homeownership/homebuyers/Pages/flex-lending.aspx

Flex Lending

Oregon Housing and Community Services (OHCS) has developed a first-of-its-kind lending program to help fulfill OHCS' mission of providing homeownership opportunities for Oregonians, which may be paired with down payment assistance (DPA). Flex Lending helps Oregonians buy homes in partnership with approved mortgage lenders statewide.

DPA funds may be used for up to 100% of the borrower's cash requirement to close, including down payment, closing costs, pre-paid items, upfront borrower-paid mortgage insurance, and other related loan fees and expenses.

Flex Lending consists of two loan products: FirstHome and NextStep. Both of these are first mortgage loans that can be paired with the OHCS Down Payment Assistance (DPA) program.

Flex Lending loan comparison

Benefit / Conditions	First Home	NextStep
First-time homebuyer requirement	Yes, with exceptions	No
Homebuyer education course required	Yes	Yes
No minimum investment	Yes	Yes
Down payment assistance	Yes	Yes
Credit score of 620	Yes	Yes
Income limits	Max household income per county	Max $125,000

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For lenders: https://www.oregon.gov/ohcs/homeownership/lenders-real-estate-professionals/Pages/default.aspx

Lenders and real estate professionals

- Homeownership homepage
- **Lenders and Real Estate professionals**
  - FirstHome lenders
  - NextStep lenders
  - Lender notices
  - Lender training
- Requests for Speaking Engagements
- Featured Lenders
- **Recent**

Oregon Housing and Community Services (OHCS) operates the Flex Lending program, which offers two loan products through approved lenders: FirstHome and NextStep.

OHCS developed Flex Lending to support its mission of expanding homeownership opportunities for Oregonians. FirstHome and NextStep may be paired with down payment assistance (DPA) to create more accessible pathways to homeownership resulting in stronger communities. By doing so, OHCS aims to provide families with greater stability and a solid foundation for the future.

FirstHome

FirstHome is designed to support first-time homebuyers.

Learn more about FirstHome

NextStep

The NextStep product is available to all homebuyers.

Learn more about NextStep

Approved lender login

Contact us

Get in touch with the Flex Lending team at HCS_HomeownershipLending@hcs.oregon.gov.

Speaker Request Form

Want us to talk about Flex Lending at one of your events? Let us know by filling out our speaker request form.

Featured Lenders webpage: https://www.oregon.gov/ohcs/homeownership/lenders-real-estate-professionals/Pages/featured-lenders.aspx

Featured Lenders

Find an approved Flex Lender and top-producing loan officer

Flex Lending is pleased to partner with many outstanding OHCS-approved lenders in Oregon. We don't make mortgage loans; our approved lenders do. They are your resource for questions, how to qualify for a Flex Lending loan product, and finalizing your new home loan. Contact an **approved lender** or one of their **top-producing loan officers** to get started on your path to homeownership.

Be sure to tell them you want an **OHCS Flex Lending loan**.

Featured lenders

Click an image below to learn more about knowledgeable mortgage professionals who work the most with Flex Lending.

Kristen Friedle

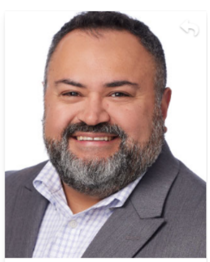
Kiki Stonebraker

Mortgage Trust, Mortgage Specialist (NMLS #1982273)

I'm obsessed with the Flex Lending program because, when used strategically, it opens doors most people don't know are available. We use it with about 35% of our clients — and I know exactly how to guide you through the process with clarity and confidence!

971-322-4021
Kiki@mortgage-trust.com

Apply Online with Kiki Stonebraker



Joseph Portillo

Oregon Housing and Community Services
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Customizable Lender Program Flyers (English and Spanish)

FirstHome

A Flex Lending product

Helping Oregonians achieve the dream of homeownership

Lending Company Name

Lender Description

Crop and size lender photo and place it within this frame.

Loan Originator Name

Phone Number (Ex: 555-555-5555

Email Address (up to 2 lines)

Web Address (up to 2 lines)

EQUAL HOUSING OPPORTUNITY

OREGON HOUSING and COMMUNITY SERVICES

About FirstHome

In coordination with Oregon Housing and Community Services (OHCS), Oregon's housing finance agency, FirstHome is a loan product for Oregonians with low to moderate incomes to obtain favorable rate mortgages that will help them establish roots and build the kind of generational wealth that homeownership provides. Borrowers also can receive 4% or 5% of the loan amount as down payment assistance to cover closing costs, prepaid expenses, and 100% of the required down payment.

Program benefits and eligibility

- Competitive-market interest rate
- Down payment assistance available up to 4% or 5%
- Great for first-time homebuyers and veterans
- Property types include single-family homes, condos, planned unit developments, and manufactured homes.

For more information about FirstHome and OHCS' other loan product, NextStep, visit https://www.oregon.gov/ohcs/homeownership/homebuyers/Pages/default.aspx.

Last updated: 2/6/25

NextStep

Un producto de préstamos flexibles

Acceda a la casa de sus sueños con una hipoteca que puede combinarse con una asistencia para el pago inicial.

[Lending Company Name]

[Lender Description]

[Crop and size lender photo and place it within this frame.]

[Loan Originator Name]

Teléfono: [Ex: 555-555-5555]

Correo electrónico: [up to 2 lines]

Sitio web: [up to 2 lines]

EQUAL HOUSING OPPORTUNITY

OREGON HOUSING and COMMUNITY SERVICES

¡Diga adiós a las barreras y hola a su nuevo hogar!

¿Está preparado para comprar una vivienda, pero le preocupan los costos iniciales? El préstamo NextStep está aquí para hacer realidad el sueño de la vivienda propia, ¡ya sea su primer hogar o el próximo!

¿Por qué elegir NextStep?

- **Sin requisito de comprador primerizo:** perfecto para muchos compradores.
- **Asistencia para el pago inicial (DPA):** la DPA ayuda a reducir los costos iniciales y le permite acceder a su hogar más rápido.
- Los tipos de propiedad incluyen viviendas unifamiliares, condominios, desarrollos de unidad planificada y viviendas prefabricadas.
- Requisitos flexibles, con elegibilidad de ingresos de hasta **$125,000.**

¡Demos juntos el próximo paso con NextStep!

El préstamo NextStep se ofrece junto con el Departamento de Vivienda y Servicios Comunitarios de Oregon (OHCS), el organismo estatal de financiamiento de viviendas de Oregon, para ofrecer oportunidades de vivienda propia para prestatarios de ingresos bajos a moderados. Al fomentar comunidades más sólidas e impulsar la economía local, el OHCS ayuda a brindar a las familias mayor estabilidad y una base sólida para el futuro, lo que contribuye a alcanzar el objetivo de construir un Oregon más equitativo y próspero.

Para obtener más información sobre NextStep y el otro producto de préstamo de OHCS, FirstHome, visite https://www.oregon.gov/ohcs/homeownership/homebuyers/Pages/ default.aspx.

Si desea recibir información en otro idioma, envíe un correo a Language.Access@hcs.oregon.gov

Última actualización: 2/7/2025

Lender Notices

June 16, 2025

Flex Lending Program Notice 2025.18:
Required training for FirstHome loan product

Dear Lenders,

OHCS' goal is to ensure the success of both originators and borrowers. To accomplish this goal, OHCS is requiring that all loan originators to complete FirstHome loan product training prior to loan lock.

FirstHome follows IRS guidelines that differ from many other loan products, making it essential for loan originators to be well-versed in these specific requirements in order to guide prospective homebuyers effectively. Upon completion of FirstHome loan product training, loan officers will be eligible to originate FirstHome loans.

OHCS offers regular training sessions for the FirstHome loan product, which can be found at https://www.oregon.gov/ohcs/homeownership/lenders-real-estate-professionals/Pages/lender-training.aspx.

Please note that this training requirement is distinct from the upcoming FirstHome Income Calculation, FirstHome Lender Portal Compliance Income Review training, and is also separate from the NextStep loan product training. This mandate specifically pertains to FirstHome product training and is effective immediately.

Thank you for your attention to this important requirement. Please share with all staff.

Sincerely,
Your Homeownership Lending Team

Lenders may contact the Homeownership Team at HCS_HomeownershipLending@hcs.oregon.gov, with questions about this notice.

Program Manuals and Summaries: https://www.oregon.gov/ohcs/homeownership/lenders-real-estate-professionals/Documents/FirstHome/FirstHome-Product-Manual.pdf

https://www.oregon.gov/ohcs/homeownership/lenders-real-estate-professionals/Documents/NextStep/NextStep-Product-Guideline-Manual.pdf

https://www.oregon.gov/ohcs/homeownership/lenders-real-estate-professionals/Documents/NextStep/NextStep-Conv-Program-Summary.pdf