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Enable Mortgage Portability and Promote Housing Affordability in the State

Housing affordability is a growing concern, and one solution that could ease the financial burden on homeowners is mortgage portability. Mortgage portability allows borrowers to transfer their existing mortgage to a new property without incurring penalties or higher interest rates. By enabling this option, states can make homeownership more flexible and affordable, reducing financial strain on families and promoting a healthier housing market.

The Benefits of Mortgage Portability

Mortgage portability provides homeowners with greater financial flexibility. Many borrowers lock into long-term mortgages with favorable interest rates, only to face steep penalties or higher rates if they need to move. Allowing mortgage portability would ensure that homeowners can relocate without being financially penalized, making it easier for families to upsize, downsize, or move for work opportunities.

Reducing Barriers to Homeownership

One of the biggest challenges in the housing market is affordability. High mortgage transfer costs discourage homeowners from moving, reducing market mobility and limiting housing options for others. By enabling mortgage portability, states can help lower these costs, making homeownership more accessible and ensuring a more dynamic and responsive housing market.

Encouraging Economic Growth

A more fluid housing market benefits the economy by encouraging home sales, construction, and real estate investment. When people can move without financial obstacles, they are more likely to buy homes that fit their changing needs, leading to increased demand for housing and related industries. This stimulates economic growth and job creation in sectors like construction, banking, and home services.

Addressing Concerns

Opponents of mortgage portability argue that it could increase risks for lenders or lead to higher mortgage rates overall. However, with proper regulations in place, mortgage portability can be structured to protect both lenders and borrowers. Many financial institutions already offer some form of portability, proving that it is a viable solution. Expanding its availability through state-level policies would ensure that more homeowners can benefit.

Conclusion

Enabling mortgage portability is a practical step toward improving housing affordability and market flexibility. By reducing financial barriers for homeowners and encouraging a more fluid housing market, states can create a fairer and more accessible system for buyers. Policymakers should prioritize this reform to help families secure stable housing without unnecessary financial burdens.