



HOUSE OF REPRESENTATIVES

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Testimony of Rep. Wayne Farrin presenting

LD 2077, An Act to Reduce the Cost of Purchasing a Home by Providing Grants to Reduce Mortgage Rates

Before the Joint Standing Committee on Housing and Economic Development

Senator Curry, Representative Gere and members of the Joint Standing Committee on Housing and Economic Development, my name is Wayne Farrin, and I proudly represent House District 47, which includes the beautiful communities of Alna, Jefferson, Whitefield and Wiscasset. I'm pleased to present **LD 2077, An Act to Reduce the Cost of Purchasing a Home by Providing Grants to Reduce Mortgage Rates.**

When I started as a real estate agent, I used to help around eight to 10 buyers every year purchase their first homes. Helping people take this step was one of the happiest moments for me. But that has just about disappeared. Homes used to be between \$150,000 to \$200,000. Today, quality homes at that price have essentially vanished from the market. Maine's median home price has climbed to \$425,000 — a 70% increase.

Data on homeownership affordability shows a sharp increase in the percentage of Maine households that cannot afford the median-priced home — rising from 39% in 2020 to 64% in 2024. The situation is even more severe for my constituents in Lincoln County, where 74% of households cannot afford the median-priced home.

Teachers, nurses, tradespeople and other essential workers are being priced out of the communities they serve. Couples who are ready to put down roots find themselves stuck in rental markets or, worse, leaving Maine altogether for more affordable states.

Maine has one of the oldest median ages in the nation. If we want to reverse this trend, we must make it possible for young people to build lives here. Housing affordability isn't just a real estate issue — it's an economic development issue, a workforce issue and, ultimately, a question about what kind of future Maine will have.

When professionals can't afford to buy homes, it's harder for them to fully invest in our communities. We're not just losing potential homebuyers; we're losing the next generation of community leaders, volunteers and taxpayers.

LD 2077 takes a practical, targeted approach by directing the Maine State Housing Authority to provide grants of up to \$15,000 to eligible Mainers to reduce their mortgage rates. Additionally, this legislation would allow a taxpayer an income tax deduction for payments made to purchase private mortgage insurance for the taxpayer's primary residence in Maine.

These aren't handouts — they're strategic investments. Research shows that each existing home sale generates approximately \$60,000 in economic activity, and new home buyers spend close to \$12,000 on projects throughout the home, contributing to the local economy through real estate services, moving expenses, home improvements, furniture purchases and more. When we help Mainers buy homes, we're stimulating local businesses, creating jobs and strengthening our tax base.

Programs like MaineHousing's First Home Loan Program have helped, and I applaud those efforts. But the scale of this issue demands we do more. With inventory at historic lows and prices at historic highs, we need innovative solutions that meet this moment. LD 2077 represents exactly the kind of creative thinking we need.

If we could lower the interest rate from 6% to 5% on a \$300,000 mortgage. That is a monthly savings of almost \$200, which is nearly \$170,000 over the life of a 30-year mortgage. That's real savings that will help make home ownership a possibility for more Mainers.

This committee has been working tirelessly on Maine's housing challenges, and I'm grateful for your dedication to this issue. I know LD 2077 won't solve every problem, and there might be a better solution that this committee will come up with to lower mortgage payments. Either way, we need to do everything we can to ensure that the dream of homeownership remains within reach for Maine's working families.

Let's get Mainers into affordable homes.

Thank you for your time and attention. I would be happy to answer any questions.