



OREGON - OR | PACIFIC NORTHWEST - 2026 EDITION

Buying a Home in Oregon: The 2026 Readiness Guide

Oregon combines Portland-metro pricing with some of the most unusual property tax rules in the country. Being ready here means understanding what your tax bill will actually be, how Oregon Housing and Community Services (OHCS) assistance works, and why earthquake coverage is a real conversation.

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LICENSE

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LIVE GUIDEreadinessiq.ai/guides/oregon-homebuyer-guide

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2026 fast facts

CONFORMING LOAN LIMIT (FANNIE / FREDDIE)

\$806,500 baseline up to \$977,500 in the Portland metro counties

FHA LOAN LIMIT

\$524,225 (baseline counties) - up to \$977,500 (Multnomah, Washington, Clackamas, Columbia, Yamhill) in high-cost counties

MEDIAN HOME PRICE

~ \$505,000 statewide (higher in the Portland metro and Bend)

AVERAGE EFFECTIVE PROPERTY TAX RATE

~ 0.86% of real market value, but assessed value is capped separately

AVERAGE HOMEOWNERS INSURANCE

~ \$1,150/year for a \$400K home - below the national average

What homes actually cost

Roughly 26% of Oregon households can afford the state median home at current rates. The Portland-metro

ReadinessIQ is patent pending. [Learn more about our innovation at readinessiq.ai](#)





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high-balance conforming limit keeps most purchases out of jumbo territory, and OHCS assistance is what closes the down-payment gap for most first-time buyers.

Property taxes

Oregon's Measure 50 froze each property's 'maximum assessed value' to a 1997 baseline and caps its growth at 3% per year, independent of market value. That means two identical neighbors can pay very different taxes, and your bill does not reset to your purchase price when you buy. Always pull the actual tax record for the specific parcel rather than estimating from a percentage - and remember local bond levies stack on top of the capped rate.

Homeowners insurance

Standard hazard premiums are low, but earthquake is excluded from every standard homeowners policy and the Cascadia subduction zone runs the length of the coast. Wildfire risk in Southern Oregon, the Cascades foothills, and Central Oregon has caused some carriers to non-renew or surcharge; get a bindable quote during your inspection period. Flood coverage is separate and required in FEMA special flood hazard areas.

Down-payment assistance in Oregon

Oregon Bond Residential Loan Program (OHCS)

Who: First-time buyers (or buyers in targeted areas) under county income and purchase-price limits

What: Two choices: 'Rate Advantage' delivers a below-market fixed rate, or 'Cash Advantage' delivers 3% of the loan amount as cash for down payment and closing costs alongside a market rate. Pairs with FHA, VA, USDA, and conventional.

Flex Lending Program (OHCS)

Who: First-time and repeat buyers under income limits, including buyers not eligible for bond financing

What: Down-payment assistance structured as a forgivable or repayable second, layered onto a fixed-rate first mortgage.

Down Payment Assistance Grant Program (OHCS network)

Who: Low- and moderate-income first-time buyers working with a participating community partner

What: Grant funds for down payment and closing costs, distributed through local nonprofits and housing centers.

Funding is awarded in cycles and can run out mid-year.

Portland Housing Bureau Down Payment Assistance Loan

Who: Income-qualified first-time buyers purchasing within the City of Portland

What: A deferred, forgivable second mortgage for down payment and closing costs, with an owner-occupancy requirement for the full term.

Mortgage Credit Certificate (participating jurisdictions)

Who: First-time buyers in jurisdictions that issue MCCs, under income and price limits

What: A federal tax credit for a share of the mortgage interest you pay each year, claimed annually for as long as you





keep the loan and live in the home. Availability varies by issuer and funding cycle.

Closing customs in Oregon

Escrow and title companies close Oregon transactions; attorneys are not required. The seller customarily pays the owner's title policy and the county transfer tax where one exists (only Washington County levies one). Buyers pay lender fees, escrow's buyer side, and prepaid taxes and insurance.

Is buying here right for you?

This is usually a good moment to buy if:

- You've lived (or plan to stay) in the state 3+ years
- You've run the full monthly payment with real property tax and insurance numbers
- You have 3.5%+ of the price saved OR qualify for state down-payment assistance
- You've verified your credit score and debt-to-income ratio meet program minimums

Wait if:

- You're relocating for a job you haven't started, without a signed offer letter
- The payment would push you above 40% of gross monthly income
- You haven't quoted insurance in a high-risk (wildfire / coastal / flood) ZIP code
- You're likely to move again within two years

Frequently asked questions

What first-time buyer programs are available in Oregon?

Oregon Housing and Community Services (OHCS) runs the Oregon Bond Residential Loan Program (Rate Advantage or Cash Advantage), the Flex Lending Program, and a grant network delivered through local nonprofits. The City of Portland adds its own forgivable down-payment loan for buyers inside city limits.

Does Oregon offer homebuyer grants?

Yes. OHCS funds a down payment assistance grant program through participating community partners, and Cash Advantage delivers 3% of the loan amount as cash toward down payment and closing costs. Grant funding is awarded in cycles and can be exhausted before the year ends, so confirm availability with a participating lender.

How much down payment do I need in Oregon?

As little as 0% with VA or USDA, 3.5% with FHA, or 3% with conventional 97. Oregon Bond Cash Advantage or Flex Lending assistance can cover most or all of that for eligible buyers.

Can I combine FHA with Oregon down payment assistance?

Yes. OHCS assistance layers on top of FHA, VA, USDA, and conventional first mortgages. FHA plus Cash Advantage is one of the most common structures for Oregon first-time buyers.





What income limits apply to Oregon DPA?

Bond program limits are set by county and household size and generally land in the \$100,000-\$160,000 range, with higher allowances in the Portland metro and in targeted areas. Flex Lending uses its own schedule. Limits are republished periodically - verify the current number on the OHCS site.

Are Oregon DPA funds forgivable?

It depends on the product. Cash Advantage delivers cash with no separate second. Flex Lending and the Portland Housing Bureau loan are structured as deferred seconds, some forgivable after an occupancy period and some repayable at sale or refinance. Ask which structure you are being offered before you sign.

Do Oregon assistance programs require me to live in the home?

Yes. Every OHCS and city program requires the home to be your primary residence, and forgivable seconds typically require continuous occupancy for a set number of years. Converting to a rental early usually triggers repayment.

What are 2026 loan limits in Oregon?

The conforming limit is \$806,500 in most counties and rises to \$977,500 in the Portland metro (Multnomah, Washington, Clackamas, Columbia, and Yamhill). FHA is \$524,225 in baseline counties and matches \$977,500 in the metro.

How do VA loan limits work in Oregon?

Veterans with full entitlement have no VA loan limit - the limit only re-enters the picture if you have an active VA loan or a prior VA loss. Lenders still cap you by income and credit, but there is no dollar ceiling tied to your county.

Is any part of Oregon USDA eligible?

Much of it. USDA's zero-down program covers most of rural Eastern, Southern, and Coastal Oregon and even some outer commuter towns near Salem and Eugene. Eligibility is address-based and income-capped by household size - check the specific property address on USDA's eligibility map.

Why is my Oregon property tax bill different from my neighbor's?

Measure 50 caps each parcel's assessed value growth at 3% per year from a 1997 baseline, so homes with identical market values can carry very different assessed values. Your bill does not reset to your purchase price at closing - pull the actual parcel tax record instead of estimating.

Do I need earthquake insurance in Oregon?

It is not lender-required and it is not in a standard policy. Given the Cascadia subduction zone, many Oregon owners add a separate earthquake policy with its own percentage deductible. Price it before you close so it is in your real monthly budget.

What are typical buyer closing costs in Oregon?

Roughly 2%-3% of the purchase price for lender fees, escrow, title endorsements, recording, appraisal, and prepaid taxes and insurance. Sellers customarily pay the owner's title policy; only Washington County charges a real estate transfer tax.





Sources & verification

Every figure in this guide is checked against the primary sources below on each review. Limits and averages change; the live guide is always the current version.

FHFA - 2026 conforming loan limits

<https://www.fhfa.gov/data/conforming-loan-limit>

HUD / FHA - mortgage limit lookup by county

<https://entp.hud.gov/idapp/html/hicostlook.cfm>

HUD - Oregon homeownership & assistance programs

<https://www.hud.gov/states/oregon/homeownership/buyingprgms>

CFPB - buying a house: tools and resources

<https://www.consumerfinance.gov/owning-a-home/>

Not a loan approval, commitment to lend, or legal/tax advice.

ReadinessIQ scores your file against published underwriting guidelines. A formal approval comes only from a licensed lender after documents are verified and credit is pulled.





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