

Q & A Regarding MOP and Furlough/Salary Reductions

Question: Given the planned salary reductions/furloughs that may be effective August 1, 2009 (payroll check dated September 1, 2009), will there be adjustments to the terms of my Mortgage Origination Program loan?

Answer: The Office of Loan Programs (OLP) has received several inquiries concerning whether the Mortgage Origination Program will be providing assistance to borrowers who are anticipating financial difficulty as a result of the University's proposed salary reductions/furloughs.

We are aware of the concerns of all of our borrowers given the personal financial realities associated with the salary reductions/furlough. We do not anticipate implementation of an across the board plan to provide relief to MOP recipients. The MOP rate has been decreasing for the most recent four quarters, and is expected to decrease again effective August 1, 2009. As the interest rate on individual loans comes up for the annual adjustment, many borrowers will receive payment relief as the rate adjusts downward.

OLP is evaluating the impacts of the proposed salary cuts/furloughs on existing MOP borrowers and on the underwriting criteria for new applicants, and will provide additional information in the event of any changes.

Specific questions concerning your loan can be directed to olp@ucop.edu.