

UNIVERSITY
OF
CALIFORNIA



MORTGAGE
ORIGINATION
PROGRAM

HOME LOANS
Especially for UC Faculty



PROGRAM OVERVIEW

The Mortgage Origination Program (MOP) was developed by the University of California to support the recruitment and retention of faculty and Senior Managers by assisting them in the purchase of a principal residence near their campus, or the Lawrence Berkeley National Laboratory (LBNL), if applicable.

MOP provides first deed of trust loans with a one-year adjustable rate based upon an internal University index. The standard repayment term is 30 years; however, borrowers may request a shorter term, or a longer term of up to 40 years.

MOP is administered by the University's Office of Loan Programs (OLP), located in Oakland, California. Questions regarding the Mortgage Origination Program should be directed to the Campus/Lab Housing Representative or OLP.

ELIGIBILITY REQUIREMENTS

Full-time University Appointees who are:

- members of the Academic Senate or hold an equivalent title
- members of the Senior Management Group

Each campus, or LBNL, determines participation based on recruitment or retention needs

Property must be the principal place of residence for the primary participant for the term of the loan

Property must be within a reasonable distance of participant's campus, or LBNL

The participant must not have owned a primary residence within the prior 12 months near campus or LBNL

Only for a single family residence or a condominium

Loan may not be used for construction financing

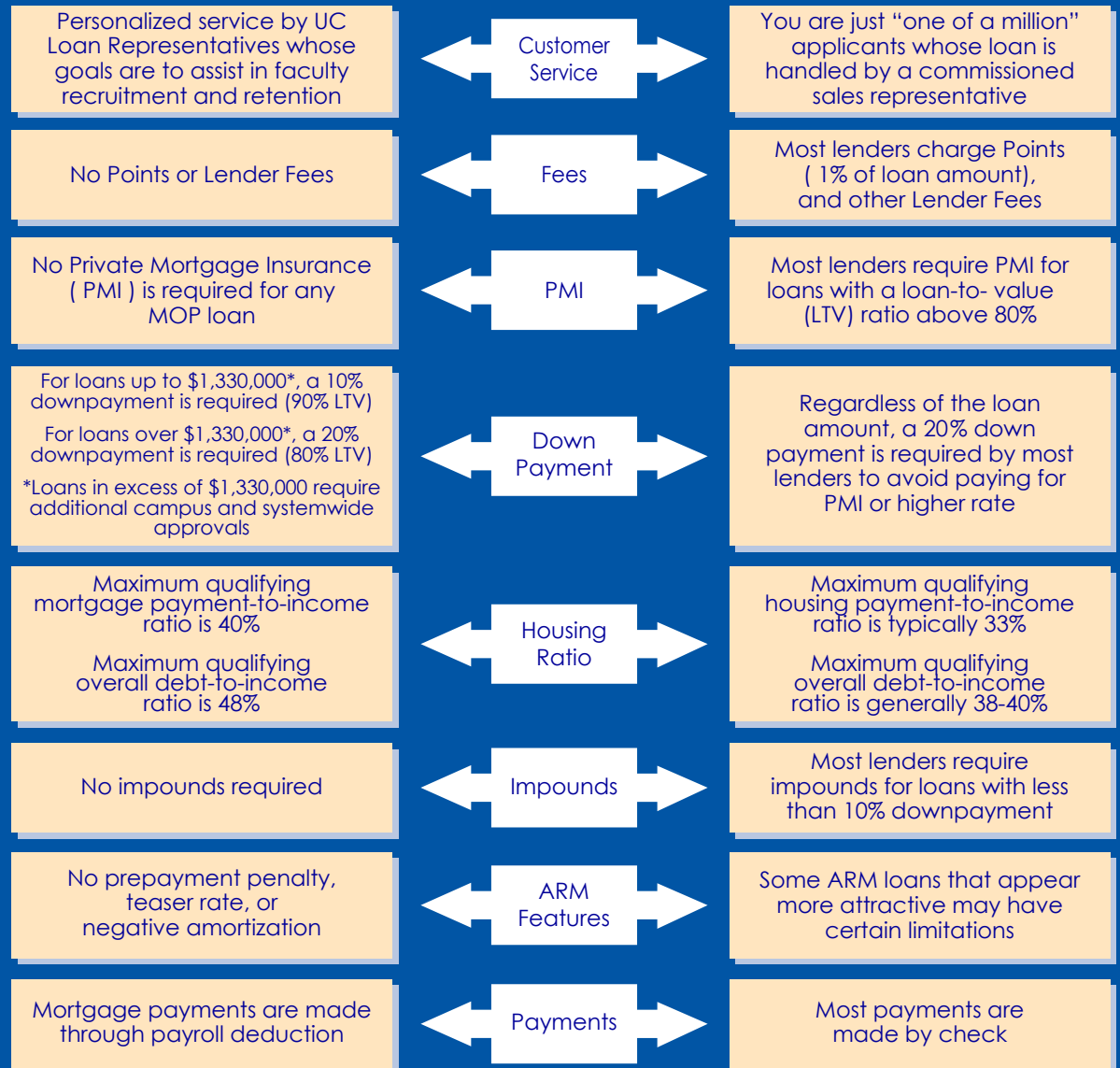
Repayment in full is required six months after separation from the University (unless for University retirement or disability)

Loans are non-assumable

Why Choose MOP?

MOP Loans

Conventional Loans



HOW IS THE MOP INTEREST RATE DETERMINED?

The University maintains a working capital account (Short Term Investment Pool, or STIP) that is invested in a broad spectrum of investments with a maximum maturity of five years.

To determine the interest rate for MOP loans, the rate of return of STIP is calculated quarterly. The rate of return for the most recently available four quarters is averaged and an administrative fee of .25 is added. The minimum Standard Rate is 3.0%

This rate is used for new MOP loans as well as MOP loans due for their annual rate adjustment. The maximum annual rate adjustment for each loan is 1% (up or down) from the current rate.

As shown on the chart to the right, loan rates for the MOP program have traditionally fluctuated less than most indices used by private lenders.

BORROWER SURVEY RESPONSES (95.6% very satisfied)

"Overall I was extremely satisfied with the process and people of this program. While the low cost of the program is significant, the courtesy of the people I had contact with made the process of purchasing a home much easier than it otherwise would have been."

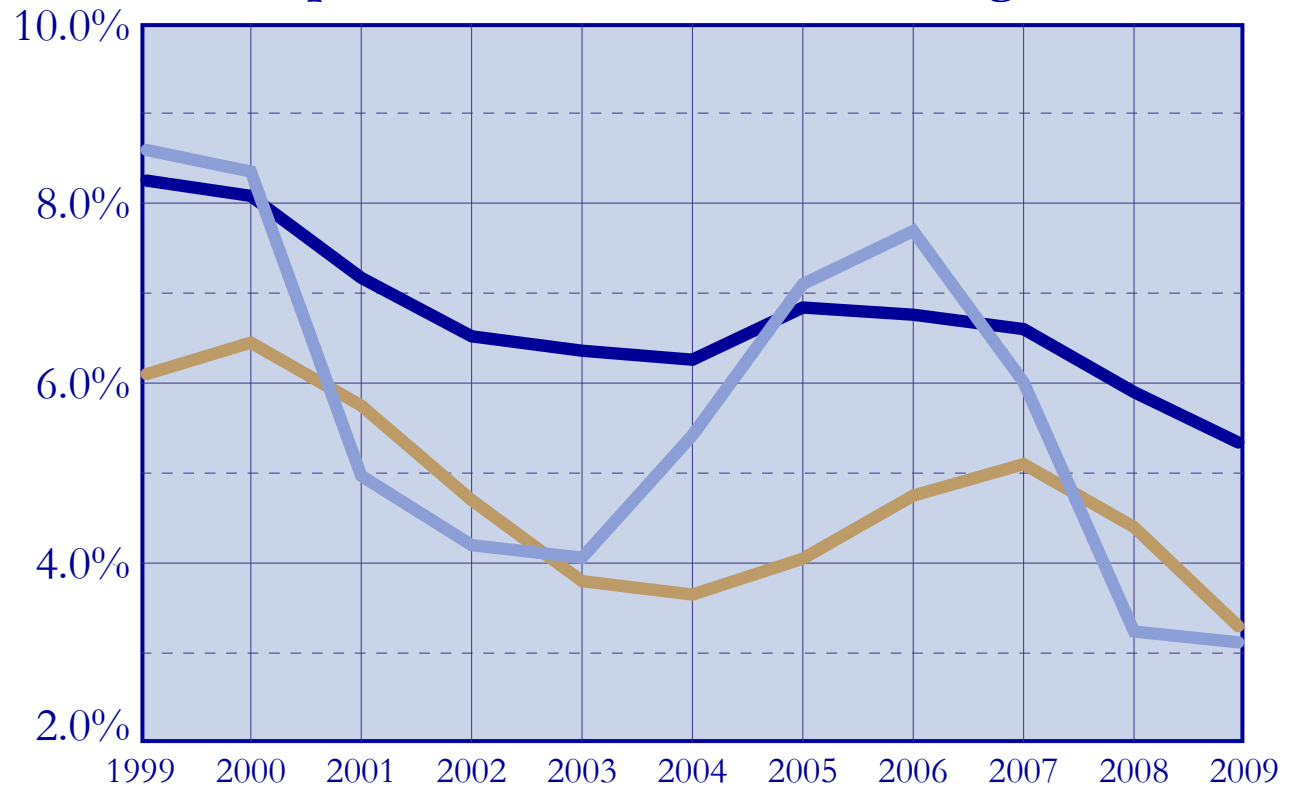
"The program is great. The California housing market is tough for junior faculty and this program made living/working in California and the University of California a more desirable option."

"This was so much easier than I ever thought it would be. I don't think we could have bought a house without this program. Thanks!!!"

"This is an excellent program that I hope the state continues. UC MOP loans are key to the UC system's continued vitality and ability to recruit the best faculty talent to UC campuses."

"Excellent program, much less complicated and easy than outside lenders. We are extremely pleased and appreciative of the MOP Program. Thank you!"

Mortgage Origination Program Interest Rate Compared to Conventional Lending Rates *



* Rates for December each year

1. The fixed rate is the U.S. average of conventional 1st home loan mortgages for new home purchases (source: Federal Housing Finance Board).
2. The ARM rate is the T-Bill rate, defined as the monthly average rate on the U.S. Treasury securities, adjusted to a constant maturity of one year, plus a 2.75% margin. The ARM rate shown does not reflect any teaser rate.
3. The MOP Note rate is equal to the four quarter average of the rate of return of the University's Short Term Investment Pool plus an administrative fee.

Since 2001, the MOP Note Rate has been under 6%

NOTE: This Program brochure is a general description of the Program and if there is a conflict between the Program brochure and the official Program policies, the Program policies will prevail.



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Our Website Features:

Current and Historical MOP Rates

Program Contact Listing • Program Brochure • Annual Report

Other Tools/Resources: View My Loan Access • FAQ Page

Consumer Information Page • Campus Housing Links • Calculators • Glossary

Visit us at www.ucop.edu/olp

NONDISCRIMINATION STATEMENT

The University of California prohibits discrimination against or harassment of any person employed by or seeking employment with the University on the basis of race, color, national origin, religion, sex, physical or mental disability, medical condition (cancer-related), ancestry, marital status, age, sexual orientation, citizenship, or status as a Vietnam-era veteran or special disabled veteran.

The University of California is an affirmative action/equal opportunity employer. The University undertakes affirmative action to assure equal employment opportunity for underutilized minorities and women, for persons with disabilities, and for Vietnam-era veterans and special disabled veterans. University policy is intended to be consistent with the provisions of applicable State and Federal law.

Inquiries regarding the University's equal opportunity policies may be directed to: Provost and Executive Vice President-Academic Affairs (510) 987-9020 (for academic employee-related matters) or to the Executive Vice President-Business Operations at (510) 987-9029 (for staff employee-related matters).



Equal Housing
Opportunity