



# OLP Net News

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### MOP Interest Rate:

**6.05%**

**Effective 11/01/01 - 01/31/02**

For Current and Historical MOP Rate Information, visit

[www.ucop.edu/facil/olp/ratetbl.html](http://www.ucop.edu/facil/olp/ratetbl.html)

To compare our MOP Rate with conventional mortgage rates, visit

[www.ucop.edu/facil/olp/mopcomp.html](http://www.ucop.edu/facil/olp/mopcomp.html)

For more information about our Products and Services, visit our home page at

[www.ucop.edu/facil/olp/](http://www.ucop.edu/facil/olp/)

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## From the Director's Desk

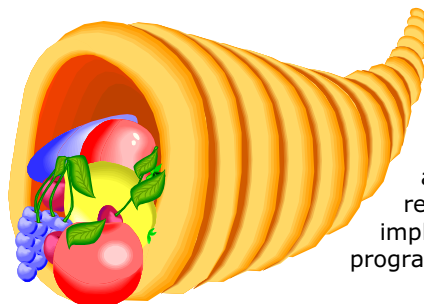
The final MOP numbers for the 2000-01 program year set a new all time record, with 306 loans totaling \$111.8 million. This represents a 42% increase in loans funded over the prior record year. This level of increase was managed by campus and OLP staff, while maintaining a high level of satisfaction by a vast majority of the borrowers. I would like to thank all campus and OLP staff for the extraordinary teamwork reflected in these results. The MOP interest rate for November 1 through January 31, 2002 is 6.05%, down 30 basis points from the previous quarter's rate of 6.35% and continuing the below 7% trend begun in February 1993. Loan activity for the first three full months of the current fiscal year is slightly above last year's record pace.



The systemwide Housing Task Force formed to assess the overall housing needs and programs of the University (for students, faculty, and staff) has held three meetings and formed three subcommittees to focus on: (1) traditional student housing programs; (2) third-party development of student and faculty/staff housing; and (3) new financial program development for faculty and staff housing. The New Financial Programs subcommittee presented an initial report to the full Task Force focusing on four near-term recommendations for consideration by The Regents to address immediate needs resulting from the growing affordability gap near most of our campuses: (1) increasing the threshold for 95% SHLP loans to coincide with the maximum loan amount for 90% MOP loans (currently \$687,000); (2) increasing the maximum loan term for MOP and SHLP loans to 40 years; (3) creating an additional MOP loan product (GP-MOP) with a temporary reduction in interest rate that returns to the normal rate over a specified period of time; and (4) increasing the level of STIP funds available for MOP loans from the current 25% to 30% of the unrestricted balances. The Regents will be briefed on these recommendations at their November meeting and, based upon that discussion, receive recommendations for approval in January 2002. The subcommittee is also examining other means of increasing resources available for the loan programs to address the increased demand of the past few years and to possibly increase the eligibility pool for these programs. It is anticipated that recommendations to the full Task Force would be made on these matters early in 2002.

Finally, we are looking forward to the next Home Loan Coordinators meeting to be held in Santa Cruz from November 7-9, 2001. The draft agenda that has been distributed contains a wide range of topics intended to inform and engender discussion around issues of common concern to us all. It is anticipated that the directions of the new program

recommendations will be better known at that time, so that we can concentrate on the mechanics and timing for implementation at the meeting. I am encouraged that most campuses have indicated attendance by the key person (s) responsible for day-to-day program implementation of these important programs.◆



--Steve Mathews

## A New Way to Hold Title

Historically, there have been two primary ways for a married couple to hold title in California: "joint tenants" and "community property". For many years, it was "traditional" wisdom in California for a married couple to hold title as "joint tenants". This thought prevailed because under joint tenancy, if one spouse died, the transfer of title to the surviving spouse was "automatic" and simple. The surviving spouse in a "community property" relationship, however, would need to pay for the preparation and filing of a Spousal Petition to transfer title. The rapid appreciation of real estate over the last decade, however, has encouraged many families to choose the capital gains and estate planning advantages of community property.

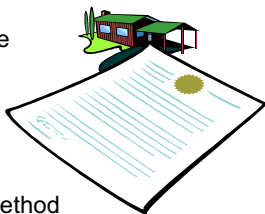
As of July 1, 2001, the Legislature has authorized a new way to hold title:

"community property with the right of survivorship". This method combines the best of both worlds, giving a married couple the same ability to transfer title to the surviving spouse as they would have under joint tenancy. In addition, this new method preserves the tax advantages of community property.

There are significant tax and legal consequences on how you hold title. We suggest that you consult with an attorney or tax advisor before choosing which way to hold title. ♦

-- Jay Valancy

**Do you have a topic you would like to see covered in OLP Net News?**  
E-mail us at [olp@ucop.edu](mailto:olp@ucop.edu)



## Question of the Quarter



*Why We Don't Charge Points or Loan Fees?*



One of the last steps prior to funding a mortgage loan is determining the amount of points and fees being charged by the lender. Usually the escrow or title company will confirm the fees due by contacting the lender before loan documents are signed. When an escrow company is advised that the University does not charge points on Mortgage Origination Program or Supplemental Home Loan Program loans and that no loan origination fee is charged, they are incredulous and ask: "How can the University do this?"

The answer begins at the core of the University Housing Programs mission: to recruit key faculty members to maintain the University's position of preeminence in the academic community. As many University campuses are located in the most desirable communities in California, housing costs are significantly higher than at other comparable institutions. Accordingly, since 1979 The Regents have provided financial assistance and competitive programs to compensate for these differences. At the inception of the Mortgage Origination Program in 1984, the decision was made not to charge borrowers points or a loan fee for obtaining a University mortgage loan. Additionally, three of the fees that are usually paid by loan applicants (credit report, property tax service, and flood certification) are borne by the University. The closing costs paid by borrowers normally include escrow/title company fees, notary, fedex, inspection reports and the appraisal. ♦

For more frequently asked questions, please visit the [FAQ](#) section of our website.

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## OLP Announcements

- ♦ Office Closed for Holidays:
  - 11/12 - Veteran's Day
  - 11/22-23 - Thanksgiving
  - 12/24-25,31,1/1/02 - Christmas and New Years
- ♦ 2001 Annual Home Loan Coordinator's Conference will be held November 7-9 at the Chaminade in Santa Cruz

## Notes of Appreciation from Borrower Surveys

- ❖ I want to commend the campus representative, in particular, for her extremely helpful, timely and professional service. She did everything we asked in a rapid and competent manner and was able to work under very tough deadlines. Her assistance was invaluable.
- ❖ The campus representative made me feel like my loan was a top priority for her. The Oakland representative walked us through anything that was confusing. They both made this a painless experience!
- ❖ Our loan was processed in an incredibly efficient manner. Circumstances were such that very little time was available for processing the loan. The professional staff were extremely helpful and their diligence was very much appreciated. In particular, the campus representative and the OLP representative were instrumental in the success of completing the transaction.
- ❖ Special thanks to the Oakland Representative on their great work. This program was a major factor in my decision to accept the position and relocate to the bay area.