



OLP Net News

In This Issue

- ◆ World Savings UC Home Loan Discounts
- ◆ Common Questions about MOP Loans
- ◆ Question of the Quarter: I have a MOP loan. What mailings can I expect from your office each year?

In Every Issue

- ◆ From the Director's Desk
- ◆ Notes of Appreciation

Other Links of Interest

- ◆ [University of California and Other Home Financing Links](#)
- ◆ [Weather in California](#)
- ◆ [Moving Information](#)
- ◆ [Insurance Rating Information](#)

MOP Interest Rate:

4.70%

February 2003 – April 2003

For Historical MOP Rate Information, visit <http://www.ucop.edu/facil/olp/ratetbl2.html>

To compare our MOP Rate with conventional mortgage rates, visit 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/

Office of Loan Programs
University of California, Office of the President
1111 Franklin Street, 6th Floor
Oakland CA 94607-5200
510-987-9000 Phone
510-987-0199 Fax
Office Hours: 8am – 5pm, Monday - Friday

From the Director's Desk

Undoubtedly by the end of 2002 all OP and Campus staff associated with the lending and other faculty/staff housing programs were deserving of a holiday respite. The continued record pace of new loans, increased loan repayments, and the successful sale of most of the existing MOP loans during the first half of this academic year has tested our collective capacity to deliver the products and services. I am happy to report that, despite the additional workload and our higher level of stress, our borrowers are continuing to give the program high marks.

During the first six months of 2002-03, 160 MOP loans were funded, with an aggregate loan amount of \$66.7 million. The number of active loans in the MOP portfolio, including sold loans, reached 1,578, with an outstanding balance of nearly \$480 million as of December 31, 2002.

The MOP Standard Rate as of February 1st is 4.70%, down from the 4.95% rate for the previous quarter, and continuing the string of record low program rates begun in the second quarter of 2001. This rate should improve the competitiveness of the program and will also serve to reduce the near-term costs to the campuses for the GP-MOP loans. The new rate will be in effect through April 30, 2003. GP-MOP loans accounted for 24 of the 160 loans made since July 1, 2002, and the total aggregate loan amount of these loans was \$13.4 million. OLP is continuing to refine the loan origination documents, the GP-MOP analysis tool, and the automated origination and servicing systems to insure quality and consistency of delivery and on-going servicing of this new loan product. Please continue to let us know how the program is working and provide suggestions for improving the product or its delivery to our borrowers.

We have completed the initial phase of loan sales under the MOP Portfolio Sale Program approved by The Regents in March 2002. Between July and early December 2002, the University was successful in selling \$453 million in loans in a series of eight sales to five investors. The University has retained the servicing for these loans, so there will be no change in the level of customer service to the borrowers. The weighted average sale price of the loans was 100.286% of PAR value. As of the beginning of January 2003, the University's owned loan portfolio totaled approximately \$48 million.

The success of the loan sale program resulted in the ability to substantially increase the allocation of loan funds for the 2002-04 allocation period. In late December 2002, the President announced a \$415 million allocation of funds. This amount is nearly 50% greater than the \$280 million allocated during the prior two-year period and was sized to provide loans for 60% of newly hired faculty, up from the 50% target figure in the prior allocation. It is anticipated that as new loans are funded and closed, periodic sales will continue in order to maintain the liquidity of the program in support of the increased level of allocations recently made. If the on-going sales program remains successful, we hope to be able to increase the level of program funding in the next allocation cycle as well.

--Steve Mathews

World Savings UC Home Loan Discounts

The University of California has an agreement with World Savings to make available a variety of home financing products to all University employees in California and New Mexico. In addition to standard secondary market loan products, World Savings has its own internal portfolio variable rate loan product that provides a wide range of repayment options.



World Savings has committed to offer the following home loan discounts to UC faculty and staff:

- \$500 off home loan fees for purchases or refinances
- Waiver of their standard \$200 Equity Line of Credit fee and the interest rates and other program parameters will be the same as offered to their premier customers

For more information, please contact World Savings directly using World's UC exclusive toll free number at **1-866-UC-LOAN8 (1-866-825-6268)** or www.worldsavings.com/ucloans

Common Questions about MOP Loans

For the past year, mortgage rates (including MOP rates) have been at historically low levels.

In addition, the continuing appreciation of real estate values has resulted in an increase in the amount of equity for most California homeowners. Accordingly, our office has received a number of questions concerning MOP loans:



1. Can I refinance my MOP loan with a new MOP loan and take cash out?

No. It is not possible to use a MOP loan to complete a cash-out refinance. If you would like to tap into your home's equity, you may wish to explore obtaining a home equity line, or refinance with another lender. One lender, who offers a discount in loan fees to all University employees, is World Savings. They can be reached, toll free, at 866-825-6268.

2. If I payoff my MOP loan now, can I get another MOP loan in the future?

Only on an exception basis. A second MOP loan is considered an exception under the Program. Decisions concerning allocations of MOP funds are made at the campus level, and are influenced by the amount of funds available to the campus for new loans. Please contact your Department Chairperson if you would like to pursue obtaining a second MOP loan.

3. Can I transfer my MOP loan to another property?

No. MOP loans are underwritten and recorded for a specific property. If you decide to sell your current home, your MOP loan will be paid off at the close of escrow. You will need to find another lender for your new home unless you receive an exception for a second MOP loan.

-- Jay Valancy

Notes of Appreciation (from Borrower Surveys)

- ❖ University of California loan program provided me a 1st time homeowner's opportunity for which I am extremely pleased and grateful. I couldn't say more positive things than I already do and have. How great it was to work with and through this program.
- ❖ We're very happy with the entire Home Loan Program-everyone has been very helpful and professional.
- ❖ We couldn't have made this purchase without the UC Loan Program. We want to thank our loan officer and loan representative for their infinite patience and support.
- ❖ The existence of this program was a significant factor in our ability to move to [campus] and accept the positions at UC.
- ❖ The entire process was smooth and trouble free. Thanks!
- ❖ Everything went very smoothly! I was really impressed how easy it was. Great experience! Excellent job!
- ❖ The process was superb from start to finish. The staff I dealt with at [the campus] and at the OLP were accessible, unfailingly helpful and very friendly as well. I could not have asked for a better experience.
- ❖ This was the most professional and pleasant real estate transaction I have ever encountered. Two thumbs up!
- ❖ Fantastic service. Knowledgeable, helpful, responsive staff.

Question of the Quarter



I have a MOP Loan. What mailings can I expect from your office each year?

Every year, the Office of Loan Programs will mail four separate mailings to each MOP borrower.



In June and December, each borrower will receive a loan payment history reflecting the payments applied to the loan year-to-date.

In January of each year, a substitute IRS 1098 statement detailing the amount of interest paid for the calendar year just ended is mailed to each borrower. This information is provided for tax reporting purposes and is also submitted to the Internal Revenue Service.

Finally, every year, on the anniversary date of each loan, a letter is mailed to the borrower after the interest rate change calculation has been completed.

The new interest rate for each MOP loan (and the corresponding payment change) is calculated approximately fifteen days before the interest rate change date - which is forty-five days before any payment change will take effect. As an example, if your anniversary date is October 1st, your payment change date will be November 1st and you will receive a notification from our office in mid to late September.

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

OLP Announcements

Office Closed for Holidays:

- Monday, 2/17 – President's Day
- Friday, 3/28 – Cesar Chavez Holiday

Now On-Line :

- ◆ [2001-02 Annual Report on University Employee Housing Assistance Programs](#)

Coming Soon :

- ◆ On-Line Business Assessment Report
- ◆ New On-Line Loan Application Website

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

Credits

Director
Steve Mathews

Newsletter Editor
Ruth Assily

Contributing Writer
Jay Valancy

Newsletter Design
Samuel Phung
Sally Hopkins

Webpage Layout
Kurt Zevas

Newsletter Committee
Jay Valancy
Nora Omalza
Sally Hopkins

A quarterly on-line newsletter published by the University of California's Office of Loan Programs. The Office of Loan Programs administers housing assistance programs for recruitment and retention of faculty and senior managers in support of the education, research and public service missions of the University of California.

