



From the Director's Desk

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MOP Interest Rate:

3.70%

May 2005 – July 2005

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

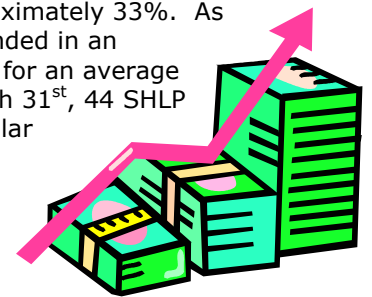
To compare our MOP Rate with conventional mortgage rates, visit <http://www.ucop.edu/facil/olp/mopcomp.htm>

For more information about our Products and Services, visit our home page at <http://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
510-287-3892 Fax
Office Hours: 8am – 5pm, Monday - Friday

In the last newsletter, I reported that the MOP Standard Rate was increased modestly from 3.60% to 3.65% effective February 1st. The rate effective May 1, 2005 is 3.70 %, another modest quarterly increase, which continues to maintain the buying power of the MOP loans and the competitiveness of the program, while continuing to minimize the near-term costs to the campuses for the GP-MOP loans. This rate is the same as the rate for the May 1st period in 2004. Given the recent and predicted future increases in the Federal Funds rate, we can anticipate facing gradual rate increases over the next year.

MOP loan activity for the first nine months of this fiscal year is well ahead of the pace set in 2003-04 by approximately 33%. As of March 31st, 244 MOP loans had been funded in an aggregate dollar amount of \$111.8 million for an average loan amount of \$458,309. Also as of March 31st, 44 SHLP loans had been funded in an aggregate dollar amount of \$2.4 million for an average loan amount of \$52,488. The primary use of these SHLP loans has been to assist with the down payment gap, which has grown with the escalation in prices over the past few years.



Additionally, the loan sale program has continued to be successful. On February 25th, the 13th sale of MOP loans closed. This sale totaled 225 loans valued at \$104.8 million, bringing the overall total sales to 2,095 loans and \$707 million. This sale was made to the Kinecta Federal Employees Credit Union, which had formerly been the Hughes Aircraft Employees credit union. The purchase offer by Kinecta was conditioned upon the borrowers of the loans sold becoming members of the credit union at no cost to them. All borrowers were given the opportunity to opt-out of the sale and around 10% chose to do so. The 225 remaining borrowers, whose loans were sold, will be receiving an introductory membership kit from Kinecta, including access to a very favorable Home Equity Line of credit product. On June 10th, the 3rd sale of SHLP loans closed, resulting in the sale of 75 loans totaling \$11.1 million. These funds go back to the participating campuses for reuse to assist future homebuyers.

-- Steve Mathews



Question of the Quarter



My pre-approval certificate has now expired. What do I need to do to have it renewed or extended?



Our loan pre-approvals are good for 60 days from the date of issuance. To have your pre-approval renewed, OLP would need the following documentation:

- Updated bank statements for most recent 2-month period (as verification of current funds available for downpayment and estimated closing costs)
- Most recent 30-day paystub for any co-borrower as verification of current income
- Updated credit report to verify current credit obligations (OLP will order this report)
- If one (1) year has lapsed since the time you submitted your initial UC home loan application, a newly completed loan application and signed Program forms will be required. Please check with your [Campus Housing Programs Representative](#), if this is the case.



Additionally, if your eligibility period for participation in the Program has expired, your campus representative will need to obtain department confirmation of your continued eligibility and provide OLP with a revised Certificate of Eligibility form before a new pre-approval can be issued.

Once all updated documentation is reviewed, and assuming there are no significant changes that impact the loan requested, OLP will provide you with a renewed pre-approval good for another 60-day period.

-- Sally Hopkins

Loan Sale Program Disclosure

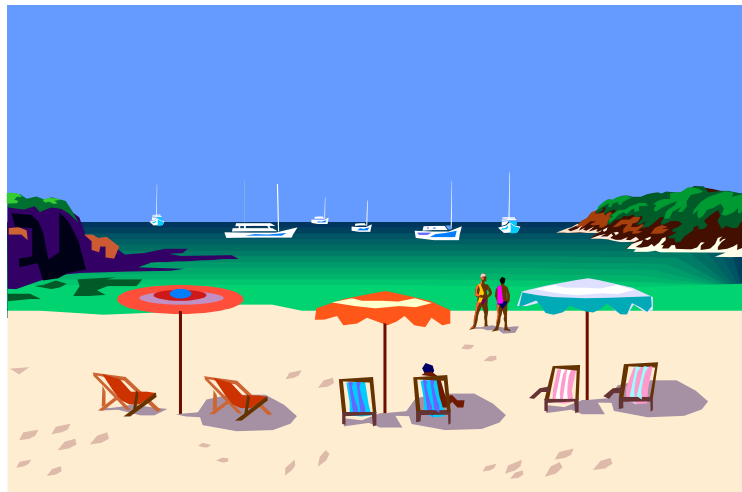
In July 2002, the University began a series of portfolio loan sales to small regional banks. As of June 2005, twelve sales of Mortgage Origination and Supplemental Home Loan Program loans have been completed. In all cases, the servicing rights have been retained so that the University still has control of the quality of customer service that is provided to borrowers.

Lending regulations require lenders to disclose to borrowers if there is a possibility that the servicing of their loan may be sold. Since the University retains all servicing, a disclosure is not required, and in the past no disclosure was made to borrowers whose loans were sold. In February 2005, a loan sale was completed to a California credit union that required all borrowers who were part of the loan sale to become members of the credit union. The University designed a letter that provided borrowers with the ability to opt-out of the sale.



Because of this loan sale, the Office of Loan Programs (OLP) determined that it would be good practice to disclose to all borrowers up-front the possibility that their loans may be sold. A new Loan Sale Disclosure form has been developed to provide applicants with information concerning possible loan sales, and to explain that OLP continues to perform the servicing functions for all loans (payment processing, mortgage interest reporting, hazard and property tax compliance, program eligibility and delinquency situations). The disclosure is part of the loan application package, and must be signed and returned to OLP as part of the initial loan documentation. The disclosure form is available to OLP and campus housing programs staff on the OLP website, and is also included as a form to print out when completing an on-line loan application.

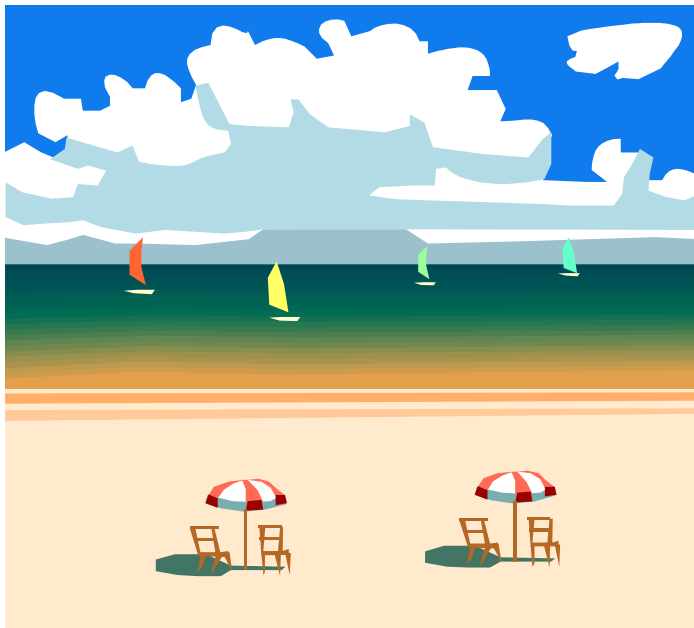
-- Ruth Assily



Notes of Appreciation (from Borrower Surveys)

- ❖ The process was the best experience I have ever had in obtaining a mortgage and I have purchased many homes in my lifetime.
- ❖ This was a terrific program that allows faculty to purchase homes in California, one of the toughest markets in the nation.
- ❖ I appreciate the professionalism and responsiveness of your UC [campus] staff as well as your Oakland [OLP] representatives.
- ❖ Getting the loan was the smoothest part of our home buying experience. Excellent service.

**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 Writers
Ruth Assily
Sally Hopkins

Newsletter Design
Samuel Phung

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.

OLP Announcements

◆ **Coming Soon**

- Distribution of OLP's 2003-04 Business Assessment Report
- New "View My Loan" website for existing borrowers to access account information