



OLP Net News

From the Director's Desk

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MOP Interest Rate:

3.95%

November 2005 – January 2006

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/>

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In late October, most of the campus and UCOP staff working on the various Faculty housing programs gathered in Oakland for the 17th Home Loan Coordinators meeting. Over the two days of the meeting, 43 attendees participated in a wide range of discussions and presentations covering all University housing financial assistance programs and in a special session on for-sale housing during the afternoon of the second day. Based upon the discussions, the Office of Loan Programs will be following up on several suggestions to further improve program design and delivery. As these items are completed, announcements will be made to alert all program staff. I want to express my thanks to all participants for contributing to the success of this meeting and willingness to share lessons learned on many fronts.

As of November 1st, the MOP Standard Rate increased modestly from 3.80% to 3.95%. Given the recent and predicted future increases in the Federal Funds rate, we can anticipate facing continuing rate increases over the next year. This upward trend in the rate has made sales of the MOP loans more problematic at a reasonable price, inasmuch as the program rate trails the market. This will most likely result in the continued practice of retaining MOP loans funded in the STIP portfolio in the near term. It is anticipated that after rates stabilize, sales will continue on a periodic basis.

MOP loan activity for the first four months of this fiscal year is keeping pace with record levels set in 2004-05. As of October 31st, 95 MOP loans had been funded in an aggregate dollar amount of \$57.1 million for an average loan amount of \$601,058 (up from \$471,000 the previous fiscal year). Also as of October 31st, 19 SHLP loans had been funded in an aggregate dollar amount of \$3 million for an average loan amount of \$159,516. Assuming continued high levels of annual faculty hires, as projected through 2010, this level of activity most likely will be sustained for the next several years.



-- Steve Mathews

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

An Introduction to Homeowners Insurance

Hurricane Katrina and other recent disasters serve as a reminder to all homeowners of the need to regularly review their insurance policies.

There are three essential questions to ask when obtaining or reviewing your home insurance coverage:

1. Do I have enough insurance to rebuild my home?
2. Do I have enough insurance to replace all of my possessions?
3. Do I have enough insurance to protect my assets?



All lenders, including the University, require homeowners to maintain an insurance policy which provides enough coverage to rebuild your home if it is completely destroyed. Please note that the amount of required coverage is *not* the sales price or appraised value of your home as this amount includes the value of the land as well as the dwelling.

When you apply for insurance coverage, the insurer will determine the insurable value of the property based on the square footage of the home and estimated construction costs in the area. Other factors that affect the amount of coverage you need are: type of exterior wall construction, number of rooms, type of roof and materials used, and other structures on the property (such as garages and sheds). The actual amount of insurance required by the University may be more or less than the insurable value, depending on the loan amount that is being secured on the property.

In obtaining your coverage, you will also want to obtain an HO-3 policy which covers the most common perils. Earthquake and flood insurance are typically provided by separate policies. An agent can provide you with details on how to obtain this coverage. Your policy may contain either a "guaranteed" or "extended" replacement cost binder which provides additional coverage (of a fixed percentage amount) to protect against inflation or building code changes.

You may wish to consult an insurance professional to confirm that you have adequate coverage for your personal belongings, liability protection, and additional living expenses in the event you are temporarily unable to live in your home.

In choosing an insurance company you may wish to consider four factors: price, insurer stability, service, and comfort. Please note that prices for insurance policies can vary greatly from company to company. In addition to the location of your home, insurance companies evaluate the square footage, building costs, amount of crime, likelihood of damage from natural disasters, and other factors in determining the amount of your annual premium. Some companies may provide a discount if you place your automobile policy with them, or retain your coverage for a number of years. Other discounts,

or ways to reduce your premium, may be available. Please contact your company representative for details.

Please note that if you are in a condo, you will be covered under a "master policy" for the complex. This policy typically provides coverage for the common areas you share with others in your building or complex. Some policies are more restrictive and do not include coverage for any items attached to the walls, such as kitchen cabinets. You may wish to review your coverage carefully with your Homeowners Association.

A condominium master policy does not provide coverage for your personal possessions. Policies that provide this coverage, as well as liability protection, are commonly available from the same company which provides the master policy.

-- Jay Valancy

Question of the Quarter



My U.S. residency status is nearing the expiration date – am I still eligible to receive a MOP loan?

To qualify for state benefits, which includes participation in the University Home Loan Program, a noncitizen applicant must hold valid nonimmigrant status at the time he/she receives the benefit, i.e. at the time the loan is funded. If an applicant or co-applicant has a lawful nonimmigrant visa that is about to expire, the application for an extension or an application for permanent resident status must be submitted to the INS *prior* to the visa expiration date. If the expected funding date is scheduled to occur *after* the applicant(s) residency expiration date, OLP will require evidence of continuing legal status in order to proceed with the loan transaction. Acceptable forms of this documentation are:



- Copy of the INS I-94 form or an acknowledgement of receipt of an extension of the current visa status
- Copy of passport showing a valid I-551 stamp (confirms that permanent resident status has been granted, but permanent resident card has not yet been received)
- Copy of eligible visa (showing a nonimmigrant visa category "A" through "V")
- Copy of Permanent Resident card.



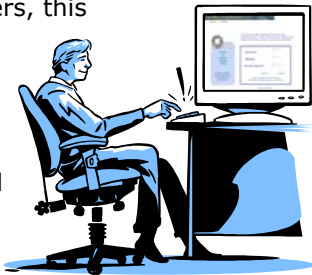
OLP recommends that you work with your immigration attorney or campus Immigration Specialist if you need assistance regarding establishing or changing your U.S. residency status.

-- Janis Vega

Coming Soon: View My Loan Website

The Office of Loan Programs (OLP) continually strives to improve its online services for new and existing borrowers and its campus representatives. Our latest website enhancement that will be available to all borrowers in January 2006 is our new View My Loan (VML) website. VML is an online account information tool that will provide borrowers the convenience of viewing their loan account information online in a secure environment. For new borrowers, this feature will be available approximately 30 days after loan funding.

VML will be accessible 24 hours a day and borrowers will be able to view loan account information whether they are at home, at work or on the road - wherever they have access to a computer and internet connection. They will also have the option to *view, print or email* a loan account summary statement.



To access VML, borrowers will be asked to self-register by providing minimal data that identifies themselves as an existing borrower. Once the registration is validated, they will then be allowed to create a personalized login and password to access VML account information.

We're currently in the testing stages of this new VML website and plan to go live in January 2006. We will announce this new online feature as follows:

- Send an announcement to all existing borrowers with their annual 1098 statements, and monthly history statement
- Send an announcement to new borrowers after loan funding via their welcome letter

Watch for this new section in our website to come live in January 2006!

-- Nora Omalza

OLP Announcements

- ◆ **New Website Enhancement Coming Soon**
 - New "View My Loan" website for existing borrowers to access account information
- ◆ **Office Closed for the Holidays**
 - 12/23 - 26 Winter Holiday
 - 12/29 - 30 New Years
- ◆ **Annual 1098 mailing scheduled for late January 2006**

Notes of Appreciation (from Borrower Surveys)

- ❖ It is a great program and frankly one of the key elements in making my decision to take another job with UC. I have heard about several other loans and no loan or broker can compare to this program. First rate work! I wish everything went as smooth as this did. Thank you! We love our home.
- ❖ We were pleased in every way with your service and appreciate very much having it available. The representatives on campus and the Oakland office were outstanding.
- ❖ This was the best experience I ever had with a lender. Everyone I dealt with was exceptional and our case was complicated. We, my wife and I, are deeply grateful.
- ❖ Both [campus] and [OLP staff] at Oakland were extremely helpful, professional and extraordinarily knowledgeable about the program. They made the whole process far less stressful than it otherwise would have been.

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