



Office of Loan Programs

OLP Net News

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<p>MOP Interest Rate (Effective August 2008 – October 2008)</p> <p>4.90%</p>
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For Historical MOP Rate Information, visit

www.ucop.edu/facil/olp/ratecomp.pdf

To compare our MOP Rate with conventional mortgage rates, visit

www.ucop.edu/facil/olp/mopcomp.pdf

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

www.ucop.edu/facil/olp/

From the Director's Desk

By Ruth Assily

Over the past several months, the conventional mortgage market has continued to see the fallout from the sub-prime market collapse, resulting in a lack of liquidity in the market place. In contrast, the MOP and SHLP loan volume has continued at a strong pace for the current fiscal year. As of April 30, 2008, 272 MOP loans have been funded in an aggregate dollar amount of \$162 million for an average loan amount of \$595,500. Additionally, 53 SHLP loans totaling \$4.4 million have been funded. This compares to 205 MOP loans and 28 SHLP loans during the same time period last fiscal year, representing a 33% increase in MOP loans and an 89% increase in SHLP loans.

In December 2007, the President announced a new MOP allocation for the period ending June 2009. With the new allocation of \$475 million, a total of \$2.280 billion has been allocated to MOP since its inception in 1984. The new allocation should provide sufficient funding authority to meet the campuses needs through the end of next fiscal year.

In March 2008, OLP hosted a Home Loan Coordinators Meeting at the Waterfront Hotel in Oakland, CA. The meeting brought together representatives from each of the campuses and the Lawrence Berkeley National Laboratory, and provided a forum for sharing ideas and best practices, as well as discussing challenges that each campus is currently facing.



As of May 1, 2008, the MOP rate is 5.10%, and the IO-MOP rate is 5.35%. As we enter the spring and summer months, we are anticipating characteristically high loan volume as a result of the recruitment cycles at the campuses, as well as the completion of units in the most recent phase of the Irvine for-sale housing development.

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

Frequently Asked Question

By Jay Valancy



Why is the MOP rate going up when the private sector rates are going down?



As noted elsewhere in this issue, the MOP rate as of May 1st is 5.10%. This rate is equal to the most recent four quarter average rate of return of the University's Short-Term Investment Pool (STIP) plus an administrative fee of 0.25%. The current rate reflects the rate of return for the period from April 1, 2007 through March 31, 2008.



The University established STIP as a very large investment account. All UC funds, including retirement, endowment, payroll, operations, and construction funds, are deposited into this account. These funds are invested by the Treasurer's Office to gain maximum daily interest with an emphasis on quality and yield as well as liquidity. The funds are *not* invested in common stocks. As of June 30, 2007, STIP totaled approximately \$8.0 billion.

As the STIP rate of return is averaged over four quarters to determine the current MOP loan interest rate, it is not directly tied to the more commonly reported indices. Private sector mortgage lenders are able to provide loans at interest rates that more closely follow the market. These loans, however, unlike the MOP loan, can include additional charges for points and fees.

Historically, the MOP rate has lagged behind the private sector interest rates in both an up and down market.

A chart and table tracking the MOP interest rate in relation to fixed and adjustable rate loans offered by the private sector is available at this link: <http://www.ucop.edu/facil/olp/morate.html>

Please feel free to contact our office if you have any additional questions about the calculation of the MOP interest rate.



Notes of Appreciation (from Borrower Surveys)

- ♪ This was an entirely satisfactory experience and really couldn't have been better. Our escrow company (which we have used before) told us how impressed they were and commented that this was the easiest loan they had ever processed.
- ♪ I had an excellent and very satisfactory experience while applying for a UC home loan. Everything went smoothly and nice. Excellent staff and very friendly, good web design. Thanks!
- ♪ I thought it was a wonderful process. I required to have my loan in less than 30 days, and both the professional staff at UC [Campus] and Oakland worked extremely quickly and were extremely helpful in explaining loan options and requirement. A very good experience. Thank you.
- ♪ I am extremely satisfied with my experience of the loan application process and am grateful to the University for having a mortgage program that makes buying a home in California more affordable.

2008 Notary Law Update

By Chungwai Chum

A very important new California law that significantly affects how Notary duties are performed took effect January 1. There are severe consequences for failure to implement this new law accurately. Here are the main changes effective January 1, 2008.



1. Under the new law, no acknowledgment may be taken or jurat executed on the basis of personal knowledge alone. Notary may use only satisfactory evidence, eg: presentation of a state-approved ID card.
2. The certificate of acknowledgment must be executed under penalty of perjury.
3. A power of attorney document is added to the list of documents that requires a thumbprint in the journal.
4. The phrase "personally known to me" has been removed, and a new declaration under penalty of perjury has been added on California "all purpose" acknowledgment certificate.
5. Statutory jurat certificate: The phrase "personally known to me" has been removed.
6. When requested by a peace officer investigating a criminal offense, a notary public must surrender his or her journal immediately or as soon as possible if the journal is not present.

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A bi-annual 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 Announcement



New Online Application (Coming Soon)



Office Closed for the Holidays



5/26 Memorial Day



7/4 Independence Day



9/1 Labor Day

