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MOP Interest Rate:

4.95%

November 2002 – January 2003

For Current and Historical MOP Rate Information, visit

www.ucop.edu/facil/olp/ratetbl.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/

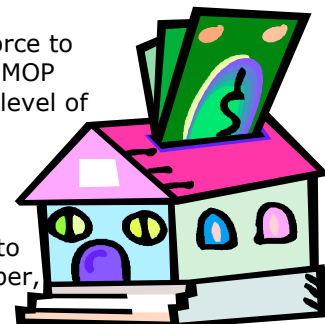
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From the Director's Desk

The 2001-02 program year matched the high pace of activity of the prior year for us all. The 302 MOP loans closed this fiscal year totaled \$125.6 million. The number of active loans in the MOP portfolio reached 1,560 with an outstanding balance of over \$460 million as of June 30, 2002. For the first three months of this fiscal year we have funded 111 loans totaling \$43.2 million. The MOP interest rate for August through October 2002 was 5.20%, and will be 4.95% for November 2002 through January 2003.

The GP-MOP program officially began accepting applications in May. As of September 30, 28 GP-MOP applications had been received and 20 GP-MOP loans had funded. As we all work on delivering this new product over the next several months, small "bumps" may be encountered in its implementation. Please let us know how the program is working and provide suggestions for improving the product or its delivery to our clients (please do not suggest that we pay for the differential!). We intend to do an internal evaluation regarding lessons learned after the first of the year to determine if changes may be warranted in the design of the program.

In March, The Regents approved the recommendation of the UC Housing Task Force to establish a program for the periodic sale of MOP loans to increase program liquidity and the level of funds available to address the increased demand for MOP loans. We retained a financial advisor in June to assist in the structuring and placement of the sale of a portion of the existing portfolio. I am able to report that between late July and mid October, we successfully sold the first \$362 million. We anticipate beginning the consultations soon to size the MOP allocation for the July 2002 to June 2004 allocation period.



The UC Housing Task force held its final meeting on July 25th and reviewed its draft report. That report will provide a broad overview of all student, faculty, and staff housing issues and plans. One section is devoted to faculty/staff housing programs and initiatives, most of which have already been implemented over the past year. The work of the Task Force and its recommendations for our programs represent the most significant changes and additions to the programs since the mid 1980's.

--Steve Mathews

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

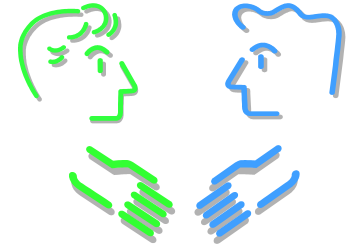
Cessation of Affinity Lender Relationship with NAMC

For many years, all University of California employees were eligible for a discount in origination fees from North American Mortgage Company (NAMC) for various home loan products used for purchase and refinancing activities.

Recently, however, another financial institution purchased NAMC, which has resulted in the discontinuation of this long-standing relationship. We apologize for any inconvenience to our employees that may result from the interruption in this program.

At the present time, the University is pursuing an arrangement with one or more financial institutions in order to continue to provide access for all University employees to home financing options at favorable terms and with a high level of customer service.

As soon as another arrangement is available, the contact information will be posted on our home page.



-- Steve Mathews

Question of the Quarter

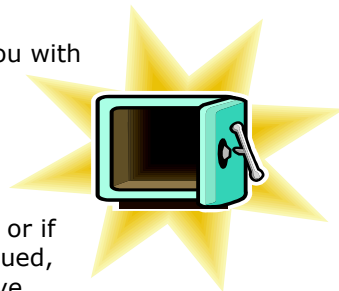


Can I apply for a loan if I have poor credit or filed for bankruptcy?



Yes. As is standard in the industry, we will typically require an explanation for any previous or current delinquent items on your credit report. In addition, we will expect that you have maintained some accounts in a current status.

In most cases, we can provide you with a loan if your bankruptcy discharge is at least 4 years old and you have maintained good credit since the discharge. If your bankruptcy was discharged less than 4 years ago or if your credit problems have continued, it may be more difficult to approve your loan. However, each application is evaluated on its own merits, based on not only your credit history, but also your income, assets, and the amount of your downpayment.



-- Jay Valancy

Notes of Appreciation (from Borrower Surveys)

- ❖ Campus Rep was superb-very responsive, attentive and helpful!!! OLP staff was also excellent-extremely responsive, helpful and nice!! This was an exceptional experience-Thank you.
- ❖ The whole process was straight forward, easy and stress free-Thank you MOP!
- ❖ We are extremely pleased with the service provided by the staff at every step of the application/approval process. This was a huge relief to us and further validated our decision to become part of the UC system. We couldn't be happier!
- ❖ Campus rep was outstanding... knowledgeable, prompt, extremely accessible, flexible and accommodating. As a factor not mentioned elsewhere in this survey was the most important in our decision to use the UC Home Loan Program: the competitive rates and fantastic terms of the loan. In such a housing market, the loan program is an attractive component of the UC's terms of employment.
- ❖ I could not be more satisfied! This is a crucial program and it is vital that UC continues to be funded even in times of budgetary constraint.

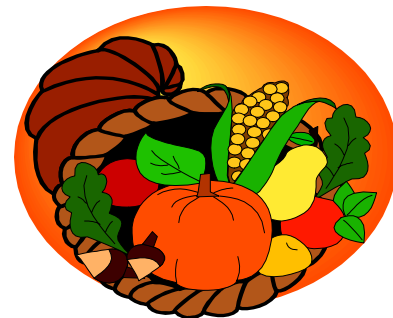
OLP Announcements

Now On-Line:

- ◆ [2001 Faculty Housing Survey of Recently Appointed Faculty](#)

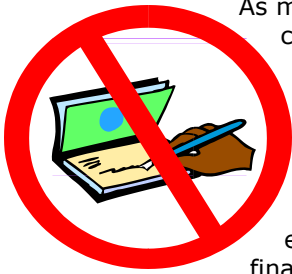
Coming Soon:

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



Introducing the ACH Payment Option

When a MOP or SHLP borrower is on active payroll status, payments are submitted by payroll deduction. What happens, however, when a borrower is on leave or retires?



As many borrowers are used to the convenience of not having to write monthly payment checks, we have instituted the ACH payment option for MOP and SHLP borrowers who are unable to make their payments via payroll deduction. The ACH (Automated Clearing House) network is a nationwide system of electronically transferring funds between financial institutions. Over eight billion

transactions occur through ACH every year, with a total value of over 22 trillion dollars.

For the MOP or SHLP borrower using this system, the amount of the monthly payment is deducted from the borrowers' checking account on the fifth business day of each month. This deduction is then applied as the monthly payment.

The ACH system is particularly convenient for those borrowers on a leave of absence outside of the United States where mail service is not as reliable or accessible. In addition, we have found the ACH system to be more dependable than the various "Bank by PC" or "Check Free" services offered by banks or credit unions.

If you are not on active payroll status or are planning a leave of absence, please contact our office for more information about the ACH program.

-- Jay Valancy

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