



# OLP Net News

## From the Director's Desk

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**MOP Interest Rate:**

**4.45%**

**May 2003 – July 2003**

For Historical MOP Rate Information, visit <http://www.ucop.edu/facil/olp/ratetb12.html>

To compare our MOP Rate with conventional mortgage rates, visit [www.ucop.edu/facil/olp/mopcomp.html](http://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/](http://www.ucop.edu/facil/olp/)

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May marked the one-year anniversary of the new graduated payment MOP (GP-MOP) loan product. This new and innovative program appears to be serving many of the campuses well and providing a boost to affordability by the borrowers participating in the new loan. During the first year of the program, a total of 34 GP-MOP loans at seven campuses have been funded in an aggregate amount of \$19 million. The total funding commitment by the campuses for these first loans is approximately \$1.9 million spread out over the term of the rate reduction period for each loan. The median rate reduction period for these loans is eight years, with a low of three and a high of twelve years. Some campuses have shifted funds that would have been used for Housing Allowances to this new program.

Overall, during the first ten months of the 2002-03 fiscal year, 205 MOP loans were funded, with an aggregate loan amount of \$88.5 million. The number of active loans in the MOP portfolio, including sold loans, reached 1,514, with an outstanding balance of \$464.2 million as of April 30, 2003.

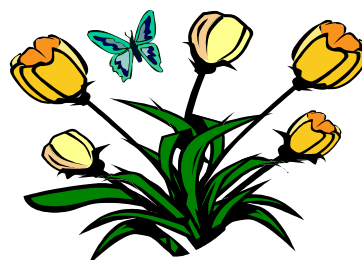
The MOP Standard Rate as of May 1, 2003 is 4.45%, down from the 4.70% rate for the previous quarter, and continuing the string of record low program rates begun in the second quarter of 2001. This rate continues to improve the competitiveness of the program and will also serve to reduce the near-term costs to the campuses for the GP-MOP loans. The new rate will be in effect through July 31, 2003.

The annual ZIP code survey of home purchase prices has been completed. The 9-campus average house price for the 12-month period ending October 31, 2002 is \$537,300, a 9.8% increase over the prior year figure. This has resulted in adjustments to our Loan-to-Value Threshold dollar amounts, effective April 1, 2003. The new maximum loan amount for 90% MOP loans and 95% SHLP loans is \$827,500.

An additional sale of MOP loans was completed in March, bringing the total loans sold to 1,601 in an aggregate amount of \$489 million. 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 100.29% of PAR value. As of April 30, 2003, the University-owned MOP loan portfolio totaled approximately \$35 million.

The continued success of the loan sales should make it possible to continue the increased funding levels of the current two-year period into the future. 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.

--Steve Mathews



## Welcome New OLP Team Members

We're very pleased to announce that Wendy Fong, Terri Mira, and Lisa Clemons have joined the Office of Loan Programs team at UCOP.

**Wendy Fong** is an Assistant Loan Officer and brings ten years of loan officer experience from several mortgage institutions. Prior to joining UCOP, Wendy worked as a real estate loan agent for the Keesler Mortgage Company in Orinda. Wendy will be working primarily in loan origination, as a loan processor.

**Terri Mira** is a Senior Loan Officer and she brings a wide variety of experience to our Unit. She is a licensed real estate broker and holds a B.A. in Business Management, with a minor in Economics and a Master of Public Administration Degree. Terri will be underwriting loans, as part of the Loan Origination team.

**Lisa Clemons** is an Assistant Loan Officer and brings over ten years of experience in customer service, electronic funds transfer and loan processing. Previously, she worked for the Oakland Municipal Credit Union. She holds a B.S. in Business Management. Lisa will be working primarily in the loan servicing area of the office handling loan payments, payoffs, customer surveys, and general loan servicing and accounting functions.



Please join us in welcoming Wendy, Terri and Lisa to OLP.

--Janis Vega

*(continued on page 3)*

## Pre-Approval Renewals and Escrow Periods

Every month, the Office of Loan Programs (OLP) fields many questions about the pre-approval process and escrow periods. This ongoing series records the most frequently asked questions and answers.

### 1. My pre-approval expired. How can I get a renewal?

OLP issues pre-approvals that are valid for 60 days. As the search for the best home for your family may take longer than that amount of time, it may be necessary to obtain a pre-approval renewal.

In most cases, you will not have to complete or sign any forms to obtain a renewal; however, you will need to forward updated bank statements to OLP along with, if appropriate, documentation of any changes to your household income. Please allow a minimum of 24 hours for processing. Once the updated information is reviewed, a new credit report will be ordered and, assuming there are no significant changes that impact the loan requested, a new certificate will be issued.

If you have any questions regarding this process, please contact either your Campus Housing Program Representative or the Office of Loan Programs.

## Notes of Appreciation (from Borrower Surveys)

- ❖ My home buying experience was handled exceptionally well; from application through approval. Our real estate broker and title company made unsolicited comments on [OLP rep's] expert knowledge and helpfulness. Thank you for a wonderful benefit as a UC employee; more importantly, thank you for the level of service I received during what can be a complex, timely transaction!
- ❖ Absolutely wonderful service! [OLP rep] was great and very very helpful. Everyone worked very hard to close in record time. I can't say enough about how they made our experience better.
- ❖ This is an excellent service you are providing to faculty. Thank you.
- ❖ [Campus rep] was extremely helpful and a pleasure to work with.
- ❖ The campus representative and [OLP] loan officer were extremely helpful and knowledgeable. We've had several other home purchases/ refinancing experiences before and this is by far the easiest and most pleasant experience. Please let [campus and OLP staff] know that they did a wonderful job for our loan.
- ❖ Excellent Service, staff helpful, informed, accessible. I can't say enough about how much I appreciate this service and the professionalism of the two people I worked with, being a busy surgeon! Thanks again.
- ❖ [OLP rep] was wonderful throughout my year long search. [OLP rep] was not only knowledgeable and responsive in any way possible, but she was personally supportive during this frustrating process. It was a great pleasure to work with [OLP rep].

(...continued from page 2)

**2. I was recently pre-approved and would like to make an offer on a property. How long should the escrow period be?**

The University will make every effort to approve and fund a loan within a 30-day escrow period, provided all property-related documentation (accepted contract and disclosures, property appraisal, and all property inspections) are received by our office in a timely manner. This would include any necessary updated verifications relating to the borrower's income, assets or credit.

From time to time, situations beyond the control of the Office of Loan Programs may delay loan approval and/or funding. For example, in the current market situation, most property appraisers are requiring a turn-around time of 2-3 weeks. This could cause a delay in OLP issuing a final loan approval and preparing the loan documents for forwarding to escrow. There could also be delays in getting any other required inspections or documentation from the buyer.

Occasionally, OLP closes loans in less than 3 weeks; however, because of the potential delays that can arise with the appraisal or inspections, borrowers should plan on obtaining at least a 30-day escrow period to ensure all contingencies are adequately met.

--Jay Valancy



## Question of the Quarter



*I don't start work at UC until July 1st  
How soon can I close escrow?*



The University will not fund a loan more than 90 days prior to your appointment date at the University. For example, if your appointment date is July 1<sup>st</sup>, the earliest your loan can close would be the preceding March 1<sup>st</sup>.

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

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

## Credits

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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

### **Now On-Line:**

- ◆ [Business Assessment Report Section](#)
- ◆ [For-Sale Housing Resale Price Indices](#)

### **Coming Soon:**

- ◆ On-Line GP-MOP Product Analysis Tool