

University of California Office of the President
Office of Loan Programs
1111 Franklin Street
Oakland, CA 94607-5200

ANNUAL REPORT

FY 2022-2023

Annual Report on the University of California Housing Assistance Program

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LETTER FROM THE DIRECTOR

Letter from the Director

Strategic Highlights

The Office of Loan Programs administers the University of California Employee Housing Assistance Program (Program) on behalf of the University of California Home Loan Program Corporation (Corporation). Eligible participants are members of the Academic Senate and Senior Management Group at the University of California's ten campuses, five medical schools, the Lawrence Berkeley National Laboratory (LBNL), the Office of the President (UCOP), UC Law-San Francisco, and the Division of Agriculture and Natural Resources (ANR).

This report provides a summary of the Program results for the fiscal year ended June 30, 2023, including the total dollar amount of loans funded by the Corporation. Also included are the outstanding balances of Corporation loans at year-end, and the outstanding balance of loans that were funded prior to the formation of the Corporation.

This report also provides summary statistics for loans to Senior Management Group employees.

Operating Highlights

The Program offers first and second deed of trust loans through the Mortgage Origination Program (MOP) and the Supplemental Home Loan Program (SHLP) and their components.

MOP loans are first deed of trust mortgage loans funded using an allocation from the University's Short-Term Investment Pool (STIP). Allocations are approved by the President of the University of California.

SHLP loans are primarily second deed of trust mortgage loans and are funded from resources available at the campus locations. Centrally-Funded SHLP loans are funded from a designated central allocation. A full description of all available loan products is provided in Appendix A, including the new zero interest Supplemental Home Loan Program, also known as the ZIP Loan.

Financial Highlights

For the fiscal year ended June 30, 2023, the Office of Loan Programs funded 300 MOP loans totaling \$295.6 million and 75 SHLP loans totaling \$7.6 million. A total of thirteen MOP loans and two SHLP loans were issued to Senior Management Group employees. The outstanding MOP portfolio balance of all active loans, including loans that have been sold to outside investors, was \$1.4 billion as of June 30, 2023.

Jennifer Mays
Director – Office of Loan Programs

LOAN VOLUME STATISTICS

Loan Volume Statistics – Mortgage Origination Program

During fiscal year 2022-2023, the total MOP loan volume was comprised of 300 loans with an aggregate dollar amount of \$295.6 million. The table below displays a breakdown of the number and dollar volume of loans by location. Compared to the prior fiscal year, the total number of loans funded increased from 104 to 300, with a corresponding increase in the total dollar volume funded from \$92.9 million to \$ 295.6 million. Loan volume increased primarily due to high interest rates with outside lenders during the fiscal year making the program more desirable.

Loans are designated as either recruitment or retention. Generally, recruitment loans are issued to applicants within four years of their University appointment. Each campus also has the option to offer a MOP loan for the purpose of retention. Although a formal offer letter from another institution is not required to substantiate the retention purpose, the campus is responsible for noting whether the loan is for the purpose of recruitment or retention.

The low down payment requirement, lack of lender fees, favorable underwriting terms, and no required Private Mortgage Insurance contribute to the attractiveness of the MOP loan as a recruitment and retention tool, even during periods when outside interest rates are comparable to the MOP rate.

Mortgage Origination Program Statistics by Location – Fiscal Year 2022-2023

LOCATION	NUMBER OF LOANS	\$ AMOUNT OF LOANS	AVERAGE LOAN AMT	RECRUITMENT	RETENTION
Berkeley	51	\$59,034,600	\$1,157,541	41	10
Davis	37	26,283,950	710,377	36	1
Irvine	41	40,250,000	981,707	36	5
Los Angeles	16	12,117,700	757,356	7	9
Merced	10	5,796,100	579,610	8	2
Riverside	23	14,050,950	610,911	20	3
San Diego	36	37,489,550	1,041,376	33	3
San Francisco	34	52,486,600	1,543,724	32	2
Santa Barbara	19	15,464,200	813,905	15	4
Santa Cruz	24	23,450,300	977,096	12	12
ANR	2	1,290,000	645,000	2	0
LBNL	5	5,253,500	1,050,700	1	4
UCOP	2	2,640,000	1,320,000	2	0
Totals/Average	300	\$295,607,450	\$985,358	245	55

LOAN VOLUME STATISTICS

Loan Volume Statistics – Supplemental Home Loan Program

During the fiscal year, 75 SHLP loans were funded, with an aggregate dollar amount of \$7.6 million. Compared to the prior fiscal year, the number of loans funded increased from 24 to 75 loans, with a corresponding increase in the total dollar volume funded from \$953,500 to \$7.6 million. The increase in loan volume and dollar volume corresponds to the increase in MOP loans, as SHLP loans are generally in second position behind a MOP loan. It is also due to the new ZIP (Zero Interest) loan product which was rolled out in July 2022. As shown in the tables below, of the 75 SHLP loans funded, 39 were Centrally Funded-SHLP loans and 27 were ZIP loans. The locations that did not fund any SHLP loans during the fiscal year are not included in the tables.

***Supplemental Home Loan Program Statistics by Location
Loans Funded Using Location Resources
Fiscal Year 2022-2023***

LOCATION	NUMBER OF LOANS	\$ AMOUNT OF LOANS	AVERAGE LOAN AMT	RECRUITMENT	RETENTION
Los Angeles	3	\$2,436,200	\$812,067	2	1
San Francisco	2	150,000	75,000	2	0
Santa Cruz	4	184,250	46,063	3	1
Totals/Average	9	\$2,770,450	\$307,828	7	2

***Supplemental Home Loan Program Statistics by Location
ZIP Loans Funded Using Location Resources
Fiscal Year 2022-2023***

LOCATION	NUMBER OF LOANS	\$ AMOUNT OF LOANS	AVERAGE LOAN AMT	RECRUITMENT	RETENTION
Berkeley	11	\$1,210,300	\$110,027	9	2
Davis	3	367,000	110,333	3	0
Irvine	1	150,000	150,000	1	0
Los Angeles	3	425,000	141,667	2	1
San Diego	4	530,000	132,500	4	0
Santa Barbara	5	584,600	116,920	5	0
Totals/Average	27	\$3,266,900	\$120,996	24	3

LOAN VOLUME STATISTICS

*Supplemental Home Loan Program Statistics by Location
Centrally Funded Loans
Fiscal Year 2022-2023*

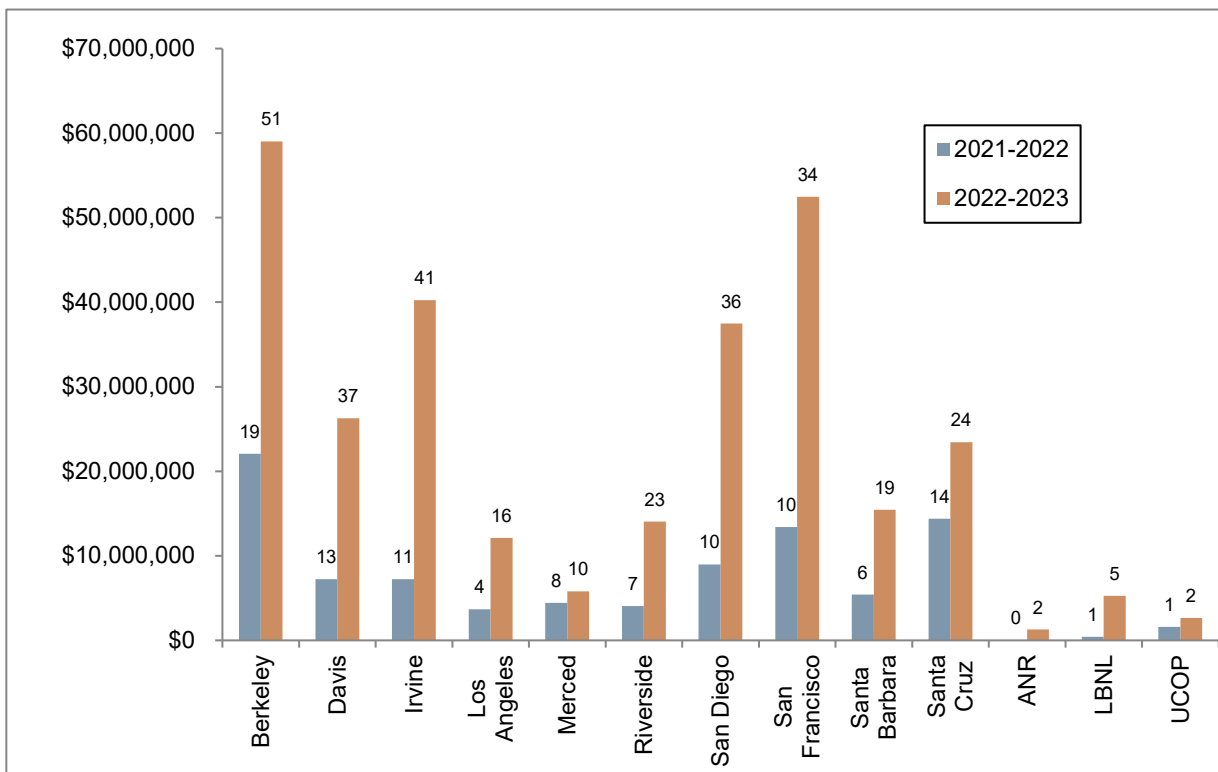
LOCATION	NUMBER OF LOANS	\$ AMOUNT OF LOANS	AVERAGE LOAN AMT	RECRUITMENT	RETENTION
Berkeley	6	\$284,150	\$47,358	6	0
Davis	3	67,200	22,400	3	0
Irvine	2	42,350	21,175	2	0
Los Angeles	1	60,000	60,000	0	1
Merced	3	110,200	36,733	2	1
Riverside	10	383,250	38,325	9	1
San Diego	8	273,500	34,188	8	0
San Francisco	3	224,250	74,750	3	0
Santa Barbara	2	88,700	44,350	1	1
ANR	1	45,000	45,000	1	0
Totals/Average	39	\$1,578,600	\$40,476	35	4

MORTGAGE ORIGINATION PROGRAM

Mortgage Origination Program - Activity Levels by Location

The chart below displays a comparison of the number and dollar amount of MOP loans funded by location for the past two fiscal years.

*Number and Dollar Volume of MOP Loans
Comparison of 2021-2022 and 2022-2023 Totals by Location*

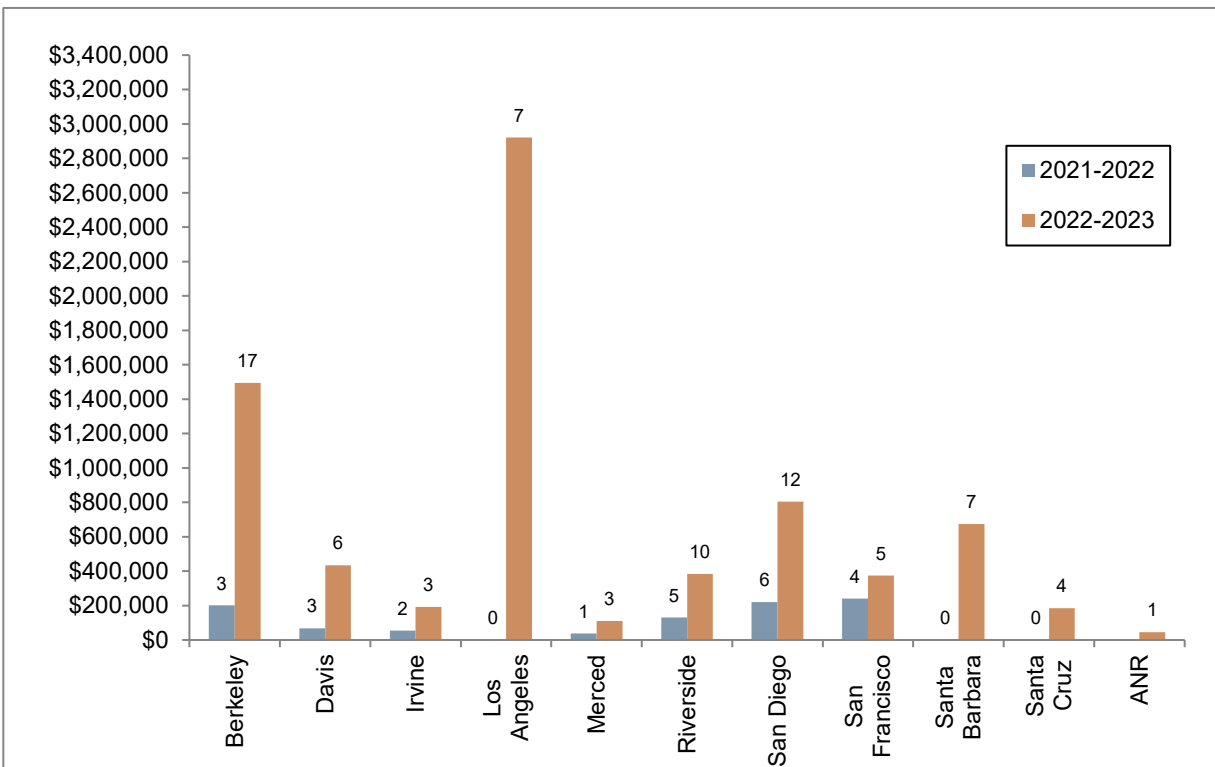


SUPPLEMENTAL HOME LOAN PROGRAM

Supplemental Home Loan Program - Activity Levels by Location

The chart below displays a comparison of the number and dollar amount of SHLP loans funded by location for the past two fiscal years.

*Number and Dollar Volume of SHLP Loans
Comparison of 2021-2022 and 2022-2023 Totals by Location*



SENIOR MANAGEMENT GROUP STATISTICS

Senior Management Group Statistics

The majority of MOP and SHLP loans are issued to academic senate faculty, but Senior Management Group employees are also eligible for Program participation. Of the 300 MOP loans funded in 2022-2023, thirteen were issued to Senior Management Group employees. The table below displays the statistics for the locations that provided loans to Senior Management Group employees.

MOP Loans to Senior Management Group Employees

LOCATION	NUMBER OF LOANS	\$ AMOUNT OF LOANS	RECRUITMENT	RETENTION
Davis	1	819,000	1	0
Irvine	3	4,972,850	2	1
Los Angeles	1	922,500	0	1
Riverside	2	1,291,500	2	0
San Diego	2	4,170,000	2	0
Santa Cruz	1	1,500,000	1	0
ANR	1	810,000	1	0
UCOP	2	2,640,000	2	0
Totals	13	\$17,125,850	11	2

There were two SHLP loans issued to Senior Management Group employees in 2022-2023. One loan was a centrally funded SHLP loan and one loan was a ZIP loan.

SHLP Loans to Senior Management Group Employees

LOCATION	NUMBER OF LOANS	\$ AMOUNT OF LOANS	RECRUITMENT	RETENTION
San Diego	1	\$150,000	1	0
ANR	1	\$45,000	1	0
Totals	2	\$195,000	2	0

CUMULATIVE PROGRAM DATA

Loan Portfolio Statistics

Mortgage Origination Program

From Program inception in June 1984 through June 30, 2023, a total of 8,107 MOP loans have been funded, with an aggregate dollar amount of \$4.25 billion. The outstanding portfolio as of June 30, 2023 consists of 2,664 loans with a principal balance of \$1.37 billion. Of these loans, 1,313 remain as holdings of STIP and have an aggregate principal balance of \$934.8 million. The remainder of the loan portfolio has been sold to outside investors and consists of 1,351 loans with an aggregate principal balance of \$439.1 million.

Supplemental Home Loan Program

From Program inception in March 1993 through June 30, 2023, a total of 1451 SHLP loans have been funded using fund sources available at the campus location, with an aggregate dollar amount of \$151.4 million.

From inception of the CF-SHLP program in November 2015, a total of 236 CF-SHLP loans have been funded, with an aggregate dollar amount of \$7.6 million.

The outstanding portfolio as of June 30, 2023 of all SHLP loans consists of 298 loans with a principal balance of \$28.4 million. Of these loans, 286 remain as University investments and have an aggregate principal balance of \$27.4 million. The remainder of the portfolio has been sold to outside investors and consists of 12 loans with an aggregate principal balance of \$1.1 million.

Mortgage Origination Program Portfolio Loan Sales

In order to increase STIP liquidity and to make additional funds available for new MOP loans, the University periodically sells pools of loans to outside investors. In fiscal year 2022-2023, the University did not have any loan sales.

Loans that are sold to outside investors continue to be serviced by OLP.

CUMULATIVE PROGRAM DATA

Mortgage Origination Program Earnings Analysis

On a monthly basis, OLP calculates the amount of interest due to STIP based on the outstanding portfolio balance of University owned loans. Interest is generally calculated and paid on the same basis as other advances or loans made from STIP. Any excess earnings are retained in the Reserve. The funds in the Reserve are utilized to cover any MOP loan losses, and for other approved University initiatives.

In fiscal year 2022-2023, the Reserve increased by \$139,360 in excess earnings.

MOP experienced no loan losses during the fiscal year. There were no borrowers with active forbearance status during the fiscal year. As of June 30, 2023, no borrowers remained in a forbearance period.

APPENDIX A

AVAILABLE LOAN PRODUCTS

A.1 Mortgage Origination Program

The Mortgage Origination Program utilizes an allocation from STIP to issue first deed of trust mortgage loans to eligible participants. MOP loans, also referred to as Standard MOP loans, are 1-year adjustable interest rate loans with loan-to-value ratios of up to 90.0% and repayment periods of up to 30 years. Loans with maturities up to 40 years are available, but offering a loan with a term greater than 30 years requires approval by the Chancellor, LBNL Director or other authorized individual. Each location makes the determination whether to offer loans with terms greater than 30 years.

The MOP interest rate is defined as the most recently available four-quarter average earnings rate of STIP, plus an administrative fee of one-quarter of one percent (0.25%). MOP has had cumulative allocations of \$4.23 billion through June 2023.

MOP loans funded on or after January 1, 2014 have an interest rate cap of 10.0% above the initial loan interest rate. Effective August 1, 2019, the minimum MOP interest rate is 3.25% for newly-funded loans.

A.2 Graduated Payment Mortgage Origination Program

The Graduated Payment MOP (GP-MOP) is a loan that provides a lower interest rate to the borrower during the initial years of the loan. The initial rate paid by the borrower is a set percentage less than the MOP Rate. This percentage, known as the Interest Rate Differential, changes each year, so that the difference between the Borrower Rate and the Standard Rate gradually decreases. The minimum Borrower Rate is 3.25%. After a pre-determined number of years, the borrower will pay the Standard MOP rate. The location reimburses STIP for any shortfall in earnings resulting from the lower interest rate paid by the borrower.

Of the 300 MOP loans funded in fiscal year 2022-2023, no GP-MOP loans were funded.

APPENDIX A

AVAILABLE LOAN PRODUCTS

A.3 5/1 Mortgage Origination Program

The 5/1 Mortgage Origination Program (5/1-MOP) loan is a fully-amortizing mortgage loan that offers a fixed interest rate and payment for the first five years of the loan, after which the loan converts to a Standard MOP loan for the remaining loan term. Of the 300 MOP loans funded in fiscal year 2022-2023, no 5/1-MOP loans were funded. The 5/1 MOP loans were less attractive likely due to the 5/1 MOP rate being considerably higher than the Standard MOP rate since the third quarter of the previous fiscal year. The 5/1 MOP rate ranged from a low of 4.35% in August 2022 to a high of 6.35% in October 2022 and was at a rate of 5.55% by the end of the fiscal year. The minimum 5/1 MOP rate is 3.25%.

A.4 Supplemental Home Loan Program

The Supplemental Home Loan Program (SHLP) primarily provides second deed of trust mortgage loans. SHLP loans are funded from authorized location sources, or from the centrally-funded pool described in Section A.5. State funds cannot be used as a funding source.

A.5 Centrally-Funded Supplemental Home Loan Program

The CF-SHLP loans are funded from the Faculty Housing Programs Reserve Fund. An initial allocation of \$5.5 million was approved in November 2015. An additional \$5 million allocation was approved with an effective date of July 1, 2019. An additional \$5.5 million allocation was approved with an effective date of July 15, 2022.

APPENDIX A

AVAILABLE LOAN PRODUCTS

A.6 Zero Interest Supplemental Home Loan Program (ZIP)

In January 2022, the Regents approved a new zero interest Supplemental Home Loan Program, also known as the ZIP Loan, as an additional resource for down payment assistance. The ZIP loan was implemented on July 15, 2022 and is included in this report beginning fiscal year 2022-2023.

The ZIP loan provides secured subordinate financing with no monthly principal payments, a zero percent interest rate and a forgivable feature. At the end of the loan term, the outstanding principal balance (original principal balance, less any forgiven amounts) is fully due and payable. ZIP loans are funded from authorized location sources. State funds cannot be used as a funding source.

APPENDIX B

LOANS REQUIRING ADDITIONAL APPROVAL

Current Program parameters provide for an additional approval process to address unusual recruitment or retention needs. The tables below summarize loans that required additional approval during fiscal year 2022-2023, and cumulatively since program inception.

MOP Loans Requiring Additional Approval Fiscal Year 2022-2023

CATEGORY	NUMBER OF LOANS	\$ AMOUNT OF LOANS	AVERAGE LOAN AMOUNT	RECRUITMENT	RETENTION
Non-Standard Title					
Davis	3	2,202,600	734,200	3	0
Irvine	1	438,000	438,000	0	1
Riverside	1	711,000	711,000	0	1
ANR	1	480,000	480,000	1	0
LBNL	5	5,253,500	1,050,700	1	4
Totals	11	9,085,100	825,918	5	6

APPENDIX B

LOANS REQUIRING ADDITIONAL APPROVAL

MOP Loans Requiring Additional Approval
Cumulative Statistics: June 1984 – June 2023

CATEGORY	NUMBER OF LOANS	\$ AMOUNT OF LOANS	AVERAGE LOAN AMOUNT	RECRUITMENT	RETENTION
Maximum Loan Amount	12	\$19,246,500	\$1,603,875	9	3
Non-Standard GP-MOP Terms	15	\$14,897,650	\$993,177	10	5
Non-Standard Title	101	\$80,157,180	\$793,635	72	29
Position Requiring Regents Approval	39	\$30,992,300	\$794,674	35	4

APPENDIX B

LOANS REQUIRING ADDITIONAL APPROVAL

SHLP Loans Requiring Additional Approval

Fiscal Year 2022-2023

CATEGORY	NUMBER OF LOANS	\$ AMOUNT OF LOANS	AVERAGE LOAN AMOUNT	RECRUITMENT	RETENTION
Non-Standard Title					
Davis	2	\$250,000	\$125,000	2	0
Riverside	1	39,500	39,500	0	1
Totals	3	289,500	96,500	2	1

SHLP Loans Requiring Additional Approval

Cumulative Statistics: June 1984 – June 2023

CATEGORY	NUMBER OF LOANS	\$ AMOUNT OF LOANS	AVERAGE LOAN AMOUNT	RECRUITMENT	RETENTION
Maximum Loan Amount	3	\$390,750	\$130,250	3	0
Non-Standard Title	52	\$14,839,392	\$285,373	36	16
Position Requiring Regents Approval	7	\$5,081,200	\$725,886	7	0

APPENDIX C

UNIVERSITY OF CALIFORNIA

HOME LOAN PROGRAM CORPORATION

CUMULATIVE STATISTICS – THROUGH 6/30/2023

The University of California Home Loan Program Corporation (Corporation) was formed to perform the residential lending activities associated with the University's Housing Assistance Program.

From the establishment of the Corporation in February 2014 through June 30, 2023, 2,356 MOP loans have been funded with an aggregate dollar amount of \$1.75 billion. The outstanding principal balance of Corporation MOP loans is \$925.8 million as of June 30, 2023.

During the same period, 423 SHLP loans have been funded with an aggregate dollar amount of \$37.9 million. The outstanding principal balance of SHLP loans originated by the Corporation is \$22.5 million as of June 30, 2023.

APPENDIX C
UNIVERSITY OF CALIFORNIA
HOME LOAN PROGRAM CORPORATION
CUMULATIVE STATISTICS – THROUGH 6/30/2023

Mortgage Origination Program

Statistics by Location – Corporation Loans

Location	Number of Loans	Dollar Amount of Loans	Average Loan Amount	Recruitment	Retention
Berkeley	296	\$275,496,900	\$930,733	239	57
Davis	316	180,962,630	572,667	254	62
Irvine	356	201,186,500	565,131	318	38
Los Angeles	243	232,650,200	957,408	144	99
Merced	94	32,977,000	350,819	88	6
Riverside	198	99,961,900	504,858	179	19
San Diego	299	220,307,050	736,813	284	15
San Francisco	180	218,449,000	1,213,605	159	21
Santa Barbara	164	131,242,450	800,259	128	36
Santa Cruz	174	120,366,150	691,759	117	57
LBNL	13	13,111,450	1,008,573	3	10
UCOP*	23	21,451,850	932,689	18	5
Totals/Average	2,356	\$1,748,163,080	\$742,005	1,931	425

**Includes ANR and UC Law- San Francisco loans*

APPENDIX C
UNIVERSITY OF CALIFORNIA
HOME LOAN PROGRAM CORPORATION
CUMULATIVE STATISTICS – THROUGH 6/30/2023

Supplemental Home Loan Program

Statistics by Location – Corporation Loans

Location	Number of Loans	Dollar Amount of Loans	Average Loan Amount	Recruitment	Retention
Berkeley	55	\$4,894,150	88,984	48	7
Davis	48	1,411,140	29,399	39	9
Irvine	68	1,737,750	25,555	65	3
Los Angeles	38	17,379,650	457,359	16	22
Merced	12	276,450	23,037	11	1
Riverside	54	1,542,875	28572	52	2
San Diego	71	2,462,500	34,683	67	4
San Francisco	39	6,318,500	162,013	33	6
Santa Barbara	8	724,750	90,594	7	1
Santa Cruz	28	1,095,800	39,136	19	9
ANR	1	45,000	45,000	1	0
UCOP	1	58,750	58,750	1	0
Totals/Average	423	\$37,947,315	\$89,710	359	64