From: Executive Vice Chancellor <ExecutiveViceChancellor@ucsf.edu>
Date: Monday, August 25, 2025 at 9:14 AM
Subject: CASCADE REQUEST: Extended Pause on Mortgage Origination Program

Please cascade to your hiring managers – copied are lead communicators and chiefs of staff for awareness and next steps

Dear Colleagues,

In May 2025, you were notified of the need to suspend new Mortgage Origination Program (MOP) nominations because a change in the systemwide funding model for MOP and escalating demand for MOP loans caused a funding shortfall for UCSF. That email is included below. It also outlines several programmatic changes in how MOP allocations will be prioritized and administered going forward.

In June 2025, University of California Office of the President (UCOP) announced the FY25-26 allocation for campuses to provide MOP loans to assist faculty recruitment. While UCSF received by far the largest share among the ten UC campuses, this new allocation does not meet UCSF's outstanding commitment to current program participants. **As such, the funding allocated for MOP loans for FY26 will need to be applied to those loans currently pending.**

Consequently, UCSF must extend the pause on new Mortgage Origination Program nominations for six months until January 2026. At that time, we will re-evaluate campus financial opportunities, the effects of the federal challenges, and the funding available for new MOP loans. Contemporaneously, the campus is actively working with financial partners to develop favorable external home loan programs specifically for UCSF faculty.

We realize what a valuable tool the MOP program is for faculty and senior leader recruitment. Please know that we will do our best to lift the temporary pause as soon as it is fiscally responsible to do so.

I request that you cascade this email communication to your relevant hiring managers for action and awareness.

Thank you for your partnership in our important work together.

Sincerely,

Catherine R. Lucey, MD, MACP
Executive Vice Chancellor and Provost

From: From: From: Executive Vice Chancellor <ExecutiveViceChancellor@ucsf.edu>
Date: Wednesday, May 28, 2025 at 4:23 PM

Please cascade to your hiring managers

Dear Deans Blake, Dawson-Rose, Giacomini, King, and Reddy,

Thank you for participating in our recent leadership meeting to review the recommendations proposed by the UCSF Home Loan Programs Advisory Workgroup. This communication serves as a record of leadership decisions made following submission of the workgroup recommendations.

Current State
Because of high market interest rates, there has been an unprecedented demand for funds from the UCSF Mortgage Origination Program (MOP).

- Over the previous two fiscal years, there has been a 70% increase in nominations and a 180% increase in loans funded compared to the average of recent years.
- During FY24-25 YTD alone, UCSF has submitted 72 new candidates for MOP loans, which is *twice* the annual average of recent years.
- Despite the $80 million campus subsidy to the UCSF MOP program, mortgage commitments to eligible individuals have campus commitments exceeding funding available to provide MOP loans.

These trends are unsustainable, especially amid the current financial challenges faced by UC and the individual campuses. Due to these financial pressures, UCSF must operate MOP within the funding allocated by UCOP each year. As a consequence, **the following changes in the MOP program are effective immediately**.

1. **The campus will not accept new nominations for MOP allocation reservations** until UCOP announces the next round of MOP allocations later this summer. At that time, we will strategize program reactivation with respect to the funding available. Waitlists may be maintained by the deans' offices.
2. **Consistent with the intent of the program and to better operate within budget, the following loan program criteria will apply when activations can resume:**
   - The deans' offices will limit home loan program requests based on the number of loans available and recruitment priorities. The total number of nominees per year cannot exceed the number of loans available for funding. A certain number of loans will be reserved for each of the smaller schools.
   - MOP language should not be included in offer letters except for hires in the title codes listed below. Hiring managers should not promise availability of funds.
   - For new participants, the maximum loan amount will be $1.5 million. This is 90% of the average sale price for existing single-family residences in the four immediate Bay Area counties (San Francisco, Marin, Alameda, and San Mateo), and consistent with the average final MOP loan amount for YTD FY24-25 ($1.44 million).
   - Eligibility will be restricted to faculty at the Assistant rank in the Ladder Rank, In Residence, or Clinical X titles. Eligible title codes are:
     - Assistant Professor (HCOMP) — Title Code 001717
     - Assistant Professor (FY) — Title Code 001310
     - Assistant Professor In Residence (HCOMP) — Title Code 001724
     - Assistant Professor In Residence (FY) — Title Code 003271

    - Assistant Professor of Clinical X (HCOMP) — Title Code 001455
    - Assistant Professor of Clinical X (FY) — Title Code 001452
- The deans may offer MOP support to recruits at the Associate rank by exception according to their recruitment priorities.
- To provide recruits with a greater opportunity to increase their savings for a down payment, departments now have <u>three years</u> from the effective date of the eligible appointment to submit a request for a MOP allocation reservation. To effectively budget the allocation of these loans and to limit participation to those committed to using it, candidates will have <u>one year</u> from the allocation reservation to purchase a home using the program.
    - Candidates whose nomination eligibility window expired recently under the previous requirements will be included under the new three-year schema.
- The UCOP MOP allocation will no longer be available to provide primary loans to mid- or senior-level faculty or SMGs. UCSF control points may use their resources (department, school, or campus) to fund loans for critical mid- and senior-level faculty or SMG recruitment/retention using the Supplemental Home Loan Program vehicle.
    - The chancellor may approve exceptional home loan program support for specific Health Sciences Clinical Professor recruitments in UCSF Health if UCSF Health provides the funding for the loan.

We recognize that these are challenging times and understand how important MOP has been to faculty recruitment and retention. The senior vice chancellor of finance and administration (with the assistance of the UCSF home loan program manager) is exploring possible partnerships with corporate lenders to provide an attractive alternative home loan program for full-time UCSF faculty which will be financed and administered externally. We will keep you informed of progress in this area.

In the meantime, please review the updated criteria, guides, and forms that will be published on the Home Loan Program Resources webpage at tiny.ucsf.edu/homeloanprograms. Program-specific questions may be directed to Wilson Hardcastle at wilson.hardcastle@ucsf.edu.

I request that you cascade this email communication to your relevant hiring managers for action and awareness.

Thank you for your leadership and partnership to meet our critical responsibilities.

Sincerely,

Catherine R. Lucey, MD, MACP
Executive Vice Chancellor and Provost