



University of California
San Francisco
Office of Faculty and
Academic Affairs

UCSF Home Loan Program Overview <http://tiny.ucsf.edu/homeloanprograms>

The Mortgage Origination Program

What is the Mortgage Origination Program (MOP)?

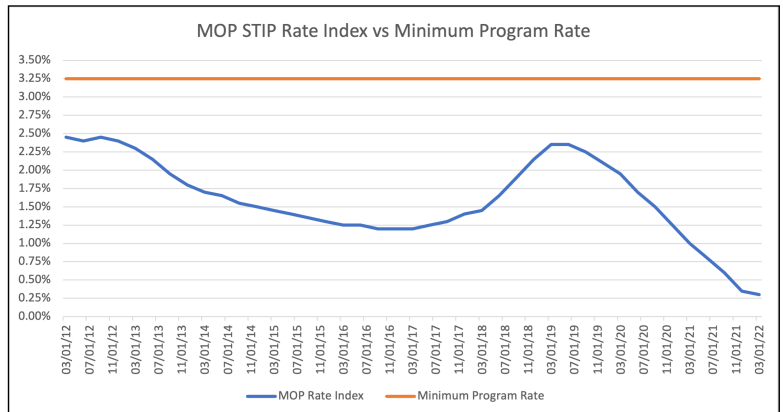
The Mortgage Origination Program assists qualifying new faculty in purchasing their first home in the Bay Area by providing a below-market rate mortgage with 10% down.

Why is this great?

- \$2.37 million maximum loan amount
- 3.25% minimum program rate, variable
- 90% Loan-to-Value Ratio (i.e. 10% down)
- 48% maximum Combined Debt-Income Ratio
- 30-year term
- No fees
- No prepayment penalties
- No mortgage insurance

What's the deal with the variable rate?

Funding from the program is allocated from the UC Short Term Investment Pool (STIP), and as such the MOP rate is indexed to the STIP return rate, with a floor rate of 3.25%. The index rate may fluctuate up and down, but as long as it remains below the floor rate, the effective MOP rate does not change. So while the MOP rate has the potential to vary, it has not for more than a decade. Should the index rate rise above the minimum program rate, the MOP rate will then be adjusted, but only once a year, and the rate cannot be adjusted up or down by more than 1.0% at any adjustment period.



Who is eligible?

New faculty appointed to a Ladder Rank, In Residence, or Clinical X title who do not currently own nor have owned in the past 12 months a primary residence in the Bay Area. May also be offered to recruit Senior Management (SMG) titles. Appointments to Health Sciences Clinical or Adjunct Professor titles are not eligible. MOP support can be offered as part of a retention action for Senate faculty.

What's the timing?

Eligible recruits may start the process before the eligible appointment is fully approved or effective, and have two years from their appointment date to request participation in the program. Once the department requests a MOP allocation reservation, candidates have two years from that date to use the MOP allocation to buy a home.

The 5/1 fixed-rate option

The 5/1 MOP features an initial (higher) fixed interest rate for the first 5 years of the loan, after which the loan converts to the Standard MOP rate for the remaining term. The 5/1 MOP fixed rate is based on the 5-year Treasury Bond Yield using the JULI value spread. The minimum 5/1 MOP Initial Interest Rate is 3.25% with actual rates posted weekly [online](#).

How much can I afford?

Use the [MOP Qualifying Calculator](#) to try different financing scenarios. Note that the loan amount may not exceed 90% of the purchase price.

Eligible Properties

MOP loans must be used to purchase single-family dwellings, either a house or condominium. MOP loans cannot be used to purchase multi-family, Tenancy-In-Common (TIC), or income-generating properties. MOP loans cannot be used for construction, renovation, or refinance. The property must be borrower's primary residence.

The Supplemental Home Loan Program (SHLP)

There are supplemental home loan program options which offer a second mortgage to increase the combined loan-to-value ratio up to 95%. These programs aim to assist those who can afford a higher monthly payment but do not have the savings for the full down payment. While MOP loans are funded by the University of California, Supplemental loans are funded by the department. Some central funding is available for limited loans. See tiny.ucsf.edu/supplemental.

The Mortgage Origination Program is a pre-approval program and candidates must be issued a pre-approval certificate before placing offers in order to utilize University financing.