The Supplemental Home Loan Program (SHLP) works in conjunction with the Mortgage Origination Program (MOP) and is designed to assist junior faculty in the purchase of a first home by decreasing the down payment required for the home purchase for financing below $2.37 million. This program is designed to assist junior faculty candidates who may be able to afford a higher monthly mortgage payment with their new appointment but do not have the resources available for the full down payment. The SHLP is a second mortgage and increases the monthly mortgage payment. A Supplemental Home Loan Program does not affect the down payment requirement for financing above $2.37 million.

FUNDING FOR THE SHLP IS PROVIDED BY THE INDIVIDUAL CAMPUS DEPARTMENT.

Some campus funding is available through the Centrally-Funded Supplemental Home Loan Program, see below.

Eligibility

- The proposed participant must be a full-time appointee in an Academic Senate or Senior Management title or Acting Assistant Professor within the first two years of the eligible appointment, unless the MOP and SHLP participation is part of a retention action.

Parameters

- Supplemental Home Loan Program loans are requested supplemental to a Mortgage Origination Program (MOP) allocation reservation request.
- The final loan amount, not to exceed the amount of the approved allocation, is based on evaluation of the participant's loan application and appraisal of the property to be purchased.
- The program participant must have an eligible appointment within 180 days of loan funding.
- The standard UCSF SHLP is $75,000 at 2.75% fixed interest for a period of 15 years; this results in an additional monthly payment of about $509. The UCSF MOP loan limit is $2.37 million. In order to benefit from the reduced down payment, combined financing must be below $2.37 million. Financing may be estimated using the UC MOP Calculator at http://mopqual.ucop.edu/main.php.
- The maximum SHLP a department may offer is $2.37 million, and must be funded by the department. SHLP amounts over $75,000 are non-standard but allowable.
- The department may set the rate and term of the SHLP loan as long as it does not exceed program parameters. The SHLP rate may not be lower than the current MOP index rate.
- MOP or SHLP loans can be used for single-family homes or condominiums, but cannot be used for Tenants-In-Common (TICs) or income-generating properties.

While the MOP has a 90% loan-to-value-ratio, adding a second SHLP loan to the MOP may result in a combined loan-to-value ratio of 95%, reducing the required cash down payment to as low as 5.0% as long as the combined loan amount does not exceed $2.37 million.

Procedures

- The department chair or department manager must request a SHLP allocation for a faculty member or recruit using the MOP-SHLP Allocation Request Form (available from http://tiny.ucsf.edu/homeloanprograms). The request should indicate the maximum loan amount, the SHLP rate, SHLP loan term in years, and the departmental account (COA) from which the funds will be transferred.
- The MOP-SHLP allocation request should be forwarded to the director of academic affairs in the appropriate dean’s office.
- If the proposed participant is not yet in his/her eligible title, the request must be accompanied by a copy of the fully-engaged offer letter and an Every Expectation Letter (see http://tiny.ucsf.edu/advancemop). The offer letter must contain appointment begin date, annual salary, and academic title. An approved Search Process Report (SPR) or waiver must be on file in the Office of Faculty and Academic Affairs.
• The dean’s office will review and provide a signature of approval to the MOP/SHLP Allocation Request and will submit it to the home loan program manager in the Office of Faculty and Academic Affairs. If the proposed participant meets the eligibility criteria, the allocation will be approved.
• The campus home loan program manager will notify the proposed participant, the department, and the dean’s office of an approved allocation, and will forward campus eligibility documents to the Office of Loan Programs (OLP) at UCOP.
• OLP will provide a secure link to allow the proposed participant to apply online. The MOP and SHLP loans are covered by a single application and are underwritten together. The OLP will evaluate the proposed participant’s completed loan application and will issue a Pre-Approval Certificate within five to seven business days, at times longer considering workload.
• The UC home loan programs are pre-approval programs and candidates should not enter into a purchase agreement before receiving a pre-approval certificate if they intend to utilize University financing.
• The participant must contact his/her assigned OLP underwriter once a final purchase contract is completed. The required escrow period is at least 30 days.
• At the time of funding, the campus home loan program manager will direct the department to transfer the amount of the SHLP allocation to an account administered by the UCSF accounting office.
• After loan closing, the accounting office will ensure the transfer of funds to UCOP. The department will be credited with loan payments and interest on an annual basis, less the 0.25% servicing fee.

The Centrally-Funded Supplemental Home Loan Program (CF-SHLP)

In 2016, the Office of Loan Programs announced limited support for a Centrally-Funded Supplemental Home Loan Program (CF-SHLP). This is to assist departments who do not have the resources to fund individual SHLP loans. The SHLP and CF-SHLP do not benefit everyone, but can provide essential assistance to those borrowing less than the maximum under the MOP program and need like to borrow additional funds to cover part of the down payment. Candidates and recruiters should discuss this option during recruitment as it may enable a home purchase. Departments and candidates are free to contact home loan program manager Wilson Hardcastle at 415-476-2016 to see if this program is right for them.

CF-SHLP loans are funded from the campus allocation on a first come, first serve basis. Eligibility and qualifying criteria are the same as the Supplemental Home Loan Program. Requests for participation in the CF-SHLP program follow the same process for MOP and SHLP requests, and should be coordinated with the campus home loan program manager in the Office of Faculty and Academic Affairs.

Centrally-Funded Supplemental Home Loan Program Parameters:
• Maximum loan amount shall be $75,000 or 5.0% of the purchase price, whichever is lower.
• The CF-SHLP maximum loan term is 15 years.
• CF-SHLP loans have a fixed interest rate equal to the most recently available 4-quarter average rate of return of STIP, plus a .25% servicing fee. The minimum interest rate is 2.75%.

More information is available on the SHLP information page at http://tiny.ucsf.edu/supplemental.

Questions regarding the Supplemental Home Loan Program should be directed to the Campus Home Loan Program Manager, Wilson Hardcastle, at 476-2016 or wilson.hardcastle@ucsf.edu.