Subject: Update from UCOP on UC Housing Assistance Program
Date: Tuesday, June 16, 2026 at 1:22:15 PM Pacific Daylight Time
From: Heide Trimble
To: Total Campus Asst. Deans, totalcampusdeans-l@ucsd.edu, totalcampuschairs-l@ucsd.edu, EVC Simmons, McNally, Mary
CC: Diprofio, Adam, Waldrop, Kevin, Trimble, Heide, Carlos Mosso, Kim James, Mata, Christine

Dear Leadership,

We are writing to share an update from UCOP's Office of Loan Programs about the University of California's Mortgage Origination Program (MOP), including upcoming enhancements designed to strengthen the program and ensure its long-term sustainability.

We anticipate the approval process will support implementation **effective January 2027,** and wanted to share this information as early as possible to assist with planning. A detailed brochure and FAQs are currently being finalized and will be shared over the summer. We will continue to provide updates as information becomes available.

Introduction of a new loan product: 7/1 ARM

The University is introducing a new **7/1 adjustable-rate mortgage (7/1 ARM)** product, which will replace the existing 1/1 and 5/1 ARM products. The new product is expected to be structured as follows:

- Originate at a below-market rate compared to commercial options (subject to the program minimum rate of 3.25%)
- Provide a fixed interest rate for the first 7 years, offering an extended period of predictable monthly payments compared to the current 1/1 and 5/1 ARM options.
- Transition to a variable rate based on a published market index that adjusts annually after year 7
- Include built-in safeguards to limit how much rates can adjust
- Support long-term program sustainability while remaining competitive with market alternatives
- Preserve key program benefits, including up to 90% financing without private mortgage insurance (PMI), favorable underwriting terms, and no prepayment penalty

Why updates are being implemented

For decades, the Mortgage Origination Program (MOP) has supported eligible faculty recruitment and homeownership by providing access to competitive, below-market financing. As housing markets and financial conditions continue to evolve, the University is taking steps to strengthen the program's long-term sustainability and funding stability, so it remains available for future eligible faculty, while preserving key benefits, including up to 90% financing without private mortgage insurance (PMI), favorable underwriting terms, and no prepayment penalty.

Transition period for current loan products

Loans that close and are funded by **December 21, 2026,** will utilize the current loan products, 1/1 ARM (standard) and 5/1 ARM. Descriptions of these products may be found on the UCOP Office of Loan Programs (OLP) site. Detailed timelines will be shared with faculty members currently in the application pipeline, along with guidance for considering the new loan product.

As in prior years, OLP will not fund loans during the Winter Holiday Break and Curtailment days. The last day to fund loans in December will be Monday, December 21, 2026. The earliest possible funding in January will be on Wednesday, January 6, 2027.

Beginning **January 6, 2027**, the 7/1 ARM is expected to become the sole MOP loan product. Faculty members who begin the MOP Application process in the Fall 2026 (FA26) cohort will utilize the new 7/1 ARM loan product. More information about this product is expected to be available on the UCOP Office of Loan Programs (OLP) site in the near future.

Communications about the new MOP product will be shared with known Phase 1 & 2 MOP-eligible faculty and school/department AP contacts. Additional MOP Q&A Sessions are being added to address questions from eligible individuals.

We appreciate your support as we work with OLP to refine the MOP Program. Please feel free to share this information with those eligible.

Thank you,

UC San Diego MOP Team