

# Faculty Recruitment Allowance (FRAP) & Zero Interest Loan (ZIP)

2024

# Down Payment Assistance

## FRAP

Faculty Recruitment Allowance Program (FRAP)

### Eligibility Program

- Full time Senate Faculty
- Primary purpose is support for housing costs. May also support childcare expenses, education or tuition assistance, or similar expenses
- Amount offered mentioned start-up letter. Max amount: \$150K

### Tax & Repayment implications

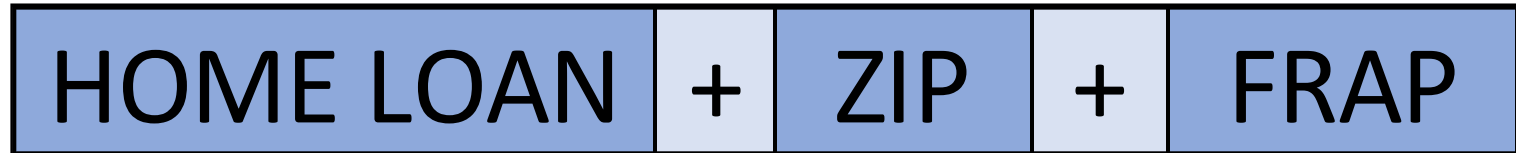
- FRAP is considered taxable income. Repayment required if separation occurs, review Dean agreement for details (3 or 5 years)
- Paid via Department

## ZIP

Zero Interest Program (ZIP) loan with a forgivable feature

- Full time Senate Faculty
- ZIP Loan can be combined with a primary home loan
- 10% of the loan amount forgiven each year
- Can represent 95% financing of the purchase price
- UCOP max amount: \$150K
- The forgiven amount is reported as taxable income that year on a W-2, subject to standard withholdings.
- ZIP applied at the time of purchase.

# Allowable Combinations



- Can combine FRAP and ZIP for a home purchase
- Home Loan + FRAP + ZIP = Check lender's terms
- When using FRAP+ZIP you can finance **UP TO** 95% of the purchase price
- I.E. If offered \$100K, Faculty can use \$50K FRAP and \$50K ZIP
- Both FRAP and ZIP are funded by Faculty Start-Up account
- 2 Years from Appointment Start Date to use these programs

# UC Loan Programs

## How to Apply for a ZIP

Items needed	<ul style="list-style-type: none"><li>• Offer Letter or Proposal Letter and Every Expectation Letter (if appt not finalized)</li><li>• Start-Up Letter</li><li>• Department's AP/HR contact name and email</li></ul>
Book a 1/1 Zoom with HLC	<ul style="list-style-type: none"><li>• Discuss loan details with home loan coordinator, where we will discuss the loan application, the pre-approval process as well as the current extended wait times at UCOP</li><li>• Once the loan application is submitted by the Faculty member you will be assigned a loan officer who will work on your pre-approval letter (15-20 business days)</li></ul>

### Program

- [UC Loan Programs](#)
- [UC San Diego MOP information](#)

# Contact

For questions or assistance, please contact Carlos Hernandez in the Academic Affairs Business Office at [cah005@ucsd.edu](mailto:cah005@ucsd.edu) or by phone number (858)822-1161