

(deletions shown by strikeout; additions underscored)

SUPPLEMENTAL HOME LOAN PROGRAM LOAN PARAMETERS

1. Program loans shall be used primarily for the purchase of a participant's primary residence, or to provide short-term bridge financing; however, at the discretion of the Chancellor or DOE Laboratory Director, Program loans also may be used for:

- renovation;
- refinancing of existing housing-related debt secured by the primary residence;

2. Program loans shall be secured, using a recorded Deed of Trust or other appropriate recorded document, for residences that are:

- owner-occupied single-family residences (including Planned Unit Development and condominium units);
- the principal place of residence for the participant;
- used primarily for residential, non-income-producing purposes; and
- 50% or more participant-owned.

3. The maximum loan-to-value ratio (LTV) of a Program loan, either alone or in combination with other loans, is to be determined as follows:

- for loans totaling up to \$687,000, the maximum combined LTV is 95%; and

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-- for loans totaling more than \$437,000 and up to \$687,000, the maximum combined LTV is 90%;

-- for loans totaling more than \$687,000, the maximum combined LTV is 90%.

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The above dollar threshold amounts for determining the maximum LTV reflect applicable levels in effect as of April 2001, which shall be adjusted annually based upon increases in the all-campus average sales price determined by the annual zip code study performed by the Office of Loan Programs.

Exceptions to increase the maximum combined LTV of 90% for loans in excess \$687,000 to a maximum of 95% may be granted upon recommendation of the President, with the approval of the Chair of the Committee on Finance and the Chair of the Board of Regents. The value of the residence is in all cases defined as the lesser of the purchase price or current appraised value.

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4. The maximum term of a Program loan shall be 40 years, with repayment schedules designed to accommodate the needs of the Program participant as well as any requirements of the funding source.

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5. Each location shall determine the mortgage interest rate to be charged on a given loan, except that minimum or maximum rates may be established to comply with federal and State lending and tax laws and regulations.

6. The sum of monthly mortgage payments (principal and interest) of this and all other loans secured by the residence may not exceed 40% of the participant's household income.

7. When administratively feasible, mortgage payments shall be made by payroll deduction while on salary status.

8. Mortgage loans under this Program shall not be assumable.