

June 10, 2021

Shane White, Chair  
Academic Senate

**Re: UCLA Faculty Housing, MOP**

Dear Chair White,

The UCLA Faculty Welfare Committee reviewed UCLA Faculty Housing situation in 2020-2021. We submitted our report on Faculty rental housing in winter 2021. We now offer the following additional comments on the MOP program.

**Faculty housing is an important issue for UCLA**, as evidenced by the 2017-19 Faculty Housing Project Survey with more than 70-85% of respondents citing the cost of living in the Los Angeles area and the opportunity to living close to campus as “important” or “very important” factors in deciding to accepting and continuing employment at UCLA.

In 2018, the UCLA Faculty Housing Task Force, headed by former EVC/P Scott Waugh, recommended eight changes to UC’s Loan Programs. We are happy that the central change, to raise the **maximum MOP loan** from the then status quo \$1.5m to the \$2m, has now been implemented. But the issue will require continued attention with an ever-appreciating West Los Angeles real estate market (Los Angeles house prices have risen around 20% in the last year alone).

The Faculty Welfare Committee also discussed aspects of the MOP program that are not reflected in the 2018 report. One important shortcoming of the MOP loans is that the interest rate is floating. Many faculty would prefer **fixed-rate loans**. Such loans would seem to constitute a more efficient allocation of risk since UC is in a better position to bear interest rate risk than individual faculty. We recommend to consider the introduction of such fixed-rate loans. The other issue discussed was the **competitiveness of rates**. Currently, MOP loans are not competitive for many faculty, who can find better rates on the private market. However, the committee recognizes that other faculty find the MOP attractive because of its lower down payment requirements. Since the latter group of faculty are likely financially less well-off than the former, the current combination of not-so competitive rates with low down payment requirement arguably target the scarce funds well. Thus, we recommend no changes to this part of the policy. In a similar vein, we support the decision to temporarily lower the maximum MOP amount in times of more constrained funding like the present time.

In terms of communication, the committee thinks that awareness of the MOP program is stronger in some divisions of UCLA than others. Even though funds are limited in particular years, we believe it would be helpful for the deans (who control the distribution of the MOP funds) to proactively **advertise faculty housing** and its availability to incoming faculty members.

Lastly, it has come to the committee's attention that the Office of the President has significantly cut the **MOP funding** in 2020-21 for a two-year period. This lack of MOP-funding has already contributed to the failure of recruiting efforts in several departments. This underlines the importance of a strong and sustained faculty housing program to keep UCLA competitive for its faculty.

Respectfully submitted,

Huiying Li, Chair  
Faculty Welfare Committee

cc: Jody Kreiman, Vice Chair/Chair Elect, Academic Senate  
Michael Meranze, Immediate Past Chair, Academic Senate  
April de Stefano, Executive Director, Academic Senate  
Elizabeth Feller, Interim Analyst, Faculty Welfare Committee  
Members of the Faculty Welfare Committee