


The California State University
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To: CSU Presidents

From: Jackie R. McClain
Vice Chancellor
Human Resources


Richard P. West
Executive Vice Chancellor
and Chief Financial Officer

Subject: CitiMortgage Affiliate Offering for CSU Employees

We are pleased to announce the university has executed a contract enabling a special mortgage program offering from CitiMortgage for CSU employees. The program is primarily targeted to assist moderate to low-income households and employees making investments in moderate to low-income census tracts as defined by the U.S. Department of Housing and Urban Development (HUD). The offering will be beneficial especially to employees at campuses with existing, or soon to be developed, housing units for sale to faculty and staff. Certain steps must be taken by the campus to ensure its full applicability where leased land is involved. Available products are summarized below:

- CitiMortgage will provide assistance to the campus representative with home buying seminars and product and program materials, in cooperation with the campus contact.
- Employees purchasing or refinancing their homes through CitiMortgage will be provided a credit at closing of the application fee paid at time of origination, or a credit of the appraisal and credit report fees if an application fee is not collected.
- Employees purchasing homes may be provided assistance of 2% of the mortgage loan amount up to \$2,000 maximum (\$4,000 for CSU Channel Islands

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employees) for closing costs and prepaid expenses, if the employee's household is a low-to-moderate income household or the property securing the loan is located in a low-to-moderate census tract. The employee's household is considered to be low-to-moderate if its income is below 80% of area median income as defined by HUD. The property is considered to be located in a low-to-moderate census tract if the median income of the tract is less than 80% of the area median income.

- CitiMortgage will provide opportunities for 100% loans at 80% loan-to-value rates, avoiding private mortgage insurance rate premiums, when leased land from campuses and/or affiliates is involved.

We have provided our CitiMortgage representative with a listing of campus Benefit Officers and he will be providing the Benefits Officers a list of applicable CitiMortgage contact numbers. Program brochures will be delivered to the Benefits Officers in the near future. If the campus would like another person to be the main contact for this program, please notify CitiMortgage accordingly. The main contact for CitiMortgage is Mr. Bridges Stewart, National Urban Sales Manager (phone: 510-324-2759 or e-mail at bridges.stewart@citicorp.com).

CitiMortgage will mail information about the new program to employees' homes and the information will include CitiMortgage contact numbers. The information will not be mailed to employees whose home addresses are suppressed for solicitation purposes.

As of February 19, 2002, CitiMortgage sales personnel will be prepared to discuss details of the affiliate plan with CSU employees.

Questions regarding program management from the CSU perspective can be addressed to Lenore Rozner, Assistant Vice Chancellor of Business Planning via phone at 562-951-4550 or via e-mail at lrozner@calstate.edu.

The full text of the agreement can be found on the CSU Contracts and Procurement website at http://www.calstate.edu/CSP/csu_bulletin.shtml. The agreement will be in effect through December 31, 2002 (through September 2008 for CSU Channel Islands) at which time it will be re-evaluated.

This memorandum is available on Human Resources Administration's web page at: <http://www.calstate.edu/HRAdm/memos.shtml>.