SUMMARY OF TERMS FOR
SHARED APPRECIATION MORTGAGE (SAM) PILOT PROGRAM

NOTE: This is only a Summary. A full description may be found in the Program Requirements disclosure and in the loan documents, which, in the case of a conflict, govern the program.

Eligibility: Professor, associate professor, assistant professor on the tenure and tenure-earning, research, librarian faculty or clinical educator track, or senior administrator (as determined by the president, but not officers of the University), whose University of Miami appointment is full time and was made no more than eighteen months before date of loan, AND WHOSE OFFER LETTER IS DATED BEFORE DECEMBER 1, 2008. Note: the employee’s prior residence must be more than 50 miles from UM, and the employee must represent to the University that he/she expects to itemize deductions on his/her 1040. The University will also require the eligible applicant to certify that he/she was employed at his/her prior place(s) of employment for at least 12 months prior to his/her start date at the University of Miami.

Use: To purchase principal residence only, with purchase price of $750,000 or less, located in Miami-Dade County. (Other counties with approval of Senior VP or Executive VP and Provost. For exception to be considered, primary residence must be 16 miles or less from actual location of primary employment.)

Closing Costs: Will be paid by the employee, and will include a 1% administrative fee, plus fees for origination, document preparation, appraisal, title insurance, attorney, closing, servicing set-up, tax service, and such other reasonable and customary fees charged by third parties. If the applicant retains an attorney, the applicant will pay the cost of the attorney and the attorney will not be compensated out of the transaction. The applicant should consider this expense before retaining an attorney and insure any attorney retained understands he or she will not be closing agent. See the "procedure" section below.

Down Payment: 10% of purchase price, unless first mortgage lender requires a larger downpayment.

SAM Loan Amount: Up to 50% of purchase price, with a $150,000 cap. Only one SAM loan is allowed per principal residence, and related applicants may obtain only one SAM loan.

Term: Will match the term of the first mortgage, with a maximum of thirty (30) years.

Interest Rate: None. However, a portion of the increase in the home's value must be paid to UM when the loan is repaid. The amount due will depend on the value of the home at that time, qualified pre-approved improvements that have been made, and other factors that affect the value of all real property. Since these factors vary for each home, a borrower will not know the final amount due UM until the loan is repaid.

Monthly Payments: None other than required escrow tax and insurance payments (see below). Prepayment is allowed only in whole. Partial prepayments are not allowed.

Loan Repayment: Required immediately upon sale of property or if employment terminates for reasons other than death, in which case a twelve month period for loan repayment will be allowed.

Appraisals at Repayment: Unless there is a bona fide sale of the property, the employee will select a certified appraiser from a listing of Miami area appraisers and pay for same. UM will similarly secure an appraisal, and the two will be averaged to determine the home's value.

Security: First or second mortgage on home.

Taxes & Insurance: Will be escrowed by first mortgage lender. Commercially available insurance will be required, including windstorm & flood, if applicable, for the full insurable value of the home.

Procedure: Applicants should submit a memo from the chairman of the department, through the dean, to the provost giving the following information: name; title; date of hire; salary; and amount needed for loan. If an exception is requested, the reason should be stated. A copy of the offer letter should be submitted as well.

Applicants will be advised upon approval and provided with authorization to begin the loan origination and closing process. At this time, each applicant will also be provided with contact information for approved lenders and closing agents. Closings for both the SAM and First Mortgage, including the title work for both loans, will be handled by a University selected closing agent.

First Mortgage Lenders: Applicants must contact one of the approved lenders to make application for a standard first mortgage loan. No negative amortization first mortgage loans are allowed.

For Further Info: Office of Budget and Planning – (305) 284-2862

NOTES:
1. Program suspension not applicable for Four Fillies purchases.
2. Not applicable if offer letter is dated prior to December 18, 2007; if offer letter is dated between December 18, 2007 and September 15, 2008 purchase price must be $1.5 million or less. Four Fillies purchases are not subject to the limit.
3. May be reduced to 5% for homes with purchase price at or below $500,000.
4. If offer letter date is prior to September 15, 2008 or if home is located in Four Fillies, cap is $300,000.