



P.O. Box 942709
Sacramento, CA 94229-2709
888 CalPERS (or **888-225-7377**)
Telecommunications Device for the Deaf
and Hearing Impaired: (916) 795-3240
www.calpers.ca.gov

Date: November 19, 2010
Reference No.:
Circular Letter No.: 200-071-10
Distribution: IV, V, VI, X, XII, XVI
Special:

Circular Letter

TO: ALL CALPERS EMPLOYERS

SUBJECT: MEMBER HOME LOAN PROGRAM DIRECTION

This Circular Letter is to inform employers of the possible suspension of new loans for the Member Home Loan Program and the Secured Personal Loan Program.

With the changes in the current mortgage market environment, minimal member benefit and member usage, the Board of Administration is considering suspension of the Member Home Loan Program (MHLP). This item has been deferred until the December 15, 2010 Board meeting for further direction.

Since 2004, MHLP has been averaging only between 1,000 to 4,500 loans a year, just a small percentage of CalPERS 1.6 million members and retirees. Despite the low numbers, the program has also suffered from increasing number of loan defaults and resources required to manage the complex loan program.

If the CalPERS Board of Administration decides to suspend MHLP at the December meeting, all loan applications currently in the pipeline will be processed. Winding down the program is expected to take about three months.

The CalPERS Member Home Loan Program was created by statute in 1981 to help members purchase homes and refinance existing loans while providing mortgage investment opportunities to the Public Employees' Retirement Fund.

A similar statute authorized the Board to establish the Secured Personal Loan Program in 1993. Under this program, members pledge up to 50% of their accumulated retirement contributions up to a maximum of \$18,421 as collateral for down payment assistance.

For more information visit us at CalPERS On-line at www.calpers.ca.gov. If you have any questions, please feel free to contact the CalPERS Employer Contact Center at **888 CalPERS** (or **888-225-7377**).

Geraldine Jimenez, Chief
Affiliate Investment Programs Division