

**The Faculty Housing Assistance Program
A Pilot Program
[As of April 16, 2007]**

For many years, Columbia has served the housing needs of its faculty by providing University-owned apartments for lease. The University will continue to do so and will continue to expand our stock of apartments when possible. But members of the faculty should also have other options, and so a two-year pilot program is being launched to help professorial-rank faculty purchase homes in the New York metropolitan area. This program can also be used on a temporary or long-term basis for renting. Here are the features of this new, experimental program.

What is the purpose of the program?

Faculty should have the opportunity to invest in the private housing market as an alternative to living in Columbia-owned housing. This could have significant short-term and long-term financial advantages for individuals and families. It is also hoped that the program will reduce demand for University housing and increase availability for faculty for whom purchasing is not attractive.

Who is eligible?

Professorial rank faculty who are eligible for University housing are also eligible for the housing assistance program. Eligibility, however, is not an entitlement, just as is currently the case for University apartments. Deans will continue to decide whom to recommend for the program, and the same priorities that determine access to University apartments will also shape access to the housing assistance program. For example, faculty who already live outside the Columbia system have a low priority for access to University housing, and they will have a low priority as well for the housing assistance program. At this point, the highest priority for inclusion in the new program will go to newly-recruited faculty and faculty who are being retained in the face of outside offers. Access to this program may be expanded in the future. Faculty participating in the program may not occupy a Columbia apartment at the same time. For families that include more than one faculty member eligible for University housing, the benefits under this program will be determined by the faculty member with the higher faculty rank.

What assistance is the University providing?

The University is providing two kinds of assistance to faculty participating in the program: (1) an annual housing supplement and (2) help in acquiring a favorable mortgage.

(1) The University will pay an annual housing supplement to each participating faculty member. The supplement will be \$40,000 a year for eligible tenured faculty members and \$22,000 a year for eligible non-tenured faculty members. (Participating non-tenured faculty members who are later promoted to tenure will see their housing supplement automatically rise to the level of tenured faculty participants.) These payments will begin with the first regular payroll check for a newly-appointed faculty member or will come in the paycheck in the month following vacating one's Columbia apartment in the case of a current faculty member. Payment will continue until participating faculty leave the University, move into Columbia housing, or retire. Retired faculty will continue to receive the payments for three years after retirement. Surviving spouses will receive payments for three years after the death of an active faculty member. Surviving spouses of a retired faculty member will receive the remainder of the three-year, post-retirement commitment.

The housing supplement will be taxable income (although if used to pay mortgage interest, much of it may be deductible). The housing supplement will not be considered in the calculation of University pension contributions or other benefits.

(2) Columbia will offer participating faculty access to loans at a favorable rate thanks to special relationships Columbia has established with two commercial loan providers. The extent of the mortgage rate reduction in any individual case should be explored with the participating lenders, because reductions

will depend on such factors as credit rating and the size of the loan. Such loans, once provided, will belong to the faculty member and will follow the faculty member (or his or her heirs) regardless of any change in status (e.g., resignation, retirement, or death).

The University will provide each participant in the mortgage program with a one-time supplement of \$40,000 to assist with the purchase. This payment may be used for one or more of the following purposes: payment to reduce the interest rate for the life of the loan beyond the favorable rate referred to above; a down payment on the purchase price; payment of closing fees, mortgage recording taxes, transfer and title fees, “mansion” tax, or legal fees.

This one-time supplement, like the ongoing housing supplement described above, will be taxable income and will not be considered in the calculation of University pension contributions or other benefits. Some of the expenses associated with the mortgage (such as “points”) may be deductible.

For additional information about the program, please contact Scott Norum, Chief Administrative Officer, at swn3@columbia.edu or (212) 854-7122.