

ACTUARIAL STUDY OF HEALTH FACILITY CONSTRUCTION LOAN INSURANCE FUND AS OF JUNE 30, 2024

DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION

OFFICE OF HEALTH FACILITY LOAN INSURANCE

CALIFORNIA HEALTH FACILITY CONSTRUCTION LOAN
INSURANCE PROGRAM

June 9, 2025

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1. EXECUTIVE SUMMARY

Health and Safety Code, Section 129330, requires the Department of Health Care Access and Information (HCAI) (formerly known as the Office of Statewide Health Planning and Development (OSHPD)) to contract for an actuarial study in each even-numbered year to determine the reserve sufficiency of the funds held in the Health Facility Construction Loan Insurance Fund (HFCLIF). Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman) has been engaged by HCAI, Office of Health Facility Loan Insurance (Cal-Mortgage), to conduct the actuarial study of the California Health Facility Loan Insurance Program (Program) and the HFCLIF.

Specifically, the scope of services includes the following items:

- A determination of the reserve sufficiency for the HFCLIF as of June 30, 2024. Calculations reflect foreseeable risks, including extraordinary administrative expenses and actual defaults (Health & Safety Code, Section 129330)
- An assessment of the risk to the State's General Fund of the Program

As detailed in Section 4 Results and Methodology, the following analyses were performed to meet the abovementioned objectives:

- Reserve Sufficiency of HFCLIF
- Income Debt Service Ratios
- Cash Flow Debt Service Ratios
- Risk to the State's General Fund

The study was based on the Program's insured portfolio as of June 30, 2024 (accounting date) is based on data evaluated as of June 30, 2024 (valuation date) and additional information provided to Oliver Wyman through April 28, 2025 (review date).

Under the administration of HCAI, the Program insures loans to nonprofit and public health facilities for construction projects that improve access to health care. The sources of revenue for the Program are premiums and fees used to pay all default and administrative expenses. As of June 30, 2024, HCAI insured 59 projects with an original amount insured totaling \$1.730 billion.

Oliver Wyman is of the understanding that the Program is not subject to Department of Insurance (DOI) standards, but we believe this comparison serves as a good proxy to evaluate the reserve sufficiency for the HFCLIF. It is important to note that the DOI standards require that private insurers have front-end capitalization of at least \$75 million before they can be licensed to do business in California. The Legislature did not capitalize the Program, but the payment of principal and interest on the loans are fully and unconditionally guaranteed by the State of California. All of the HFCLIF reserves (referred to as "cash balance" as per the Cal-Mortgage Monthly Activity Report Ending June 30, 2024), \$135.08 million as of June 30, 2024, have been derived from the Program's "earnings" over the past 40-plus years. Nonetheless, if the DOI standards were applied to the Program, the reserve requirement would total \$153.01 million as of June 30, 2024. Thus, under the DOI standards, there is a \$17.94 million shortfall in the HFCLIF.

The financial strength of the HFCLIF was evaluated by conducting a cash flow projection analysis, which estimates cash in-flows, out-flows, and year-end balances over the next 30 years. The projections under

the Expected Scenario indicated a positive expected fund balance at least through Fiscal Year 2053/54 despite the aforementioned HFCLIF shortfall.

As discussed below, we conduct numerous scenario testing exercises to “stress-test” HFCLIF’s funding under higher levels of defaults and differing levels of business. We believe these scenarios anticipate a sufficient level of adverse development in the economy and healthcare business that may result from the post-COVID-19 environment.

2. BACKGROUND

Program

The Program was authorized by California Constitution Article XIII, Section 21.5 (now Article XVI, Section 4), and approved by the voters in 1968. Modeled after federal home mortgage programs, the Program makes it possible for nonprofit healthcare facilities to obtain private financing, without cost to taxpayers, to develop or expand their services in communities throughout California. Without such a guarantee, many of these facilities simply could not arrange the financing required to serve their communities.

Under the administration of HCAI, the Program insures loans to nonprofit and public health facilities for construction projects that improve access to health care. HCAI can insure loans to nonprofit public benefit corporations or public entities (cities, counties, hospital districts, or joint power authorities) in which the State of California guarantees the payments of principal and interest on the loans. The loan insurance allows borrowers access to lower interest rates.

Health and Safety Code, Section 129200 established the HFCLIF, which is used as a depository of fees and insurance premiums. Pursuant to Health and Safety Code, Section 129215, the HFCLIF is a trust fund to be used to pay administrative costs of the Program and claims resulting from defaults from insured borrowers.

As previously noted, Section 129330 of the Health and Safety Code requires that Cal-Mortgage obtain, in each even-numbered year, an actuarial study to determine the reserve sufficiency of funds. The purpose of the study is to examine the portfolio of existing insured loans and provide an estimate of reserve funds necessary to respond adequately to potential foreseeable risks, including extraordinary administrative expenses and actual defaults.

Premiums and Fees

The sources of revenue for the Program are premiums and fees used to pay all default and administrative expenses.

For loans closed prior to January 1, 2001, Health and Safety Code, Section 129040, provided that “The annual [insurance] premium charge shall not be more than an amount equivalent to one-half of 1%, or 0.5%, per annum of the average amount of the principal obligation of the loan during the year in which the charge is made, without taking into account delinquent payments.”

For loans closed on or after January 1, 2001, Health and Safety Code, Section 129040 provides, “[HCAI] shall establish a premium charge for the insurance of loans under this chapter, and the charge shall be deposited in the fund. A one-time nonrefundable premium charge shall be paid at the time the loan is insured. The premium rate may vary based upon the assessed level of relative financial risk determined pursuant to Section 129051 but shall in no event be greater than 3.0%. The amount of the premium shall be computed on the basis of the application of the rate to the total amount of principal and interest payable over the term of the loan.”

As of June 30, 2024, all loans insured in the program had a one-time nonrefundable premium.

In addition to premiums, the Program is financed by an application fee of 0.5% of the loan applied for, but not to exceed \$500 (Health and Safety Code, Section 129090) and a certification and inspection fee not in excess of 0.4% of the loan that is insured (Health and Safety Code, Section 129035).

Financial Status of the Program

As of June 30, 2024, HCAI insured 59 projects with an original amount insured totaling \$1.730 billion. Pursuant to Health and Safety Code, Section 129210, the total amount of insured loans may not exceed \$3 billion.

Most insured loans have a debt service reserve fund of one year's debt service under the control of a trustee and the Program. It is our understanding that for new borrowers, as of 2016, Cal-Mortgage began accepting half a year's debt service reserve in some cases and no debt service reserve in the case of investment grade borrowers. If a borrower fails to make all its payments and its debt service reserve account is depleted, HCAI is required to pay the annual debt service shortfall from the HFCLIF.

- The HFCLIF is held and invested by the State Treasurer; HFCLIF's cash balance as of June 30, 2024 was \$135,077,220.
- The HFCLIF annual net income (insurance premiums plus recoveries from previously defaulted projects, less default expenses and administrative expenses) for 2022/23 was -\$17,270,203 and for 2023/24 was \$7,687,597.¹ Oliver Wyman observed that the 2022/23 HFCLIF annual net income decreased significantly from the prior two years. The decrease was driven by an increase in default payments and liability expenses.
- The recoveries from previously defaulted projects that are deposited in the HFCLIF are generated from enforcement by HCAI of security interests in the real and personal property of borrowers evidenced by deeds of trust, fixture filings, UCC-1s, and Deposit Account Control Agreements.

If there are inadequate reserves in the HFCLIF, the State Treasurer is required to exchange the bonds for debentures of the State, which will be fully and unconditionally guaranteed by the State. If debentures are issued, the HFCLIF is required to repay the debentures.

The current Standard & Poor's (S&P) credit rating of the Program, which is derived from the State's rating, was raised from A+ to AA- in July 2015. S&P cited the enactment of California's 2015-2016 budget, marking an improved fiscal sustainability. Further, Fitch's credit rating increased from AA- to AA in August 2019 and Moody's credit rating increased from Aa3 to Aa2 in October 2019.

¹ These figures are internally prepared, non-SCO-adjusted, non-GAAP figures

3. DATA

For this study, Oliver Wyman relied upon the following information, provided by Cal-Mortgage:

- State Plan – California Health Facility Construction Loan Insurance Program
- Problem Project Reports – June 2024
- Monthly Activity Report – June 30, 2024
- Detailed list of each active Cal-Mortgage loan with the following information: loan ID, name of facility, type of facility, issue date, term of loan, type of premium payment, original insured amount, status of loan (paid off, refinance, default, etc.), interest rate, outstanding balance, and internal risk rating as of June 30, 2024
- Credit rating information
- Historical defaulted loan information: loan ID, default date, outstanding balance at the time of default, estimated future payment or recovery as of June 30, 2024
- Projected payments from the HFCLIF on currently defaulted projects or projects anticipated to default
- Information on resolved loans and expectations of future reimbursements to the HFCLIF
- Historical investment earnings of the HFCLIF
- Up-front premium for loans issued since the last report as well as premium receipts by month for all annual-premium loans
- Information on historical and expected administrative expenses, application income, and certification and inspection fees
- Financial statements for each insured for two fiscal years ending during calendar years 2022 and 2023

Oliver Wyman also relied on industry data as follows:

- Healthcare industry debt service ratios in 2024 from CSIMarket.com
- Countrywide information regarding defaulted bonds for nursing homes and hospitals prepared by Income Securities Investors, LLC for the period 1981 to 2022
- Countrywide information regarding bond issues for nursing homes and hospitals prepared by Alacra, Inc. for the period 1981 to 2004 and Refinitiv US, LLC. for 2005 and subsequent years

4. RESULTS AND METHODOLOGY

Section I – Reserve Sufficiency of HFCLIF

Cal-Mortgage's sources of funds available to pay claims include the sale of assets over which Cal-Mortgage holds a security interest and the HFCLIF cash balance. The HFCLIF cash balance of \$135.08 million as of June 30, 2024 was analyzed against the California Department of Insurance reserve and capital requirements standard.

California Insurance Code, Sections 12100 through 12122, outline the statutory requirements for private financial guaranty insurers licensed in California. Although Cal-Mortgage is not subject to these requirements, Oliver Wyman has estimated the required reserve and capital funds that Cal-Mortgage would need based on the statutory requirements.

The statutory insurance laws of the State of California discuss the following requirements:

- Minimum Capital and Surplus
- Loss Reserves:
 - Case Reserves
 - Pipeline Incurred But Not Reported (IBNR) Reserves
 - Future Recoveries
- Contingency Reserves
- Unearned Premium Reserves

Requirements are individually discussed in the sections that follow.

Minimum Capital and Surplus Requirement

The California Insurance Code specifying minimal capital and surplus levels is contained in Section 12107. If Cal-Mortgage were subject to the provisions of Section 12107, it would be required to maintain minimum capital and surplus of \$75 million consisting of the following: 1) \$15 million for minimum paid-in capital and 2) \$60 million additional minimum surplus.

Loss Reserves: Case Reserves, Pipeline IBNR Reserves and Future Recoveries

Section 12109 of the California Insurance Code specifies the requirements for loss reserves, including case reserves, IBNR reserves, and future recoveries as follows:

- Case Reserves – *The case basis method or other method as may be prescribed by the commissioner shall be used to determine loss reserves, which shall include a reserve for claims reported and unpaid net of collateral. A deduction from loss reserves shall be allowed for the time value of money by application of a discount rate.*

Discounted case reserves on defaulted loans as provided by Cal-Mortgage and utilized in this analysis total \$0 as shown in Section I, Exhibit 2. Additionally, Section I, Exhibit 3 displays the projected loss payments by fiscal year for the same currently defaulted projects as of June 30, 2024, which total \$0.

- IBNR Reserves – *A reserve component for incurred but not reported claims shall be reasonably estimated if deemed necessary by the financial guaranty insurance corporation, or following an examination or actuarial analysis, by the commissioner.*

If Cal-Mortgage were subject to the above statutory requirement, Oliver Wyman believes that pure IBNR reserves would be at Cal-Mortgage's discretion. As such, Oliver Wyman has included scenarios both with and without a provision for "pipeline IBNR reserves" in the analysis. Oliver Wyman is using the term "pipeline IBNR reserves" to refer to reserves for projects which may default in fiscal year 2024/25. Based on the Problem Projects Report as of June 2024, Cal-Mortgage currently has three pipeline default accounts. Oliver Wyman has estimated losses from pipeline default projects based on discussions with Cal-Mortgage regarding the probability of default and estimated loss amount by project. Oliver Wyman's estimated pipeline IBNR reserve is \$29.08 million as of June 30, 2024, as summarized in Section I, Exhibit 2. Additionally, the "contingency reserves" discussed below and included in the estimated reserve amounts may be considered like an additional IBNR provision for defaults or potential defaults which have not yet been reported.

- Future Recoveries – *No deduction shall be made for anticipated salvage in computing case basis loss reserves, unless that salvage is held by or under the control of the financial guaranty insurance corporation and would qualify as an admitted asset, or unless that salvage constitutes or is secured by a clean, irrevocable letter of credit.*

In addition to the currently defaulted or pipeline default projects previously mentioned, there are several previously defaulted projects that have been resolved. Based on information provided by Cal-Mortgage, Oliver Wyman has estimated the present value of recoveries from these resolved projects to be \$13.82 million. Section I, Exhibits 4 and 5 show the detailed calculation of the recoveries.

Contingency Reserves

Based on Section 12108 of the California Insurance Code, Oliver Wyman has calculated a fully funded contingency reserve provision for Cal-Mortgage of approximately \$10.37 million. Section I, Exhibit 6 shows the detailed calculation of contingency reserves.

Since Cal-Mortgage does not earn premium on a statutory basis, Oliver Wyman has calculated the contingency reserves based on insured loan principal outstanding. Also, Oliver Wyman has applied the provisions of Section 12108 as they pertain to municipal obligation bonds because Oliver Wyman believes that municipal bonds best correlate with the type of bond insured by Cal-Mortgage.

Unearned Premium Reserves

The California Insurance Code specifying the unearned premium reserve requirement is contained in Section 12110. Oliver Wyman calculated unearned premium reserves based on the sum of:

- Pro-rating written premium on a monthly basis for annual premium; and
- Amortization of written premium based on outstanding loan balance for one-time nonrefundable premium.

The resulting unearned premium reserve provision is approximately \$52.39 million as calculated in Section I, Exhibits 7 and 8.

Total Funds Required

Oliver Wyman based its calculation of the total funds required as of June 30, 2024 on California Insurance Code requirements. Estimates are provided with and without pipeline IBNR reserve. Section I, Exhibit 1, and Table 1 below summarize the total funds required with and without pipeline IBNR reserves.

Table 1				
Cal-Mortgage Statutory Requirements				
Item	2022 Study		2024 Study	
	Without Pipeline IBNR Reserve	With Pipeline IBNR Reserve	Without Pipeline IBNR Reserve	With Pipeline IBNR Reserve
Capital and Surplus	75,000,000	75,000,000	75,000,000	75,000,000
Case Reserve (Current Default)	28,882,132	28,882,132	-	-
Pipeline IBNR Reserve	N/A	-	N/A	29,077,178
Recoveries	(17,100,322)	(17,100,322)	(13,820,948)	(13,820,948)
Contingency Reserve	12,385,441	12,385,441	10,367,218	10,367,218
Unearned Premium Reserve	57,775,037	57,775,037	52,390,717	52,390,717
Total	156,942,288	156,942,288	123,936,987	153,014,165
HFCLIF Balance	145,943,846	145,943,846	135,077,220	135,077,220
Reserve Shortfall	10,998,442	10,998,442	(11,140,233)	17,936,945

As of June 30, 2024, the actual HFCLIF balance is \$135.08 million. Thus, under California Statutory standards, there is a \$11.14 million surplus without considering pipeline IBNR reserves. Including the pipeline IBNR reserves will lead to \$17.94 million shortfall. It is at Cal-Mortgage's discretion to include such reserves.

Comparison to Prior Reserves

Total required reserves as of June 30, 2024 decreased by approximately \$3.93 million with pipeline IBNR reserves since the prior evaluation as of June 30, 2022. The reconciliation of prior to current loss reserve requirements is detailed in the following table.

Table 2

Cal-Mortgage Statutory Requirements Comparison (in millions)			
Item	2022 Study	2024 Study	Change
Capital and Surplus	75.00	75.00	0.00
Case Reserve (net of recoveries)	11.78	(13.82)	(25.60)
Pipeline IBNR Reserve	-	29.08	29.08
Contingency Reserve	12.39	10.37	(2.02)
Unearned Premium Reserve	57.78	52.39	(5.38)
Total	156.94	153.01	(3.93)
HFCLIF Balance	145.94	135.08	(10.87)
Reserve Shortfall	11.00	17.94	6.94

There were decreases of \$25.60 million, \$2.02 million, and \$5.38 million in case reserves, contingency reserves, and unearned premium reserves, respectively. The decrease in case reserves is mostly due to California Nevada Methodist Homes, a prior default account, being paid off and the accumulation of recoveries on prior default accounts. On the other hand, the decrease in unearned premium reserves is mainly caused by lower new loan volumes in 2023 and 2024, which led to lower amounts of one-time nonrefundable premiums and unearned premium reserves. Partially offsetting the decreases noted above, the pipeline IBNR reserve increased by \$29.08 million driven by financial performance problems by St. Rose Hospital.

Section II – Debt Service Coverage Ratios

Oliver Wyman conducted an analysis of the debt service coverage ratios of borrowers insured under the Cal-Mortgage Program to measure a borrower's ability to meet its debt service obligations. Oliver Wyman calculated the following two debt service ratios for calendar years 2017 through 2023 based on financial statements of active insured borrowers provided by Cal-Mortgage:

- Debt Service Coverage Ratio
- Total Income Debt Service Ratio

These ratios are defined as follows:

Debt Service Coverage Ratio =

$$\frac{\text{Net Income} + \text{Interest Expense} + \text{Depreciation} + \text{Amortization}}{\text{Interest Paid} + \text{Current Portion of Long Term Debt} + \text{Capital Leases} + \text{Sinking Fund Payments}}$$

The debt service coverage ratio measures the ability of a borrower to meet its debt service obligations from funds generated by its revenue net of expenses incurred during a year. Since depreciation and amortization are non-cash expenses, they do not affect the cash flow available for debt service. Thus, they are excluded from total expenses.

Total Income Debt Service Ratio =

$$\frac{\text{Net Income} + \text{Interest Expense}}{\text{Interest Paid} + \text{Current Portion of Long Term Debt} + \text{Capital Leases} + \text{Sinking Fund Payments}}$$

The total income debt service ratio, based on more stringent criteria than the cash flow ratio, measures the ability of a borrower to meet its debt service obligations from funds generated by its net income.

In summary, the cash flow ratio measures the short-term financial viability of a borrower relative to its debt service since it ignores the cost of capitalized equipment that will eventually require replacement. In contrast, the total income ratio measures the long-term financial viability of a borrower relative to its debt service because it takes into account depreciation and amortization. In other words, the total income ratio includes a provision for the cost of capitalized equipment that will eventually need to be replaced.

A debt service ratio of 1.00 indicates that all funds available after netting expenses against revenue from the current year's operations must be used to service debt. If a borrower has a debt service ratio of less than 1.00, the borrower has not demonstrated the ability to meet its debt service obligations from the current year's operations. A debt service ratio of 1.20 or greater provides some assurance that a borrower can continue to meet its debt service under current conditions.

Section II, Exhibit 1, Page 2, summarizes the average debt service ratios for the Cal-Mortgage insured borrowers. In order to better understand the borrower's ability to cover debt service, three different types of ratio averages were calculated by facility type: weighted average, arithmetic average, and median. The weighted ratio is calculated by giving weight to individual ratios in proportion to the size of each facility's component based on original loan balance. The arithmetic average ratio is calculated by adding the borrowers within a facility type and dividing by the number of borrowers regardless of loan size. The median ranks the ratios from smallest to largest and takes the mid-point. In other words, half of the borrowers' ratios are greater than the median and half are less than the median, regardless of loan size or number of borrowers.

Section II, Exhibit 1, Pages 3 and 4, display a comparison of the debt service ratios of borrowers insured by Cal-Mortgage for calendar years 2017 through 2023 by facility type. The percentage of in-force loans (based on original loan balance for each loan) is segmented by the following debt service ratios:

- Less than 1.00
- Between 1.00 and 1.19
- Greater than or equal to 1.20

Section II, Exhibits 2 and 3, graphically depict the summary of debt service ratios by facility type. For each exhibit, a comparison by year of the debt service ratio grouping is shown for each of the following segments:

- Page 1 - Total of All Projects
- Page 2 - Hospitals
- Page 3 – Multi-level Facilities
- Page 4 - Clinics

- Page 5 - Skilled Nursing Facilities (SNFs)
- Page 6 - Other Facilities

Other Facilities include Group Homes, Hospices, Intermediate Care Facilities, Adult Care Centers, and Chemical Dependency Recovery Facilities.

Ability to Cover Debt Service

In reviewing the distribution of active loan amounts by facility type (Section II, Exhibit 1, Page 1), Oliver Wyman observes that the distribution of original insured amount and principal balance by type of facility has changed slightly since the prior report. The most notable changes by distribution of principal balance are a 10% decrease in Hospitals and increases of 7% and 3% in Multi-Levels and Clinics, respectively. The decrease for Hospitals is driven by Enloe Medical Center, which is paid in full and no longer in the program.

For all types of facilities in total, the weighted average, arithmetic average, and median debt service coverage ratios decreased in 2022 and started to trend towards typical levels in 2023, when compared with historical years. The 2023 levels are still below the historical averages from other years.

The percentages of borrowers with debt service coverage ratios above 1.2 in 2023 and 2022 were generally lower than recent prior years (Section II, Exhibit 1, Pages 3 and 4). The percentages of borrowers with income debt service ratios above 1.2 in 2023 and 2022 were lower than what has been seen in the past. In total, 41% of facilities had an income debt service ratio above 1.20 in 2023 and 33% in 2022, compared with 54% in 2021 and 51% in 2020.

Oliver Wyman also reviewed the 2024 healthcare industry ratios from CSIMarket.com to evaluate industry experience. From the table below, Oliver Wyman observed that the healthcare industry debt service coverage ratios in 2024 decreased by close to 41% for all quarters since 2022, with an average of 0.22 in 2024 compared to an average of 0.37 in 2022. This unfavorable trend indicated that the financial viability for the healthcare industry has been declining. In the industry, there has been increased pressure on these ratios due to decreases in revenue and margin.

Healthcare Industry Debt Service Coverage Ratio	
2024Q1	0.19
2024Q2	0.22
2024Q3	0.24
2024Q4	0.24
Average	0.22

Section III – Cash Flow Projections

In order to evaluate the financial strength of the HFCLIF, Oliver Wyman conducted a cash flow projection analysis, which estimates cash in-flows, out-flows, and year-end balances over the next 30 years. Section III, Exhibit 1, Pages 1 and 2 display Oliver Wyman's cash flow projections with future insured loans (Expected Baseline Scenario) and without future insured loans (Run-off Baseline Scenario).

Oliver Wyman's cash flow projections under the Expected Baseline Scenario indicate a positive expected fund balance through fiscal year 2053/54, with an expected ending balance of \$115.84 million. This

represents a decrease in ending balance as compared to the 2022 study, which projected a balance of \$135.22 million through fiscal year 2051/52; note that the projected ending cash balance at the same point in time (namely as of the end of the 2051/52 fiscal year) projected in this analysis is \$134.07 million. Table 3 provides a comparison of assumptions between the 2022 and 2024 reports. Additionally, the following contribute to the change:

- \$10.87 million decrease in the starting cash balance at June 30, 2024 versus at June 30, 2022
- \$3 thousand decreases in expected premium income from annual premium loans (due to these types of loans running off)
- \$9.14 million increase in expected premium income from up-front premium loans
- \$29.65 million decrease in expected payments on current defaults over the next 30 years
- \$41.20 million increase in expected payments on future defaults including pipeline IBNR over the next 30 years
- \$4.31 million decrease in expected cash in-flows from resolved loans over the next 30 years
- The impact on investment income due to the cumulative effect of above items
- The projected investment yield curve is similar for the next 30 years, with the current 2024 study having an average yield of 5.13% compared to 4.52% in the 2022 study (assuming all funds remain in the state's Pooled Money Investment Account, or PMIA). The updated yield curve results in \$35.85 million more in investment income over the forecast period, versus the investment income which would be indicated by applying the yield curve assumed in the 2022 study to the cash flows in the 2024 study. Oliver Wyman utilized the same method for projecting future PMIA investment yields as the prior study. A deterministic forecast of 6-month US Treasury yields was set based on forward rates implied by the US Treasury yield curve. The implied forward rates were derived using a technique called 'bootstrapping'. Oliver Wyman believes this approach more accurately reflects expectations of future economic conditions.

Table 3
Cal-Mortgage Cash Flow Analysis Change in Assumptions

Item	2022 Study	2024 Study
Average Investment Yield	4.52%	5.13%
Premium Rate	2.66%	2.71%
Certification and Inspection Fee as % of Loan Principal	0.40%	0.40%
Projected Default Rate	6.86%	7.47%
Estimated Claim Severity	64.50%	68.50%
Estimated Payment Pattern (Paid Within)	10 years	10 years
Administrative Expenses	4,716,000	5,572,000
Trend in Administrative Expenses	3.40%	3.40%

Although the study indicates that the expected fund balance will not be depleted until sometime after 2053/54, the expected net cash flow is negative in quite a few of the next 30 years. Please refer to Section III, Exhibit 1, Page 1 for more detail.

Where Cal-Mortgage's own historical data was either (i) not available, (ii) not appropriate or (iii) not sufficiently credible to develop our actuarial assumptions, we supplemented it with industry data, as we deemed appropriate. Although we believe this industry data may be more predictive of future Cal-Mortgage experience than any other external data of which we are aware, the use of industry data adds to the uncertainty associated with our projections.

To measure the sensitivity associated with changes in the selected default rates, two adverse scenarios were developed (Section III, Exhibit 1, Pages 3 and 4), increasing the default rates in the Baseline Scenario by 150 and 300 basis points respectively (Adverse Scenarios). Please note that the degree of uncertainty in the projections becomes increasingly more significant in the later projection years, particularly after 15 years. Further, additional adverse scenarios which stress the investment yield assumption may be useful.

Table 4 below, summarizes the HFCLIF's expected financial position under each of the modeled scenarios:

Scenario	Description	Positive Balance Until
Expected	New Loans Insured - Baseline Scenario	at least 2053/54
Run-Off	No New Loans Insured - Baseline Scenario	at least 2053/54
Adverse	New Loans Insured - 150 Basis Point Increase (Scenario 1)	2053/54
Adverse	New Loans Insured - 300 Basis Point Increase (Scenario 2)	2048/49

During the course of Oliver Wyman's analysis, the following assumptions were examined:

- Projected default rate
- Claim severity
- Payment pattern
- Termination rate
- Premium income
- Certification and Inspection fee income
- Administrative expenses
- Investment income

Projected Default Rate

The ultimate default rate is calculated as the percentage of original loan balance dollars (OLB) resulting in default. Specifically, the ultimate default rate is equal to the OLB of all defaulting loans divided by the OLB of all loans for that specific issue year.

Oliver Wyman has applied two actuarial methodologies: the loss development method and the Bornhuetter-Ferguson method. Both methods rely primarily on industry default experience due to Cal-Mortgage's limited experience. The industry data consists of OLB by issue year along with default information provided by Alacra, Inc., Refinitiv US, LLC., and Income Securities Investors, LLC. Due to the Income Securities Investors, LLC. data having no update available since the 2022 study, we have relied on the same default rate assumptions in this study.

Under the loss development method, a loss reporting pattern is applied directly to the latest reported losses to project ultimate losses. Under the Bornhuetter-Ferguson method (B-F method), the loss reporting pattern selected in the loss development method is used to estimate the percentage of ultimate losses which are unreported as of the evaluation date. This percentage is then multiplied by expected ultimate losses to produce expected unreported losses. An advantage of the B-F method is that estimates of ultimate losses tend to be more stable than estimates produced by the loss development method. This is because estimates based on the B-F method are a weighted average of estimates based on the loss development method and expected estimates of ultimate losses.

With the historical default rates developed to the ultimate values, Oliver Wyman has selected to build an econometric model to forecast future default rates. Considering market volatility and financial viability for the healthcare industry, an econometric model provides more scientific evidence and statistical support for the default rate projections for the next 30 years, while better reflecting Cal-Mortgage's historical favorable experience for loan defaults.

The following table summarizes the selected default rate by issue year (since 1989):

Issue Year	Selected Hospital	Selected Nursing Home	Selected Combined	Prior Combined
1989 to 2008	1.05%	7.00%	3.40%	3.16%
2009 to 2023	1.05%	20.00%	9.47%	8.69%
2024 and onwards	Varies	Varies	Varies; long-term average of 7.45%	6.86%

With respect to the analysis of the projected default rates, it was necessary to split Cal-Mortgage insureds into two categories – "Hospitals" and "Nursing Homes" – corresponding with the countrywide industry default data which was available for hospitals and nursing homes. For purposes of this categorization, Hospitals include the following Cal-Mortgage facility types: ADC-DD, ADHC, BB, CDC: DD, CDRF, CLINIC: MULTI, CLINIC-AIDS, CLINIC-MH, CLINIC-PC, HOSP, HOSP-DIST, and HOSP-PSYCH. Additionally, the Nursing Homes category includes the following Cal-Mortgage facility types: GH-DD, GH-DD/MD, GH-MD, HOSPICE, ICF-DD, MULTI-CCRC, MULTI-OTH, and SNF (see Legend, Section 9).

We relied on the same default rate assumptions as our prior 2022 study, for Hospitals and Nursing Homes. However, the proportion of Nursing Homes increased from 71.45% to 78.80%, resulting in a slight increase in the selected default rate assumptions, given that the default rates for Nursing Homes exceed those of

Hospitals. Please refer to the report entitled '*Actuarial Study of Health Facility Construction Loan Insurance Fund as of June 30, 2022*', dated November 5, 2024 for more information on development of these assumptions.

Claim Severity

In the event of a default on a mortgage bond obligation, Cal-Mortgage is required to pay timely interest and principal. That is, Cal-Mortgage is required to pay interest and amortized payments on the defaulted bonds as they come due. Depending on the circumstances, Cal-Mortgage may sell the facility to recover its losses and pay off the debt early.

Oliver Wyman has estimated claim severity on the default loan as the net loss payments to be a percentage of OLB for all loans resulting in default. Net loss payments represent the amount of loss dollars paid by Cal-Mortgage to extinguish the OLB on a defaulted loan and any other expenses associated with the claim such as realtor's fees.

Oliver Wyman selected a claim severity of 68.5% for Cal-Mortgage as shown in Section III, Exhibit 3, Page 1, which is slightly higher than the selected severity in the prior analysis of 64.5%. The selected severity is consistent with industry experience (based on Income Securities Investors, LLC. data) as well as Cal-Mortgage's actual default experience with and without Sherman Oaks Health System (Triad).

Payment Pattern

Oliver Wyman also projected the timing of loss payments after loan defaults. Oliver Wyman selected a thirteen-year payout pattern from the year of default. Section III, Exhibit 4, Page 1 shows the selected payment pattern based on industry countrywide experience indicated from the Income Securities Investors, LLC. data (Section III, Exhibit 4, Page 2). We have selected the same payment pattern as the prior study.

Termination Rate

Consideration is given to the possibility that some older loans with an annual premium will be terminated earlier than expected, and not renewed in the Program. In such cases, the HFCLIF will neither make payments on these loans after termination, nor will the HFCLIF receive premium income on these loans after termination. The selected termination rate including refinanced loans is 8.5% for 2024/25 and thereafter, as shown in Section III, Exhibit 5. This is slightly higher than the prior selected rate of 7.5% for 2022/23 and is based on the observation that termination rates had been somewhat higher in recent years.

The termination rate assumption is not as influential on cash flow projections for future insured business since Cal-Mortgage adopted a one-time nonrefundable premium plan as of January 1, 2001.

Premium Income

The premium for Cal-Mortgage insured loans is set pursuant to statute (Health & Safety Code, Section 129040) and regulation (22 California Code of Regulations, Section 91477). Prior to January 2001, a premium was charged annually on the declining principal balance of the loan; after January 1, 2001, a

wholly earned premium based on total debt service over the life of the loan is charged at closing. Therefore, premium income is calculated each calendar year as the sum of the premiums written on loans in-force as of January 1, 2001, and the premiums written on future loans.

The premiums written on loans in-force issued before January 1, 2001 are calculated as the average of the prior year's outstanding loan balance on in-force loans and the current year's outstanding loan balance on in-force loans multiplied by 50 basis points, or 0.5%. As of June 30, 2024, there are no more expected premiums to be written on this basis.

Premiums for insured loans issued subsequent to January 1, 2001 are charged as a one-time premium at the beginning of the loan term, based on a percentage of total debt service. Total debt service is calculated as the nominal sum of expected interest payments to fully service the loan plus the original principal amount. The volume of new insured loans by issue year (Section III, Exhibit 1, Page 1) is based on information and estimates provided by Cal-Mortgage.

The standard premium rate is 300 basis points, or 3.00%, times total debt service. However, borrowers with a rating of CCC or higher from S&P, Moody's, or Fitch may receive a discounted premium.

The selected premium rate Oliver Wyman used for future business is a weighted average of two different premium rates based on BBB loans (for investment grade) and below investment grade loans (Section III, Exhibit 6). Below investment grade loans receive a 300-basis point premium rate. The discounted premium rate for investment grade BBB loans is 185 basis points. Investment grade loans are expected to comprise 25% of the total future portfolio while non-investment grade loans are expected to comprise the remaining 75%. The resulting weighted average premium rate is 271 basis points. It is applied to the total debt service of future loans to calculate the effective premium rate as a percentage of principal amount for new insured loans.

Certification and Inspection Fee Income

In addition to the premium, a Certification and Inspection fee (C&I fee) is charged on the total proceeds of new loans to cover the Program's expenses for inspections of project construction.

The C&I fee is calculated as 0.4% of the principal amount of the loan for new projects, excepting loans refinanced within the Cal-Mortgage Program.

Administrative Expenses

Cal-Mortgage supplied Oliver Wyman with projected fiscal year 2024/25 administrative expenses of \$5.57 million, and an assumed increase in expenses of 3.4% annually thereafter.

Investment Income

Investment income for each fiscal year is calculated based on the product of an average of the prior fiscal year-end and the current fiscal year-end fund balances and an annual yield. For cash flow projections, investment income is calculated based on variable estimated investment yields that, over the next 30 years, averaging 5.11%. Oliver Wyman's approach to modeling future investment yields is discussed above.

Section IV – Risk to State’s General Fund

In order to evaluate the risk to the State’s General Fund of the Cal-Mortgage Program, Oliver Wyman developed a stochastic simulation model to measure the volatility of cash flow by varying the projected parameters of the cash-flow model. In addition, Oliver Wyman included a scenario analysis for the possibility of catastrophic loss. The size of a catastrophic loss is selected based on the ten largest borrowers’ original insured amount, or \$118 million.

The tables below summarize the results of the simulation model. Table 5 displays the year that the fund balance is expected to be depleted in each scenario. Table 6 shows the expected ending fund balance as of fiscal year 2053/54.

Table 5				
Cal-Mortgage Year of Fund Balance Depletion¹				
Confidence Level	Probability of Catastrophic Scenario			
	0%	1%	5%	10%
Expected	at least 2053/54	at least 2053/54	2045/46	2037/38
70%	at least 2053/54	at least 2053/54	2041/42	2034/35
80%	at least 2053/54	at least 2053/54	2038/39	2032/33
90%	at least 2053/54	2046/47	2034/35	2029/30

¹ The fund balance becomes negative by the end of the indicated fiscal year

Table 6				
Cal-Mortgage Fiscal Year 2053/54 Ending Fund Balance				
Confidence Level	Probability of Catastrophic Scenario			
	0%	1%	5%	10%
Expected	134,074,843	71,676,742	(177,380,827)	(485,200,611)
70%	116,719,381	82,449,778	(289,920,010)	(657,601,568)
80%	106,326,156	2,030,833	(394,746,832)	(793,777,362)
90%	91,933,801	(121,517,647)	(551,988,535)	(990,665,774)

For each catastrophic scenario, the mean year-end fund balance is forecasted for fiscal years 2024/25 through 2053/54 (Section IV, Exhibit 1). The greater the probability of a catastrophic default, the faster the fund balance is depleted.

To further analyze the risk, Oliver Wyman examined the year-end fund balance at various probability levels. Probability levels are a means to show the risk of results varying from expected. Section IV, Exhibits 2, 3, 4, and 5 correspond to catastrophic probability scenarios of 0%, 1%, 5%, and 10%, respectively. The fund balance projections at various confidence levels are displayed.

For example, in the most pessimistic scenario in which a 10% probability of catastrophic loss is used (Section IV, Exhibit 5, Page 1), there is a 30.0% chance (represented by the 70.0% confidence level) that the Fund will be depleted by the end of fiscal year 2034/35. Also, there is a 10.0% chance (represented by the 90.0% confidence level) that the Fund balance will be depleted by fiscal year-end 2029/30. Oliver Wyman cautions that confidence level estimates should be used as a guide in determining funding levels and not as a rigorous statistical measure of variability. In addition, please note that the lack of diversification in the pool of defaults may lead to high correlation of results, subjected to market risk, which is not reflected in the scenario analysis. Further, the concentration risk may pose a significant risk to the solvency of the Fund Balance.

Please note that the simulation model illustrates the projected impact of actual results varying from projected results due to variability inherent in the claims process. This variability is referred to as process risk. Oliver Wyman's simulation does not reflect the variation of actual results from projections due to parameter risk. Parameter risk refers to the risk associated with the selection of the parameters underlying the applicable projection model. The methodology also does not consider "model risk," or the risk that the techniques used by Oliver Wyman may not be appropriate.

Following is a discussion of the assumptions used in the stochastic simulation model:

Ultimate Default Rate

A truncated lognormal distribution is used to model the ultimate default rate. The expected value of the lognormal distribution is equal to Oliver Wyman's selected ultimate default rate for each issue year. As stated earlier, the following table summarizes the selected default rate by issue year (since 1989):

Issue Year	Selected Hospital	Selected Nursing Home	Selected Combined	Prior Combined
1989 to 2008	1.05%	7.00%	3.40%	3.16%
2009 to 2023	1.05%	20.00%	9.47%	8.69%
2024 and onwards	Varies	Varies	Varies; long-term average of 7.45%	6.86%

A coefficient of variation of 0.60 is determined based on an analysis of industry data from Income Securities Investors, LLC. (Section IV, Exhibit 6, Page 1). The lognormal distribution is truncated between 1.49% and 37.35% of the selected ultimate default rate, in order to establish reasonable bounds on the distribution, based on actuarial judgment.

Claim Severity

The claim severity was modeled as a triangle distribution with a minimum of 30.0% of OLB of the default loan and a maximum of 100.0%. The expected value of the triangle distribution is equal to Oliver Wyman's selected claim severity of 68.5%. The parameters are selected based on the analysis of the data from Income Securities Investors, LLC. and Cal-Mortgage's own loss experience.

New Insured Loans

The volume of new insured loans was modeled as a uniform distribution. It is assumed that the volume of new insured loans is evenly distributed around the expected volume of new insured loans, plus or minus \$50.0 million.

Termination Rate

The termination rate of loans was modeled as a triangle distribution with a minimum of 0.0% and a maximum of 15.0%. The expected value of the triangle distribution is equal to Oliver Wyman's selected termination rate of 8.5%.

Investment Yield

The annual investment yield for each fiscal year is independently modeled as a triangle distribution with a mean equal to the selected investment yield, a lower limit decreasing the mean by 2% and an upper limit increasing the mean by 2%. The final selected investment yield is subject to a maximum yield of 8%.

Catastrophic Loss

Four scenarios with 0%, 1%, 5%, and 10% probabilities of catastrophic default have been analyzed. Catastrophic loss is assumed to be independent for each upcoming fiscal year. These scenarios are intended to assist Cal-Mortgage in evaluating the impact of catastrophic defaults or higher defaults on public health facilities in the future due to seismic upgrade costs. Section IV, Exhibit 7 shows the ten largest borrowers based on in-force insured loans. Oliver Wyman selected a catastrophe loss level of \$118 million. The claim severity of catastrophic loss is modeled by a triangle distribution with a minimum of 50% of OLB, an expected of 75% of OLB, and a maximum of 100% of OLB.

5. DISTRIBUTION AND USE

Usage and Responsibility of Client – Oliver Wyman prepared this report for the sole use of the client named herein for the stated purpose. This report includes important considerations, assumptions, and limitations and, as a result, is intended to be read and used only as a whole. This report may not be separated into, or distributed, in parts other than by the client to whom this report was issued, as needed, in the case of distribution to such client's directors, officers, or employees. All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of the client named herein.

Third Party Reliance and Due Diligence – Oliver Wyman's consent to any distribution of this report (whether herein or in the written agreement pursuant to which we issued this report) to parties other than of the client named herein does not constitute advice by Oliver Wyman to any such third parties. Any distribution to third parties shall be solely for informational purposes and not for purposes of reliance by any such parties. Oliver Wyman assumes no liability related to third party use of this report or any actions taken or decisions made as a consequence of the results, advice or recommendations set forth herein. This report should not replace the due diligence on behalf of any such third party.

6. CONSIDERATIONS AND LIMITATIONS

Oliver Wyman has prepared this analysis in conformity with its intended utilization by persons technically competent in the areas addressed and for the stated purposes only. Judgments as to the conclusions, indications, methods and data contained in this analysis should be made only after studying the analysis in its entirety. Furthermore, Oliver Wyman staff is available to explain any matter presented herein. It is assumed that the user of the analysis will seek such explanation as to any matter in question.

Data Verification – For our analysis, we relied on data and information provided by the client named herein without independent audit. Though we have reviewed the data for reasonableness and consistency, we have not audited or otherwise verified this data. Our review of data may not always reveal imperfections. We have assumed that the data provided is both accurate and complete. The results of our analysis are dependent on this assumption. If this data or information is inaccurate or incomplete, our findings and conclusions might therefore be unreliable.

Prospective Policy / Accident Period Estimates – We estimated the prospective period estimates developed in this analysis using estimated loss costs and the projected exposures. Prospective period loss and ALAE estimates are directly related to the projected exposures. Therefore, if actual exposures differ from the projection, we will need to adjust the prospective period estimates accordingly.

Supplemental Data – Where historical data of the client named herein was either (i) not available, (ii) not appropriate or (iii) not sufficiently credible to develop our actuarial assumptions, we supplemented it with external information, as we deemed appropriate. Although we believe these external sources may be more predictive of future experience of the client named herein than any other data of which we are aware, the use of external data adds to the uncertainty associated with our projections.

Exclusion of Other Program Costs – The scope of the project does not include the estimation of any costs other than those described herein. Such ancillary costs may include the costs of trustee, legal, administrative, risk management and actuarial services; fees and assessments; and other costs.

Discounting – Discounted estimates are subject to additional uncertainty that results from the following:

In addition to the risk of underestimating or overestimating the overall amount of the liabilities, there is the additional risk that the timing of the future payments will differ from the expected payout.

There is the risk the actual future yield on the underlying assets (if any) will differ from the assumed yield rate used for determining present value factors.

We have not included any specific provision for this additional risk in our actuarial central estimates.

Investment returns – cashflow projections in this study are highly sensitive to changes in investment yield returns. Economic inflation has risen steeply in recent years. Annual inflation rates ranged from 0.7% to 2.3% between 2012 and 2020 then rose to 7.0% in 2021, 6.5% in 2022, 3.4% in 2023, and 2.9% in 2024. The future outlook for economic inflation remains uncertain.

Funding of Claim Payments – We have not examined any assets that may be supporting the liabilities and have made no assumptions regarding the maturities and liquidity of these assets, should they exist. This examination is beyond the scope of our review.

Rounding and Accuracy – Our models may retain more digits than those displayed. Also, the results of certain calculations may be presented in the exhibits with more or fewer digits than would be considered

significant. As a result, there may be rounding differences between the results of calculations presented in the exhibits and replications of those calculations based on displayed underlying amounts. Also, calculation results may not have been adjusted to reflect the precision of the calculation.

Unanticipated Changes – We developed our conclusions based on an analysis of the data of the client named herein and on the estimation of the outcome of many contingent events. We developed our estimates from the historical claim experience and covered exposure, with adjustments for anticipated changes. Our estimates make no provision for extraordinary future emergence of new types of losses not sufficiently represented in historical databases or which are not yet quantifiable. Also, we assumed that the client named herein will remain a going concern, and we have not anticipated any impacts of potential insolvency, bankruptcy, or any similar event.

Internal / External Changes – The sources of uncertainty affecting our estimates are numerous and include factors internal and external to the client named herein. Internal factors include items such as changes in claim reserving or settlement practices. The most significant external influences include, but are not limited to, changes in the legal, social, or regulatory environment surrounding the claims process. Uncontrollable factors such as general economic conditions also contribute to the variability.

Uncertainty Inherent in Projections – While this analysis complies with applicable Actuarial Standards of Practice, users of this analysis should recognize that our projections involve estimates of future events and are subject to economic and statistical variations from expected values. We have not anticipated any extraordinary changes to the legal, social, or economic environment that might affect the frequency or severity of claims. For these reasons, we do not guarantee that the emergence of actual losses will correspond to the projections in this analysis.

Probability Levels – We have calculated estimates of the statistical uncertainty associated with the process risk and parameter risk inherent in our estimates. However, unless otherwise indicated, our probability level estimates do not address model risk. To the extent that the probability estimates do not address model risk, the true variability of results is greater than the range of outcomes presented. The client named herein may wish to consider this additional uncertainty in evaluating the estimates presented in this report.

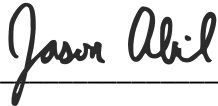
COVID-19 Pandemic We have included no explicit adjustments in this report for the effect of the COVID-19 pandemic on loss experience except as specifically noted in this report.

7. ACKNOWLEDGEMENT OF QUALIFICATIONS

I, Jason Abril, am a Partner with Oliver Wyman Actuarial Consulting, Inc. I am a Fellow of the Casualty Actuarial Society (FCAS), a member of the American Academy of Actuaries (MAAA) and I meet the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries to render the actuarial opinion contained herein.

I, Andrew Duhancioglu, am a Principal with Oliver Wyman Actuarial Consulting, Inc. I am a Fellow of the Casualty Actuarial Society (FCAS), a member of the American Academy of Actuaries (MAAA), an Associate of the Canadian Institute of Actuaries (ACIA) and I meet the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries to render the actuarial opinion contained herein.

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APPENDIX A. LEGEND

ADC-DD	-	Adult Day Care: Developmentally Disabled
ADHC	-	Adult Day Health Care
BB	-	Blood Banks
CDC: DD	-	Child Day Care: Developmentally Disabled
CDRF	-	Chemical Dependency Recovery Facility
CLINIC: MULTI	-	Clinic: Multi-Specialty and Diagnostic Services
CLINIC-AIDS	-	Clinic: A.I.D.S.
CLINIC-MH	-	Clinic: Mental Health
CLINIC-PC	-	Clinic: Primary Care
GH-DD	-	Group Home: Developmentally Disabled
GH-DD/MD	-	Group Home: Developmentally Disabled and Mentally Disabled
GH-MD	-	Group Home: Mentally Disabled
HOSP	-	Hospital
HOSP-DIST	-	Hospital: District
HOSP-PSYCH	-	Hospital: Psychiatric
HOSPICE	-	Hospice
ICF-DD	-	Intermediate Care Facility: Developmentally Disabled
MULTI-CCRC	-	Multi-level Facility: Continuing Care Retirement Community
MULTI-OTH	-	Multi-level Facility: Other (Month-to-Month)
SNF	-	Skilled Nursing Facility: Stand Alone

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Summary of California Statutory Requirements
Based on Data as of June 30, 2024**

	Statutory Item	Total Reserve with Pipeline IBNR
(1)	Capital and Surplus	75,000,000
(2)	Case Reserve (Current Default)	-
(3)	Pipeline IBNR Reserve	29,077,178
(4)	Recoveries	(13,820,948)
(5)	Contingency Reserve	10,367,218
(6)	Unearned Premium Reserve	52,390,717
(7)	Total	153,014,165

Notes:

- (1) *Minimum capital and surplus requirement according to California Statutory Insurance Code Section 12107*
- (2) *From Section I, Exhibit 2, Column (11); Total defaulted as of 6/30/24*
- (3) *From Section I, Exhibit 2, Column (11); Pipeline defaulted after 6/30/24*
- (4) *From Section I, Exhibit 4, Column (9)*
- (5) *From Section I, Exhibit 6, Row (3)*
- (6) *From Section I, Exhibit 7, Row (6)*
- (7) *Sum of Rows (1) through (6)*

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Summary of Defaulted Loans - Current or in Pipeline
Case Reserves as of June 30, 2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Loan ID	Borrower	Dates of Default	Original Loan Balance	Loan Balance at Time of Default	Current Loan Principal Balances	Projected Principal and Interest Payment	Probability of Payment	Estimated Undiscounted Case Reserve	Discount Factor	Estimated Discounted Case Reserve
N/A	N/A	N/A	0	0	0	0	N/A	0	N/A	0
Pipeline Default (Financial Performance Problems) *										
1076	San Benito Health Care District		12,570,000		8,330,000		0%	0	N/A	0
1034	Hill Country Community Clinic		4,055,000		3,070,000		0%	0	N/A	0
1084, 0932	St. Rose Hospital		34,360,000		29,077,178		100%	29,077,178	N/A	29,077,178
<i>(12) Total Defaulted as of 6/30/24</i>			0	0	0			0		0
<i>(13) Pipeline Default After 6/30/24</i>			50,985,000	N/A	40,477,178			29,077,178		29,077,178
(14) Totals			50,985,000	0	40,477,178			29,077,178		29,077,178

Notes:

(1) - (8) Provided by Cal-Mortgage

(9) = (7) x (8)

(10) from Section I, Exhibit 3

(11) = (9) x (10)

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Projected Principal and Interest Payment for Defaulted Loans
Nominal (Excluding Pipeline)
Based on Data as of June 30, 2024**

(1)

Fiscal Year	Total
7/1/2024-6/30/2025	0
(2) Expected PV(loss) after 6/30/24	0
(3) Discount Factor	N/A
(4) Probability of Payment	100.00%

Notes:

- (1) Provided by Cal-Mortgage*
- (2) Discounted total of payments, based on interest rates
from Section III, Exhibit 1, Page 1, Column (14)*
- (3) = (2) / (1)*
- (4) from Section I, Exhibit 2, Column 8*

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Summary of Resolved Loans
Based on Data as of June 30, 2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Loan ID	Borrower	Original Loan Balance	Date of Loan Default	Loan Balance at Time of Default	Total Net Payment From HFCLIF*	Date Resolved	Estimated Recoveries or Future Income**	Estimated Discounted Recovery
0973	Verdugo Mental Health	6,315,000	12/9/2010	5,220,000	2,728,475	5/13/2011	5,059,248	3,139,614
1018, 1053	California Nevada Methodist Homes	36,445,000	5/14/2021	32,594,120	30,963,829	12/7/2022	14,100,608	10,681,334
TOTALS		42,760,000			33,692,304		19,159,857	13,820,948

Notes:

(1) - (7) Provided by Cal-Mortgage

(8) - (9) From Section I, Exhibit 5

* Total Payment from HFCLIF is net; includes payouts and recoveries

** Recovery or future income includes principal and interest income

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Estimated Recoveries by Borrower
Based on Data as of June 30, 2024

	(1)	(2)	(3)	(4)
Fiscal Period	Verdugo Mental Health	California Nevada Methodist Homes	Total	Total, Probability Adjusted
7/1/2024-6/30/2025	252,962	998,276	1,251,238	1,251,238
7/1/2025-6/30/2026	252,962	998,276	1,251,238	1,251,238
7/1/2026-6/30/2027	252,962	998,276	1,251,238	1,251,238
7/1/2027-6/30/2028	252,962	998,276	1,251,238	1,251,238
7/1/2028-6/30/2029	252,962	998,276	1,251,238	1,251,238
7/1/2029-6/30/2030	252,962	998,276	1,251,238	1,251,238
7/1/2030-6/30/2031	252,962	998,276	1,251,238	1,251,238
7/1/2031-6/30/2032	252,962	998,276	1,251,238	1,251,238
7/1/2032-6/30/2033	252,962	6,114,403	6,367,365	6,367,365
7/1/2033-6/30/2034	252,962		252,962	252,962
7/1/2034-6/30/2035	252,962		252,962	252,962
7/1/2035-6/30/2036	252,962		252,962	252,962
7/1/2036-6/30/2037	252,962		252,962	252,962
7/1/2037-6/30/2038	252,962		252,962	252,962
7/1/2038-6/30/2039	252,962		252,962	252,962
7/1/2039-6/30/2040	252,962		252,962	252,962
7/1/2040-6/30/2041	252,962		252,962	252,962
7/1/2041-6/30/2042	252,962		252,962	252,962
7/1/2042-6/30/2043	252,962		252,962	252,962
7/1/2043-6/30/2044	252,962		252,962	252,962
(5) Total (undiscounted)	5,059,248	14,100,608	19,159,857	19,159,857
(6) Probability of recovery	100%	100%		
(7) Probable recovery	5,059,248	14,100,608	19,159,857	19,159,857
(8) Discounted recovery	3,139,614	10,681,334	13,820,948	13,820,948

Notes:

(1) - (2) Provided by Cal-Mortgage

(3) = (1) + (2)

(4) = (3), adjusted by probability of payment

(5) Sum of each column

(6) Provided by Cal-Mortgage

(7) = (6) x (7)

(8) Discounted total of payments, based on interest rates from Section III, Exhibit 1, Page 1, Column (14)

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Contingency Reserves Calculation
Based on Data as of June 30, 2024**

(1)	Principal Outstanding	1,295,902,235
(2)	Contingency Factor	0.80%
(3)	Contingency Reserves Requirement	10,367,218

Notes:

(1) Provided by Cal-Mortgage

(2) According to California Statutory Insurance Code Section 12108

(3) = (1) x (2)

** Contingency reserves are 0.8% of principal outstanding on a fully funded basis according to California Insurance Code 12108*

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Unearned Premium Reserves Calculation
Based on Data as of June 30, 2024**

	(1)	(2)	(3)
Month	Annual Premium	Unearned Premium Reserve Factor	Unearned Premium Reserves
Jul-23	0	0.0417	0
Aug-23	0	0.1250	0
Sep-23	0	0.2083	0
Oct-23	0	0.2917	0
Nov-23	0	0.3750	0
Dec-23	0	0.4583	0
Jan-24	0	0.5417	0
Feb-24	0	0.6250	0
Mar-24	0	0.7083	0
Apr-24	0	0.7917	0
May-24	0	0.8750	0
Jun-24	0	0.9583	0

(4)	Subtotal (Annual Premium)	-
(5)	Subtotal (One-time Premium)	52,390,717
(6)	Total Unearned Premium Reserves	52,390,717

Notes:

Provided by Cal-Mortgage

(1) Based on monthly pro-rata basis as required by

(2) California Insurance Code 12110

(3) = (1) x (2)

= sum of column (3)

(4) = Section I, Exhibit 8, Column (9)

(5)

(6) = (4) + (5)

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Unearned Premium Reserves Calculation - One-time Nonrefundable Premium*
Based on Data as of June 30, 2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Project Number	Borrower Name	Project Name	Facility Group	Date Loan Insured	Original Insured Amount	Current Principal Balance	Total Premium	Unearned Premium
0911	Los Angeles Jewish Home for the Aging	LOS ANGELES JEWISH HOME FOR THE AGING - L O C	MULTI	20-Jan-2009	4,750,000	1,720,058	57,000	0
0932	St. Rose Hospital	ST. ROSE HOSPITAL - L O C	HOSP	28-May-2009	10,000,000	10,000,000	42,175	0
0963	Community Program for Persons with Developmental Disabilities	COMMUNITY PROGRAM FOR PERSONS WITH DEVELOPMENTAL DISABILITIES	OTHER	17-Feb-2011	76,970,000	14,770,000	2,319,304	445,058
0971	TLC Child & Family Services	TLC CHILD & FAMILY SERVICES	OTHER	06-Oct-2011	2,475,000	325,000	94,978	12,472
0974	Gateways Hospital & Mental Health Center	GATEWAYS HOSPITAL & MENTAL HEALTH CENTER	HOSP	01-Dec-2011	8,085,000	5,245,000	428,068	277,702
1012	Institute on Aging	INSTITUTE ON AGING - L O C	MULTI	24-Mar-2014	4,000,000	1,200,000	6,750	0
0996	Northern California Retired Officer Community	NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY	MULTI	04-Apr-2013	32,315,000	6,195,000	806,505	154,612
1011	St. John's Well Child and Family Center	ST JOHN'S WELL CHILD AND FAMILY CENTER - L O C	CLINIC	14-Jan-2014	4,999,000	-	1,792,000	0
1016	Lincoln Glen Manor for Senior Citizens	LINCOLN GLEN MANOR	MULTI	11-Feb-2015	11,965,000	9,810,000	402,951	330,376
1017	Marshall Medical Center	MARSHALL MEDICAL CENTER	HOSP	09-Apr-2015	26,895,000	20,815,000	791,050	612,222
1014	Sequoia Living, Inc.	NORTHERN CALIFORNIA PRESBYTERIAN HOMES	MULTI	15-Apr-2015	63,210,000	52,865,000	2,122,766	1,775,352
1027	Sierra View Homes Inc.	SIERRA VIEW HOMES INC.	MULTI	09-Jun-2016	12,310,000	9,600,000	342,440	267,053
1006	Solvang Lutheran Home, Inc.	SOLVANG LUTHERAN HOME, INC.	MULTI	17-Jul-2014	3,470,000	2,715,000	151,941	118,882
1035	Asian Community Center of Sacramento Valley	ASIAN COMMUNITY SKILLED NURSING FACILITY	MULTI	22-Nov-2016	16,080,000	11,915,000	443,678	328,758
1032	Atherton Baptist Homes	ATHERTON BAPTIST HOMES	MULTI	04-Nov-2016	31,390,000	24,815,000	1,302,380	1,029,581
1041	Channing House	CHANNING HOUSE	MULTI	18-Apr-2017	54,045,000	46,670,000	1,732,948	1,496,469
1044	Channing House	CHANNING HOUSE	MULTI	25-Oct-2017	44,120,000	43,725,000	2,735,573	2,711,082
1034	Hill Country Community Clinic	HILL COUNTRY COMMUNITY CLINIC	CLINIC	03-Nov-2016	4,055,000	3,070,000	127,486	96,518
1043	Institute on Aging	INSTITUTE ON AGING	MULTI	31-May-2017	34,355,000	29,975,000	1,276,937	1,114,137
1022	Jewish Home of San Francisco	JEWISH HOME OF SAN FRANCISCO	SNF	29-Nov-2016	135,920,000	86,440,000	6,667,494	4,240,275
1030	Mendocino Coast Health Care District Corp.	MENDOCINO COAST HOSPITAL	HOSP	29-Jul-2016	5,745,000	2,440,000	170,817	72,549
1029	Mountain Shadows Support Group	MOUNTAIN SHADOWS SUPPORT GROUP	OTHER	27-Oct-2016	13,240,000	6,035,000	524,444	239,050
1037	Northern California Retired Officer Community	PARADISE VALLEY ESTATES	MULTI	30-Nov-2016	22,080,000	18,415,000	618,237	515,617
1045	Options Family of Services	Options Family of Services	OTHER	12-Oct-2017	2,140,000	1,320,000	61,203	37,751
1033	Petaluma Health Center	PETALUMA HEALTH CENTER	CLINIC	13-Sep-2016	5,775,000	4,425,000	153,716	117,782
1038	Pilgrim Place in Claremont, Inc.	PILGRIM PLACE IN CLAREMONT, INC.	MULTI	30-Nov-2016	36,055,000	30,260,000	1,345,360	1,129,125
1028	Santa Rosa Community Health Centers	SANTA ROSA COMMUNITY HEALTH CENTERS	CLINIC	12-Jul-2016	11,105,000	7,355,000	174,301	115,442
1040	St. John's Well Child and Family Center	St. John's Well Child and Family Center	CLINIC	12-Jul-2017	5,250,000	4,325,000	174,251	143,550
1047	Viamonte Senior Living	Viamonte Senior Living	MULTI	24-May-2018	187,230,000	45,230,000	7,174,964	1,733,289
1052	Asian Community Center of Sacramento Valley	Asian Community Center of Sacramento Valley	MULTI	26-Jul-2018	26,915,000	25,185,000	1,302,272	1,218,567
1068	Inland Christian Home, Inc.	Inland Christian Home, Inc.	MULTI	27-Apr-2020	18,425,000	17,340,000	877,269	825,609
1056	Lincoln Glen Manor for Senior Citizens	Lincoln Glen Manor for Senior Citizens	MULTI	08-Nov-2018	6,105,000	5,570,000	295,720	269,805
1067	Lompoc District Hospital	Lompoc District Hospital	HOSP	19-Feb-2020	16,885,000	15,000,000	461,103	409,627
1064	Los Angeles Jewish Home for the Aging	Los Angeles Jewish Home for the Aging	MULTI	26-Sep-2019	49,730,000	38,595,000	1,511,051	1,172,713
1051	Los Angeles Jewish Home for the Aging	Los Angeles Jewish Home for the Aging	MULTI	08-Aug-2019	13,785,000	11,100,000	450,589	362,825
1071	Marshall Medical Center	MARSHALL MEDICAL CENTER	HOSP	27-Apr-2020	68,875,000	67,520,000	3,079,456	3,018,873
1054	North Kern South Tulare Hospital District	North Kern South Tulare Hospital District	SNF	20-Feb-2019	4,300,000	3,425,000	62,367	49,676
1059	Northern California Retired Officer Community	Northern California Retired Officer Community	MULTI	07-Mar-2019	95,685,000	81,025,000	4,471,043	3,786,030
1058	The California Home for the Aged, Inc.	The California Home for the Aged, Inc.	MULTI	20-Nov-2018	24,660,000	22,355,000	1,346,305	1,220,464
1063	Town and Country Manor Christian & Missionary Alliance	Town and Country Manor Christian & Missionary Alliance	MULTI	13-Jun-2019	34,385,000	32,560,000	1,811,590	1,715,439
1081	Jewish Home of San Francisco	JEWISH HOME OF SAN FRANCISCO	SNF	17-Nov-2021	28,030,000	28,030,000	1,522,907	1,522,907
1075	La Maestra Family Clinic, Inc.	La Maestra Family Clinic, Inc.	CLINIC	19-Nov-2020	13,590,000	11,700,000	372,766	320,924
1077	La Maestra Family Clinic, Inc.	La Maestra Family Clinic, Inc.	CLINIC	05-Aug-2021	12,295,000	12,295,000	726,877	726,877
1085	La Maestra Family Clinic, Inc.	La Maestra Family Clinic, Inc. - L O C	CLINIC	30-Jun-2022	3,500,000	-	8,925	0
1074	Los Angeles Jewish Home for the Aging	Los Angeles Jewish Home for the Aging	MULTI	15-Oct-2020	37,275,000	33,970,000	1,188,598	1,083,211
1066	Open Door Community Health Centers	Open Door Community Health Centers	CLINIC	08-Sep-2021	30,580,000	30,580,000	1,400,319	1,400,319
1076	San Benito Health Care District	San Benito Health Care District	HOSP	11-Feb-2021	12,570,000	8,330,000	291,883	193,427
1082	The Redwoods, A Community of Seniors	The Redwoods, A Community of Seniors	MULTI	17-Feb-2022	23,550,000	21,150,000	645,706	579,902
1079	Valley Health Team, Inc.	Valley Health Team, Inc.	CLINIC	13-Oct-2021	15,365,000	14,795,000	692,909	667,204
1073	Vocational Visions	Vocational Visions	OTHER	19-Nov-2020	3,200,000	2,695,000	98,342	82,822
1070	West County Health Centers	West County Health Centers	CLINIC	14-Oct-2020	9,145,000	8,960,000	482,520	472,759
1089	Aldersly, Inc.	Aldersly, Inc.	MULTI	08-Jun-2023	61,300,000	61,300,000	2,805,898	2,805,898
1092	Ararat Home of Los Angeles, Inc.	Ararat Home of Los Angeles, Inc.	MULTI	02-Nov-2023	10,915,000	10,915,000	518,822	518,822
1086	Bethany Home Society of San Joaquin County, Inc.	Bethany Home Society of San Joaquin County, Inc.	MULTI	31-Jan-2023	49,560,000	49,560,000	2,964,158	2,964,158
1065	Community Medical Centers, Inc.	Community Medical Centers, Inc.	CLINIC	08-Jun-2023	26,040,000	26,040,000	1,359,695	1,359,695
1083	Northern California Congregational Retirement Homes, Inc.	Northern California Congregational Retirement Homes, Inc.	MULTI	08-Sep-2022	36,035,000	35,470,000	1,865,400	1,836,152
1078	O'Connor Woods Housing Corporation	O'Connor Woods Housing Corporation	MULTI	04-Oct-2022	35,595,000	33,835,000	969,298	921,371
1091	Odd Fellows Home of California	Odd Fellows Home of California	MULTI	08-Aug-2023	67,065,000	65,850,000	1,298,936	1,275,403
1084	St. Rose Hospital	St. Rose Hospital	HOSP	05-Aug-2022	24,360,000	19,077,178	631,479	494,534
TOTALS					1,729,749,000	1,295,902,235	69,555,921	52,390,717

Notes:

(1) - (8) Provided by Cal-Mortgage

(9) = (7) / (6) x (8), capped by total premium

* Under California Health Facility Construction Loan Insurance Law Section 129040, one-time premiums are nonrefundable

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Distribution of Active Loans by Facility Type
Based on Data as of June 30, 2024**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Facility Type	Number of Projects	Number of Borrowers	Original Insured Amount	Principal Balance	Distribution By Number of Projects	Distribution By Number of Borrowers	Distribution By Original Loan Amount	Distribution By Principal Outstanding
Hospitals	8	6	173,415,000	148,427,178	13.6%	13.6%	10.0%	11.5%
Multi-levels	31	22	1,148,360,000	880,890,058	52.5%	50.0%	66.4%	68.0%
Clinics	12	9	141,699,000	123,545,000	20.3%	20.5%	8.2%	9.5%
SNF	3	2	168,250,000	117,895,000	5.1%	4.5%	9.7%	9.1%
Other	5	5	98,025,000	25,145,000	8.5%	11.4%	5.7%	1.9%
Total	59	44	1,729,749,000	1,295,902,235	100.0%	100.0%	100.0%	100.0%

Notes:

(1) - (4) *Provided by Cal-Mortgage*

(5) = (1) / (1) *Total*

(6) = (2) / (2) *Total*

(7) = (3) / (3) *Total*

(8) = (4) / (4) *Total*

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Summary of Debt Service Coverage Ratios

Facility Type	Weighted Average							Average							Median						
	2023	2022	2021	2020	2019	2018	2017	2023	2022	2021	2020	2019	2018	2017	2023	2022	2021	2020	2019	2018	2017
Hospitals	2.27	0.35	4.91	3.33	1.98	2.13	2.37	1.63	1.17	4.67	2.21	1.78	2.07	2.31	1.68	1.92	3.87	1.99	1.51	2.17	2.58
Multi-levels	2.24	0.02	1.82	2.12	3.02	2.21	1.93	2.04	0.39	1.43	1.56	2.54	1.60	1.74	1.69	0.69	1.63	2.05	2.24	1.65	2.11
Clinics	2.09	2.70	6.41	4.77	2.81	1.76	2.54	2.55	2.44	4.86	2.60	2.24	1.94	3.15	1.24	2.78	5.79	2.60	2.57	2.19	3.02
SNF	0.61	0.43	3.11	1.84	2.19	1.81	2.33	0.61	0.54	3.06	2.03	2.11	1.95	2.68	0.61	7.45	14.60	6.08	1.09	3.55	4.12
Other	1.98	2.19	2.51	2.33	1.78	1.35	1.50	2.23	2.52	3.19	2.88	1.28	1.17	1.16	2.42	3.46	3.23	2.42	1.76	1.62	1.61
Total	2.05	0.51	2.91	2.54	2.63	2.10	2.10	1.97	0.93	2.82	2.05	2.12	1.76	2.08	1.69	0.89	2.58	2.13	2.01	1.67	2.20

Summary of Income Debt Service Ratios

Facility Type	Weighted Average							Average							Median						
	2023	2022	2021	2020	2019	2018	2017	2023	2022	2021	2020	2019	2018	2017	2023	2022	2021	2020	2019	2018	2017
Hospitals	0.82	(1.18)	3.33	1.56	0.62	0.79	0.93	0.55	(0.22)	3.19	0.73	0.52	0.83	0.93	0.82	1.01	2.53	0.80	0.38	0.82	1.03
Multi-levels	1.16	(1.20)	0.70	0.81	1.47	1.00	0.80	0.87	(0.46)	0.45	0.46	1.09	0.70	0.78	0.75	(0.45)	0.48	0.98	1.06	0.76	0.91
Clinics	1.14	1.63	4.74	3.31	1.91	0.79	1.70	1.60	1.41	3.56	1.69	1.41	1.07	2.27	0.26	2.04	4.41	1.84	1.15	1.41	1.68
SNF	(1.23)	(1.49)	0.82	1.27	1.70	1.33	1.53	(1.23)	(1.37)	0.77	1.42	1.59	1.44	1.82	(1.23)	5.60	10.87	4.61	0.04	2.69	3.01
Other	1.61	1.81	2.14	1.95	1.24	0.81	1.00	1.81	2.10	2.77	2.44	0.85	0.70	0.77	2.00	2.71	2.72	1.52	1.16	1.16	1.12
Total	0.95	(0.72)	1.67	1.29	1.28	0.95	0.96	0.91	(0.01)	1.71	0.97	0.94	0.81	1.05	0.82	0.17	1.31	1.32	1.06	0.95	1.08

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Summary of Debt Service Coverage Ratios over Last Seven Fiscal Years

Debt Service Coverage Ratios

Facility Type	2023			2022			2021			2020			2019			2018			2017		
	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20
Hospitals	40%	0%	60%	40%	0%	60%	17%	0%	83%	29%	0%	71%	0%	13%	88%	13%	0%	88%	0%	14%	86%
Multi-levels	14%	0%	86%	71%	5%	24%	35%	5%	60%	25%	0%	75%	9%	0%	91%	18%	14%	68%	19%	6%	75%
Clinics	38%	13%	50%	25%	0%	75%	0%	0%	100%	10%	0%	90%	0%	22%	78%	20%	0%	80%	0%	0%	100%
SNF	100%	0%	0%	50%	0%	50%	0%	0%	100%	0%	0%	100%	50%	0%	50%	0%	0%	100%	0%	0%	100%
Other	0%	17%	83%	33%	0%	67%	0%	10%	90%	10%	10%	80%	17%	17%	67%	31%	15%	54%	29%	0%	71%
Total	22%	5%	73%	52%	2%	45%	17%	4%	79%	18%	2%	80%	9%	9%	81%	20%	9%	71%	15%	4%	81%

Income Debt Service Ratios

Facility Type	2023			2022			2021			2020			2019			2018			2017		
	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20
Hospitals	60%	0%	40%	40%	20%	40%	33%	0%	67%	57%	0%	43%	63%	0%	38%	63%	0%	38%	43%	14%	43%
Multi-levels	57%	5%	38%	86%	10%	5%	70%	0%	30%	50%	5%	45%	45%	14%	41%	64%	9%	27%	56%	19%	25%
Clinics	63%	0%	38%	25%	0%	75%	10%	10%	80%	30%	0%	70%	44%	11%	44%	40%	10%	50%	25%	13%	63%
SNF	100%	0%	0%	50%	0%	50%	50%	0%	50%	0%	50%	50%	50%	0%	50%	0%	50%	50%	0%	0%	100%
Other	33%	0%	67%	33%	0%	67%	20%	10%	70%	30%	20%	50%	42%	17%	42%	46%	8%	46%	50%	0%	50%
Total	56%	2%	41%	60%	7%	33%	42%	4%	54%	41%	8%	51%	47%	11%	42%	46%	8%	46%	45%	11%	45%

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

Summary of Debt Service Ratios

Debt Service Coverage Ratios

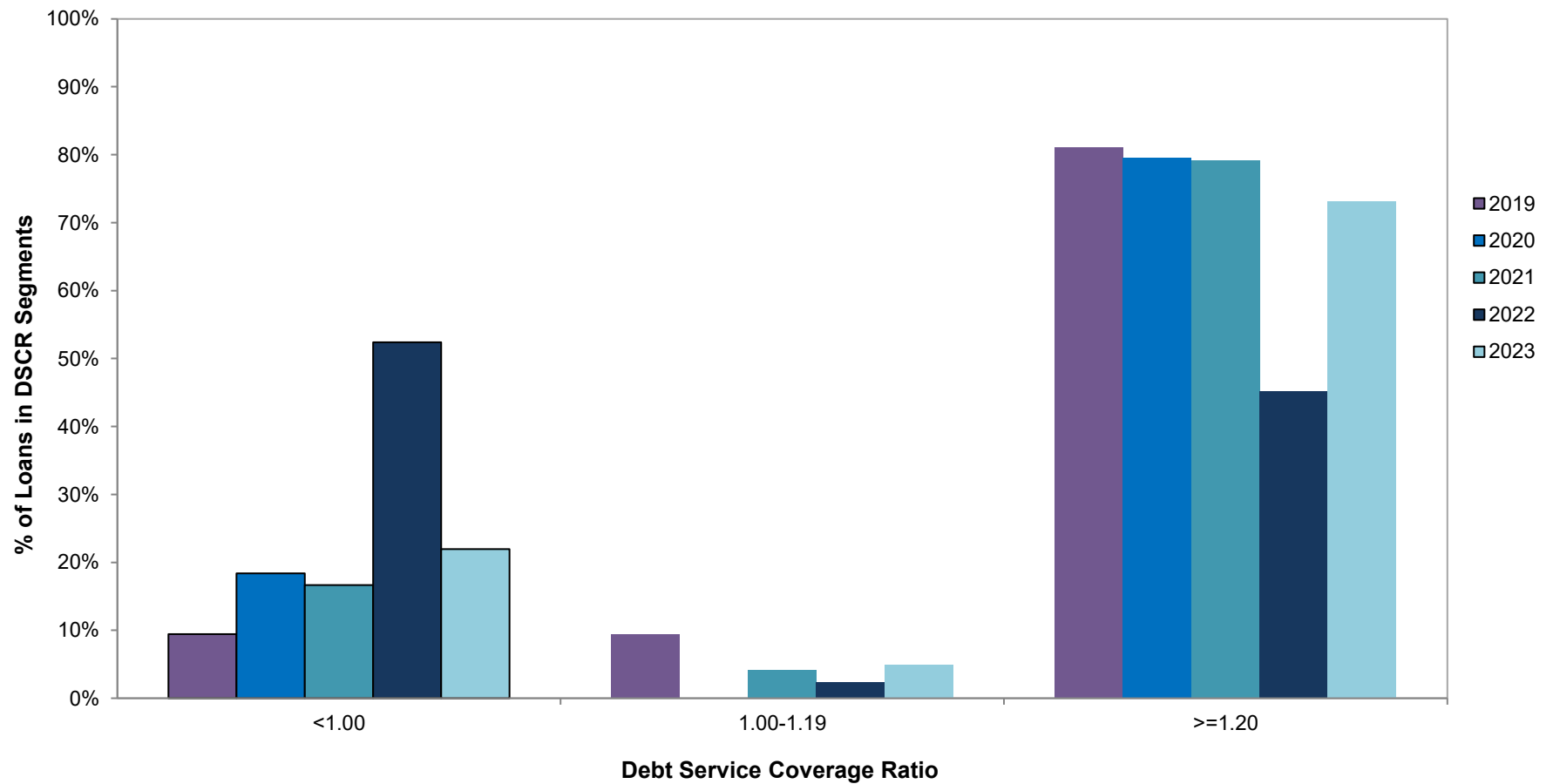
Year	Total			Hospitals			Multi-levels			Clinics			SNF			Other		
	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20
2017	15%	4%	81%	0%	14%	86%	19%	6%	75%	0%	0%	100%	0%	0%	100%	29%	0%	71%
2018	20%	9%	71%	13%	0%	88%	18%	14%	68%	20%	0%	80%	0%	0%	100%	31%	15%	54%
2019	9%	9%	81%	0%	13%	88%	9%	0%	91%	0%	22%	78%	50%	0%	50%	17%	17%	67%
2020	18%	2%	80%	29%	0%	71%	25%	0%	75%	10%	0%	90%	0%	0%	100%	10%	10%	80%
2021	17%	4%	79%	17%	0%	83%	35%	5%	60%	0%	0%	100%	0%	0%	100%	0%	10%	90%
2022	52%	2%	45%	40%	0%	60%	71%	5%	24%	25%	0%	75%	50%	0%	50%	33%	0%	67%
2023	22%	5%	73%	40%	0%	60%	14%	0%	86%	38%	13%	50%	100%	0%	0%	0%	17%	83%

Income Debt Service Ratios

Year	Total			Hospitals			Multi-levels			Clinics			SNF			Other		
	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20
2017	45%	11%	45%	43%	14%	43%	56%	19%	25%	25%	13%	63%	0%	0%	100%	50%	0%	50%
2018	46%	8%	46%	63%	0%	38%	64%	9%	27%	40%	10%	50%	0%	50%	50%	46%	8%	46%
2019	47%	11%	42%	63%	0%	38%	45%	14%	41%	44%	11%	44%	50%	0%	50%	42%	17%	42%
2020	41%	8%	51%	57%	0%	43%	50%	5%	45%	30%	0%	70%	0%	50%	50%	30%	20%	50%
2021	42%	4%	54%	33%	0%	67%	70%	0%	30%	10%	10%	80%	50%	0%	50%	20%	10%	70%
2022	60%	7%	33%	40%	20%	40%	86%	10%	5%	25%	0%	75%	50%	0%	50%	33%	0%	67%
2023	56%	2%	41%	60%	0%	40%	57%	5%	38%	63%	0%	38%	100%	0%	0%	33%	0%	67%

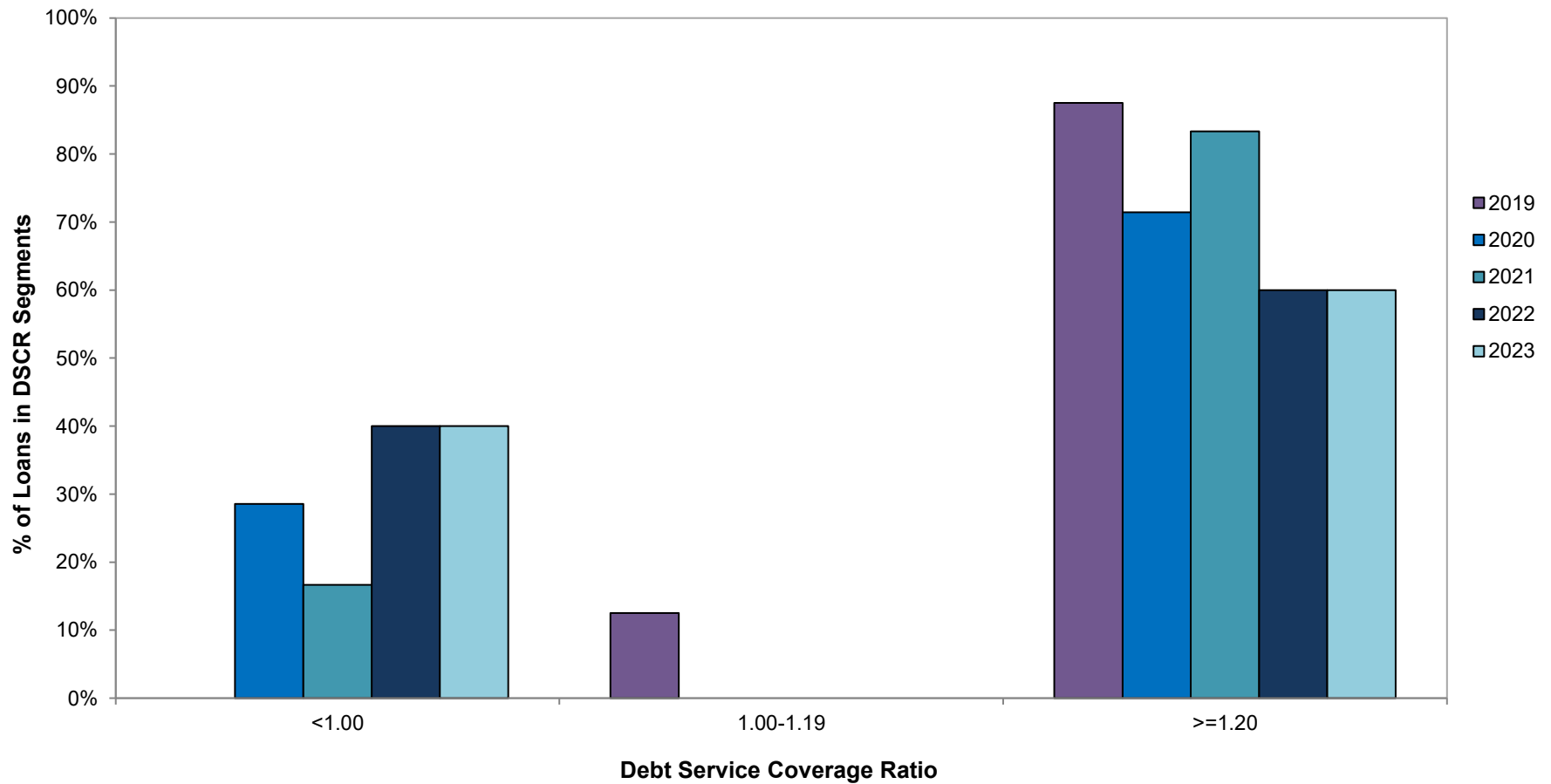
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Debt Service Coverage Ratios
Distribution of In-Force Loans**

TOTAL



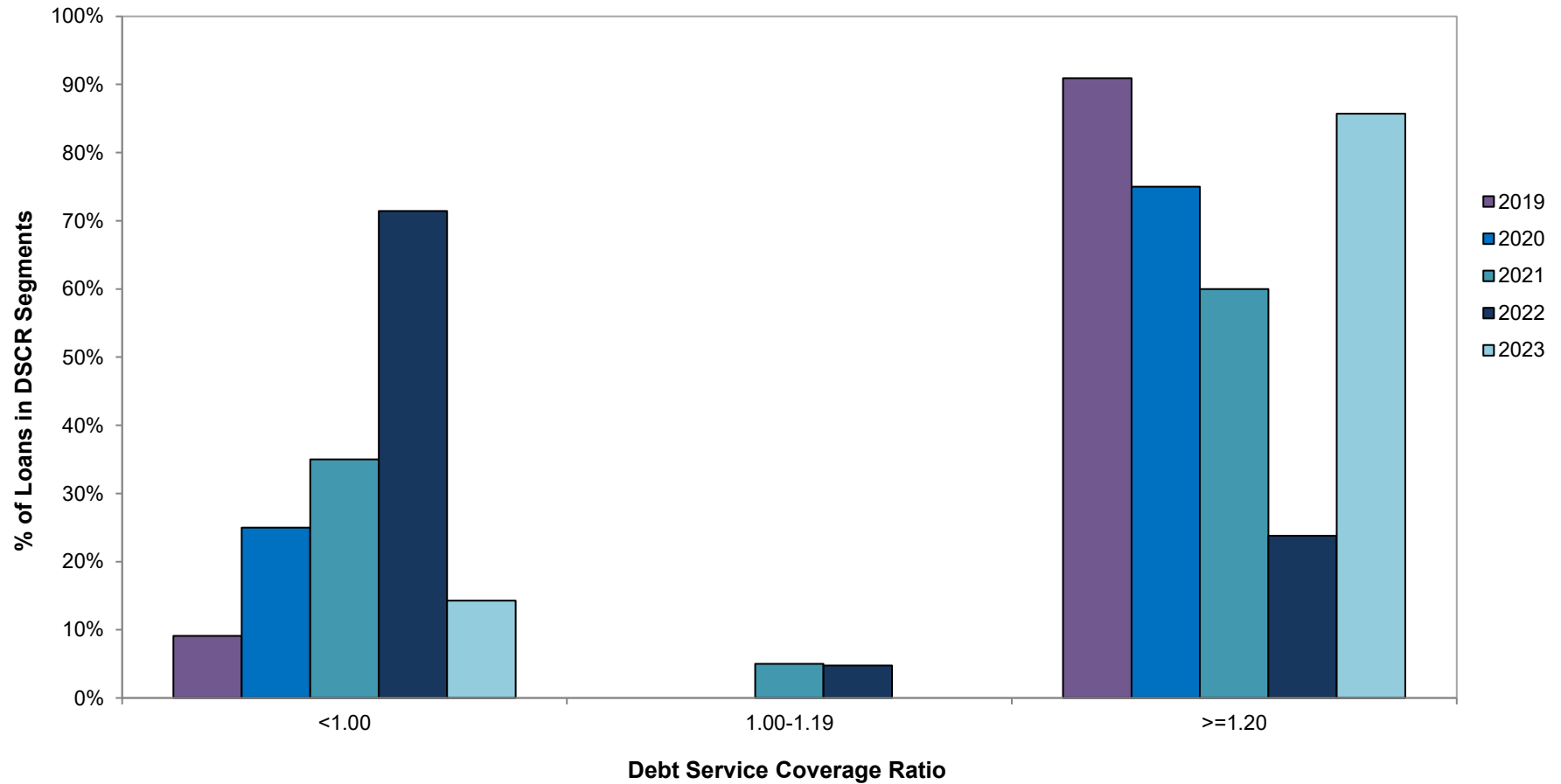
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Debt Service Coverage Ratios
Distribution of In-Force Loans**

HOSPITALS



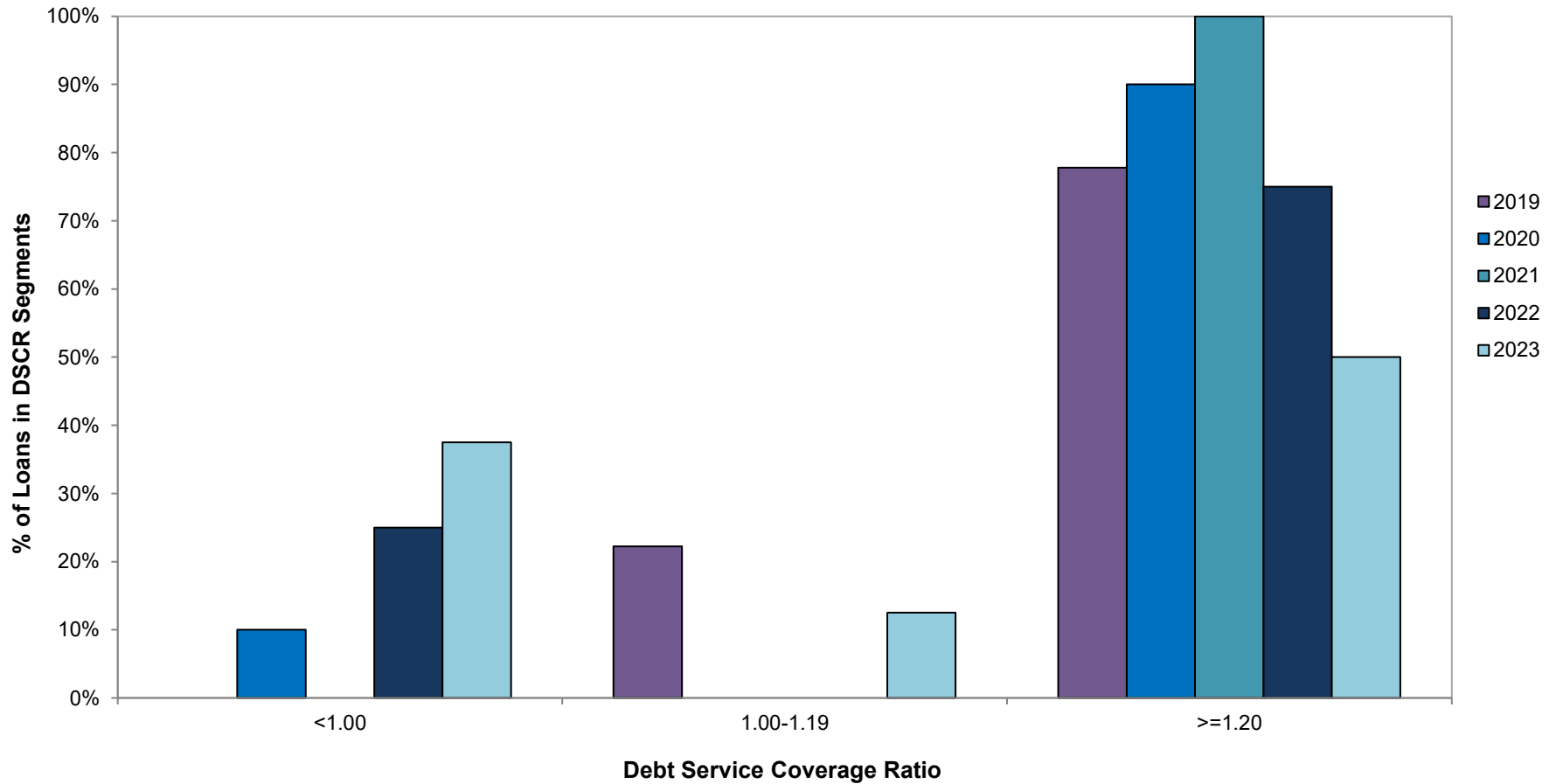
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Debt Service Coverage Ratios
Distribution of In-Force Loans**

MULTI-LEVELS



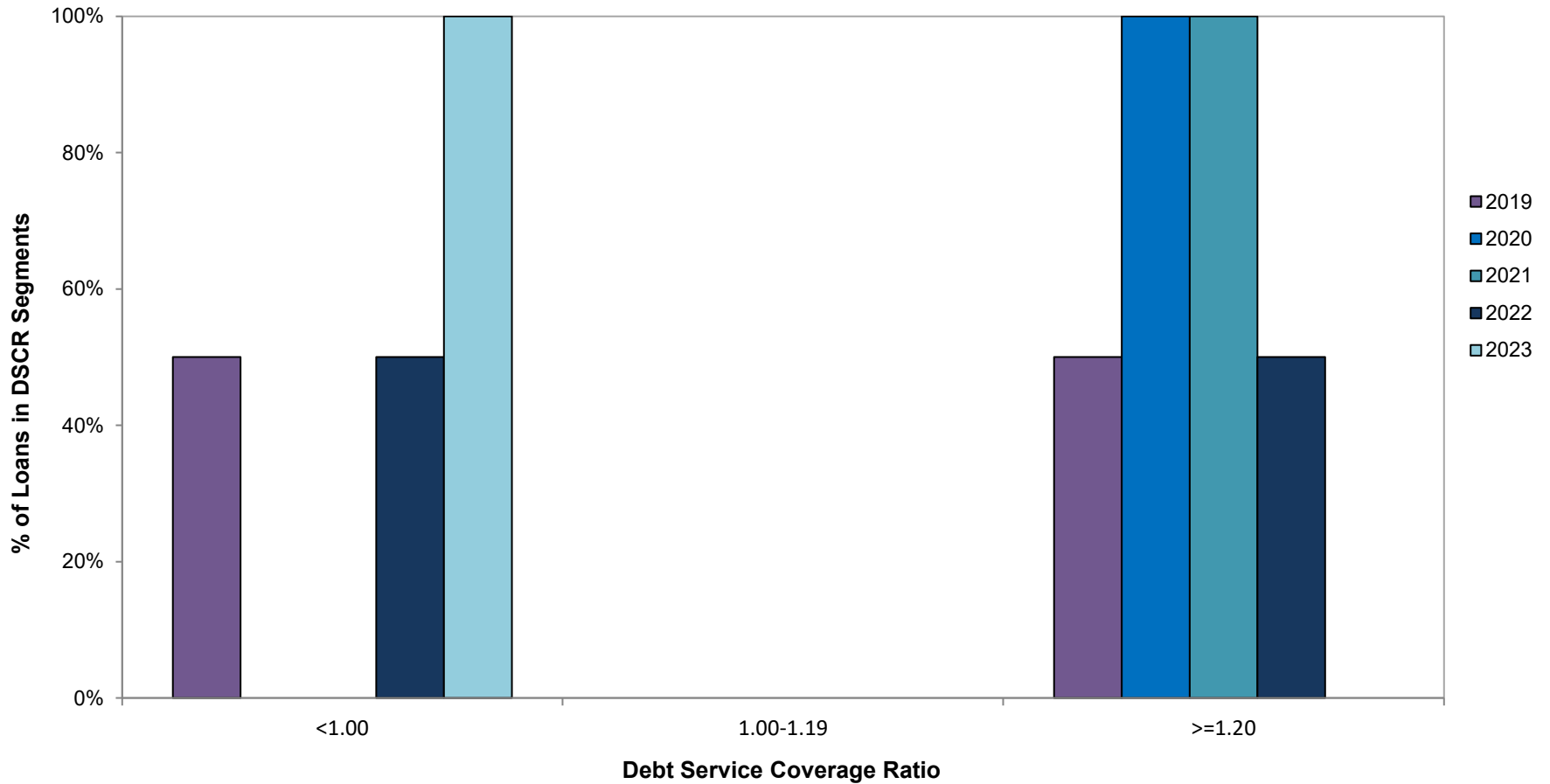
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Debt Service Coverage Ratios
Distribution of In-Force Loans**

CLINICS



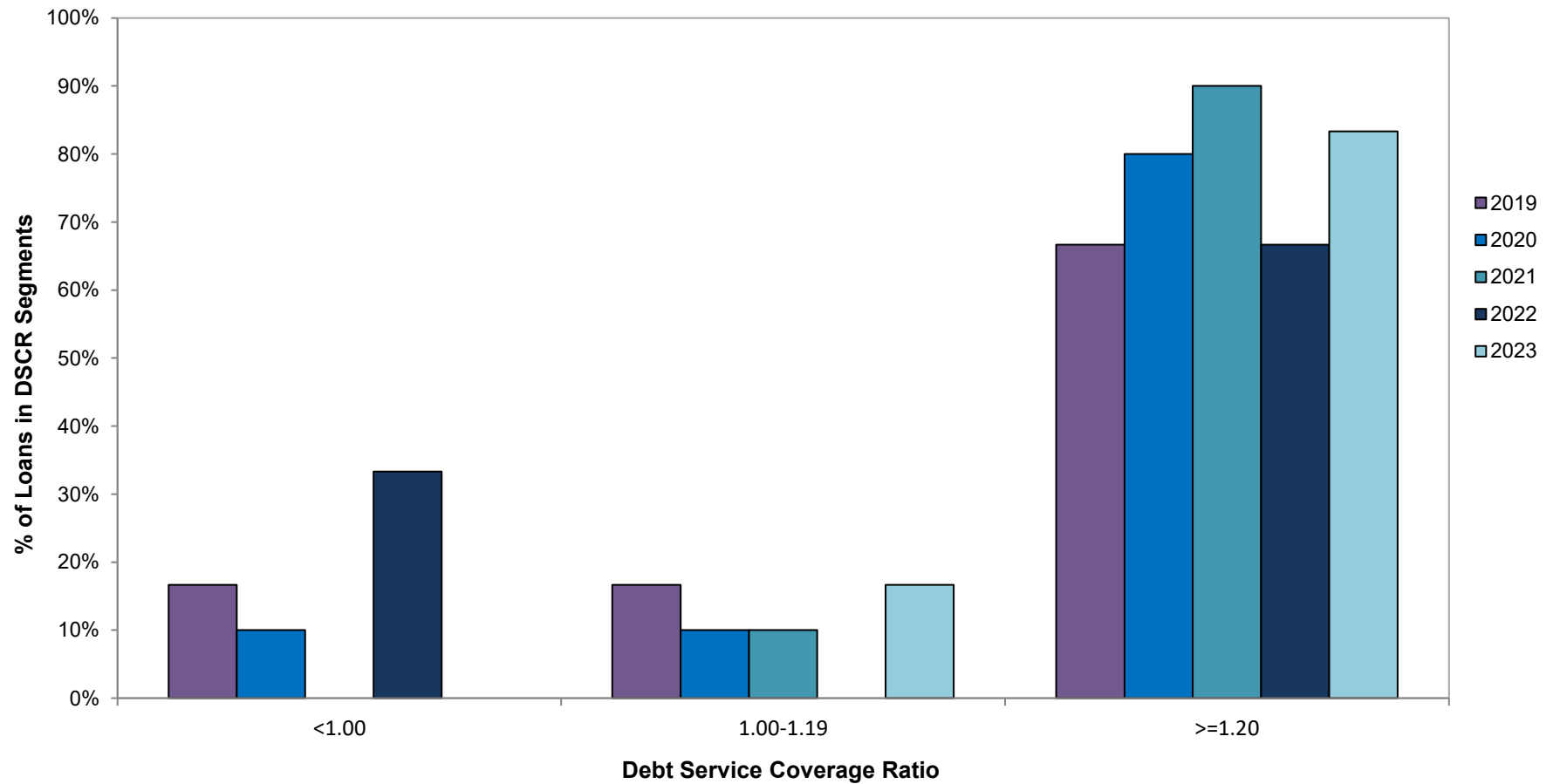
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Debt Service Coverage Ratios
Distribution of In-Force Loans**

SKILLED NURSING FACILITIES (SNF)



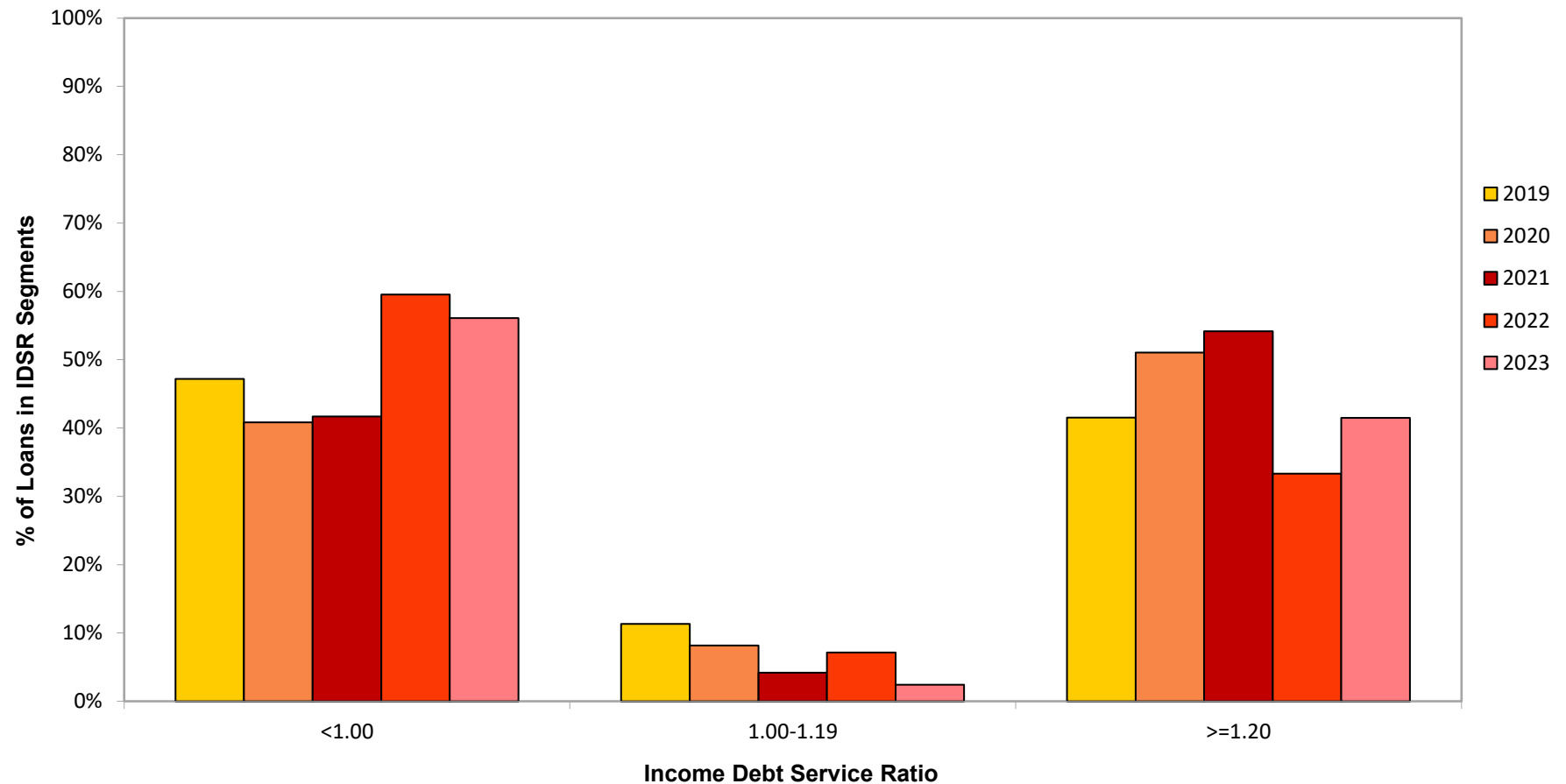
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Debt Service Coverage Ratios
Distribution of In-Force Loans**

OTHER



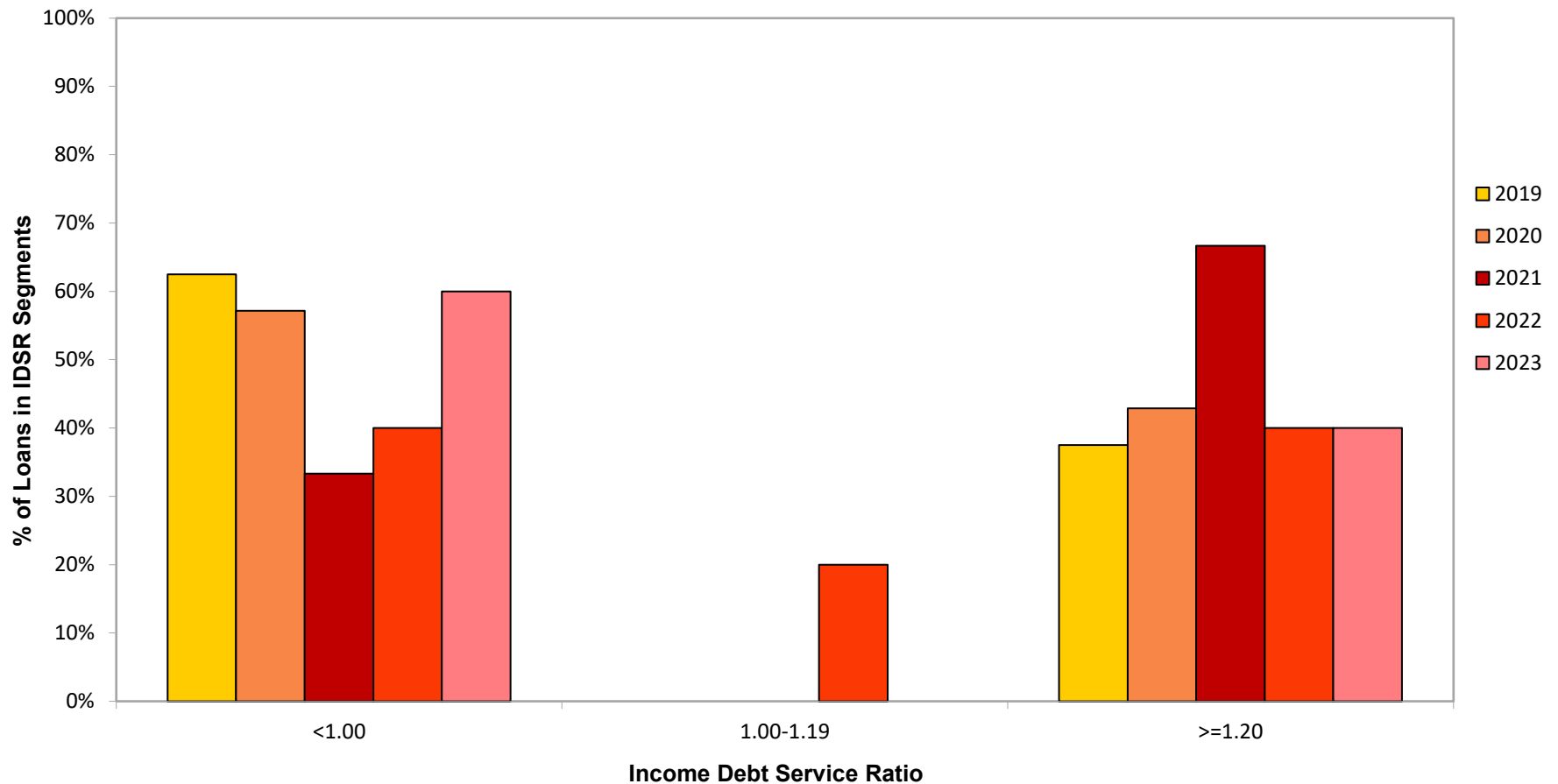
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution of In-Force Loans**

TOTAL



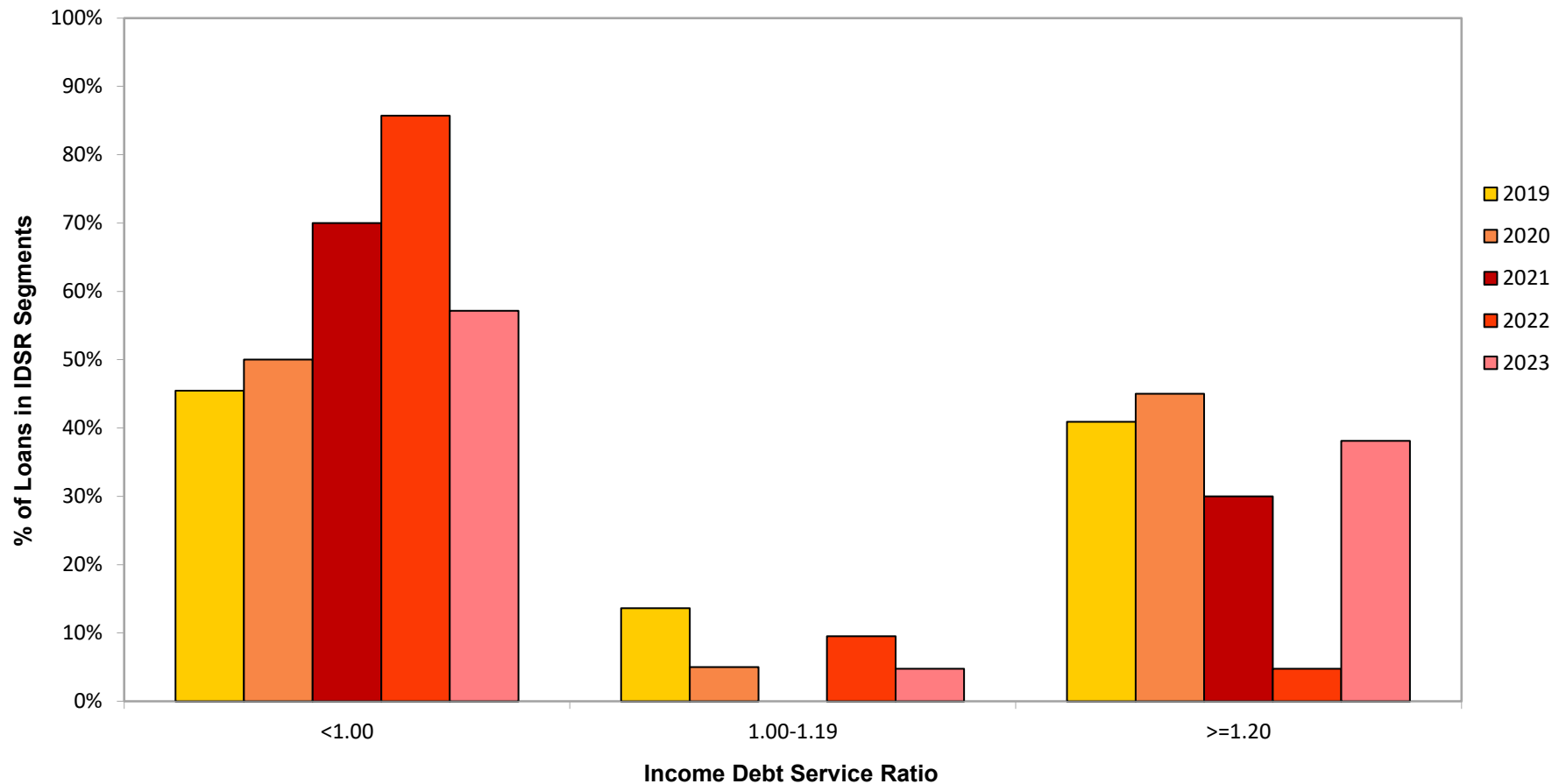
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution of In-Force Loans**

HOSPITALS



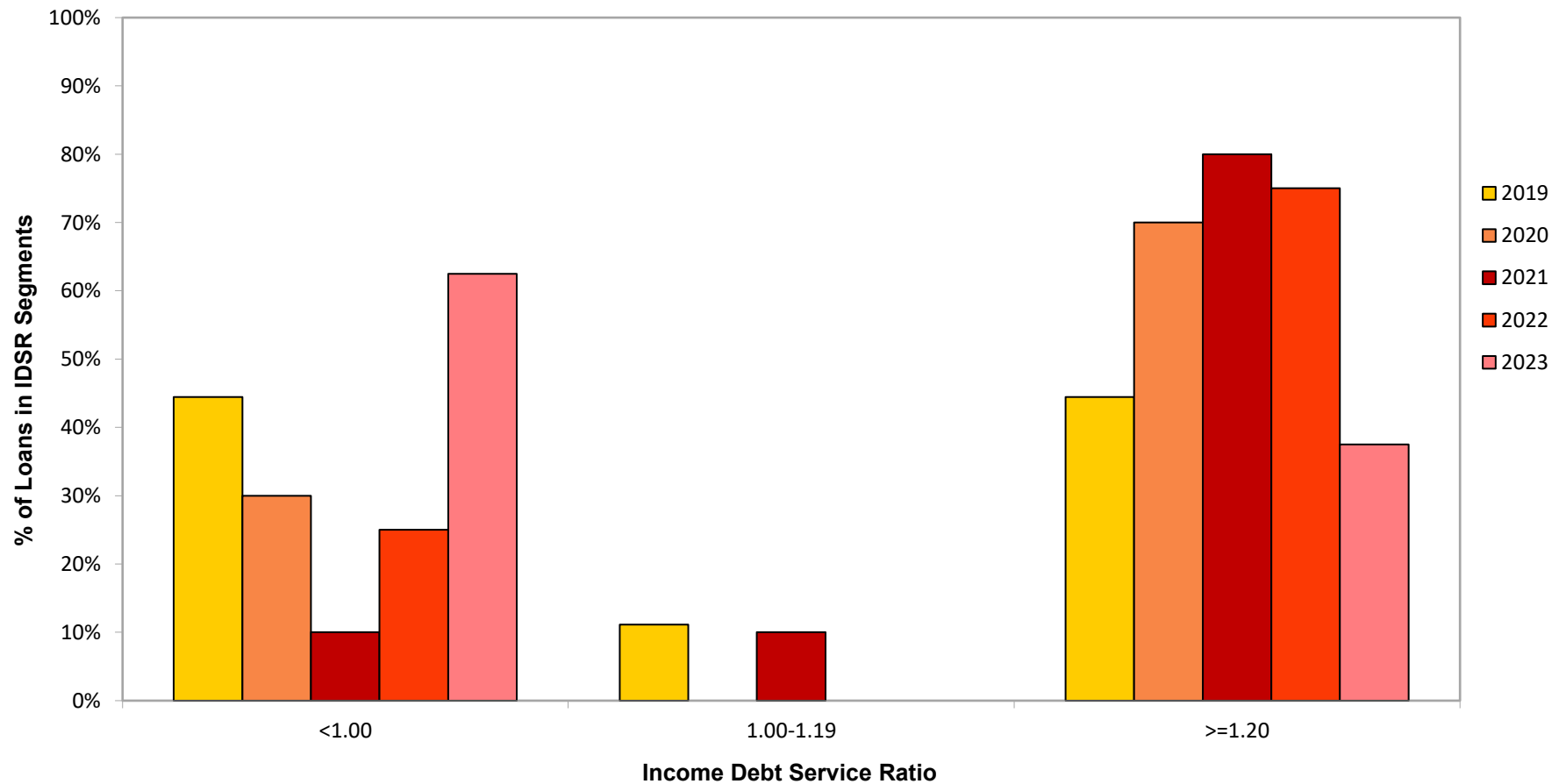
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution of In-Force Loans**

MULTI-LEVELS



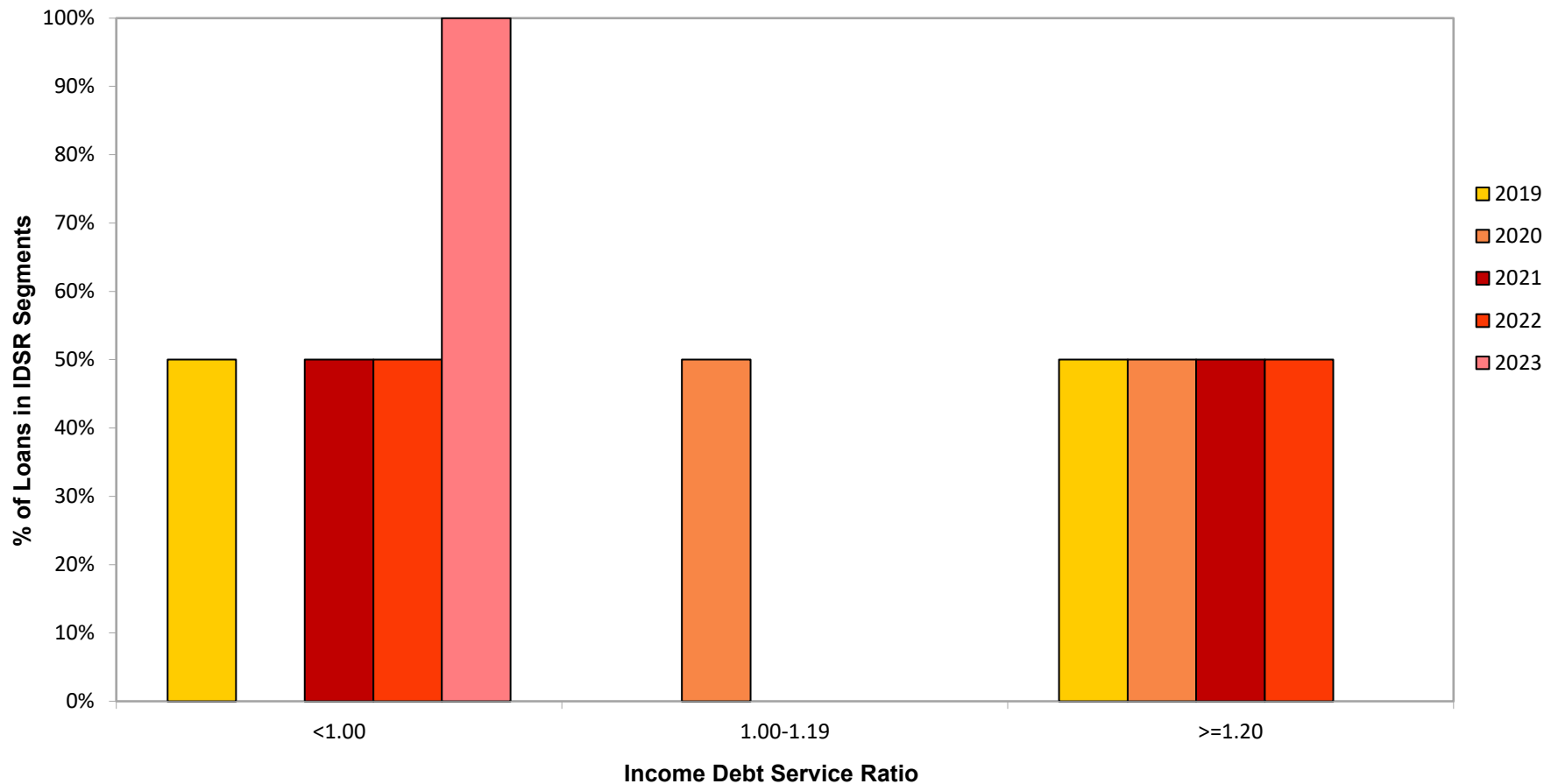
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution of In-Force Loans**

CLINICS



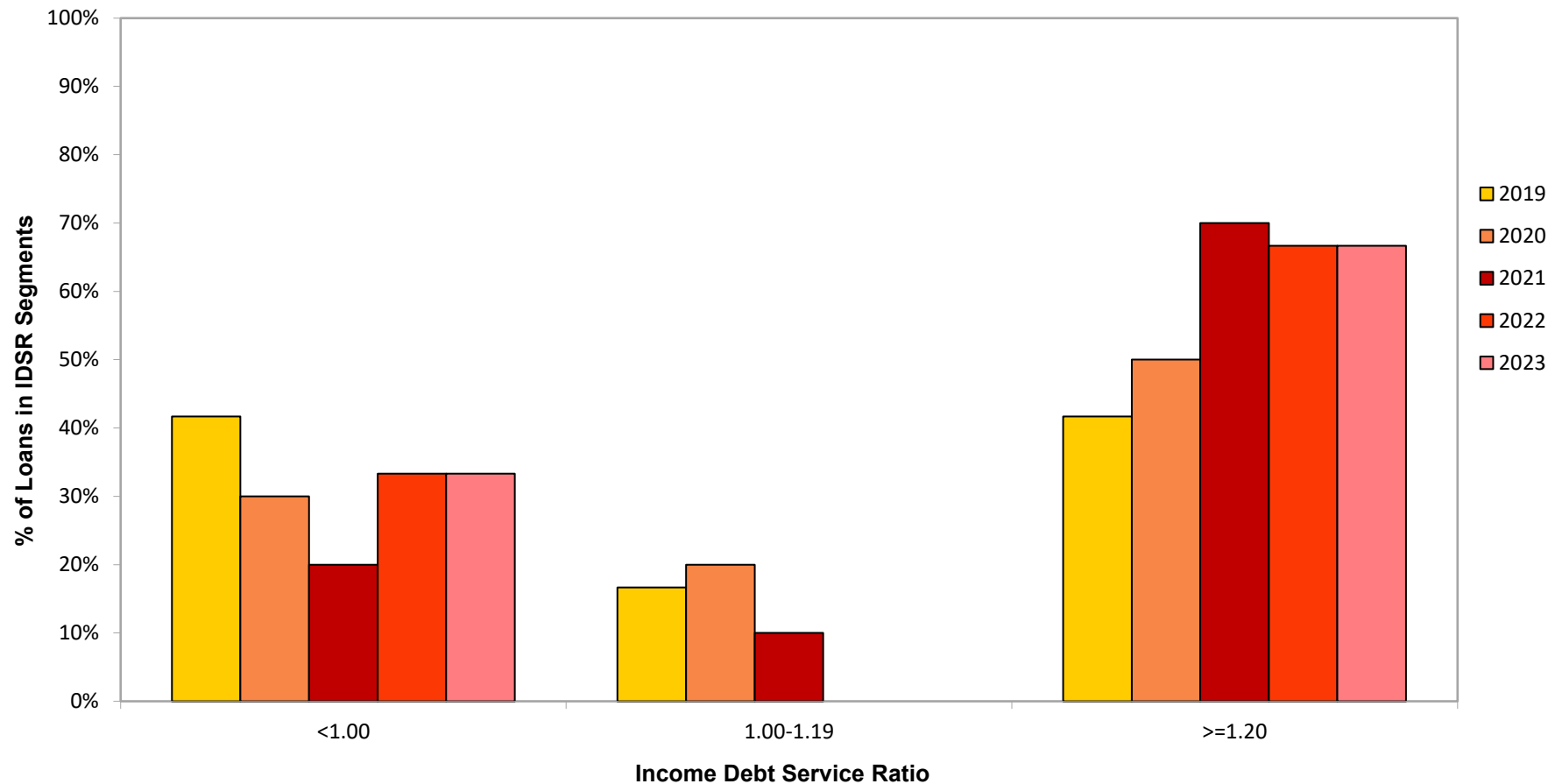
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution of In-Force Loans**

SKILLED NURSING FACILITIES (SNF)



**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution of In-Force Loans**

OTHER



Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Cash Flow Analysis - New Loans Insured (Expected Scenario)
Baseline Scenario
Based on Data as of June 30, 2024

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	Income from Annual Premium Loans					Income from Up-Front Premium Loans											
Year	Scheduled Amortized Balance	Estimated Default Amount	Percent Terminated & Refinance	Balance Net of Default and Termination	Premium Income	Issued Amount	Estimated Premium as Percent of Insured Amount	Premium Income	Certification and Inspection Fee Income	Cash Inflow from Resolved Loans	Payment on Current Defaults	Payment on Future Default (Including Pipeline)	Administrative Expenses	Investment Yield	Investment Income	Net Cash Flow	Cash Balance
7/1/2023-6/30/2024				0	0	77,980,000		1,817,758	86,580								135,077,220
7/1/2024-6/30/2025	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	2,461,212	5,572,000	4.4%	6,037,379	7,475,419	142,552,639
7/1/2025-6/30/2026	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	4,817,222	5,761,448	4.4%	6,313,146	5,205,727	147,758,366
7/1/2026-6/30/2027	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	7,871,378	5,957,337	4.5%	6,517,852	2,160,389	149,918,755
7/1/2027-6/30/2028	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	8,941,093	6,159,887	4.6%	6,742,983	1,113,255	151,032,010
7/1/2028-6/30/2029	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	9,843,392	6,369,323	4.6%	6,863,900	122,437	151,154,447
7/1/2029-6/30/2030	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	9,932,154	6,585,880	4.8%	7,136,280	89,498	151,243,944
7/1/2030-6/30/2031	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	1,251,238	0	9,773,471	6,809,800	5.0%	7,443,431	1,148,607	152,392,551
7/1/2031-6/30/2032	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	1,251,238	0	9,564,695	7,041,333	5.0%	7,509,366	1,191,784	153,584,335
7/1/2032-6/30/2033	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	6,367,365	0	9,415,749	7,280,738	5.1%	7,730,228	6,438,313	160,022,648
7/1/2033-6/30/2034	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	252,962	0	9,292,011	7,528,283	5.1%	8,029,464	499,341	160,521,989
7/1/2034-6/30/2035	0	0	8.5%	0	0	207,000,000	4.43%	9,161,347	789,196	252,962	0	9,230,701	7,784,245	5.2%	8,177,644	1,366,203	161,888,192
7/1/2035-6/30/2036	0	0	8.5%	0	0	207,000,000	4.43%	9,161,347	789,196	252,962	0	9,228,062	8,048,909	5.3%	8,358,168	1,284,702	163,172,893
7/1/2036-6/30/2037	0	0	8.5%	0	0	207,000,000	4.43%	9,161,347	789,196	252,962	0	9,261,666	8,322,572	5.4%	8,555,302	1,174,569	164,347,463
7/1/2037-6/30/2038	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	9,351,295	8,605,540	5.5%	8,779,158	2,035,304	166,382,767
7/1/2038-6/30/2039	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	9,478,069	8,898,128	5.5%	9,029,867	1,866,450	168,249,217
7/1/2039-6/30/2040	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	9,660,178	9,200,664	5.6%	9,278,307	1,630,446	169,879,663
7/1/2040-6/30/2041	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	9,880,329	9,513,487	5.7%	9,521,873	1,341,037	171,220,700
7/1/2041-6/30/2042	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	10,118,901	9,836,946	5.8%	9,757,822	1,014,956	172,235,657
7/1/2042-6/30/2043	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	10,366,596	10,171,402	6.0%	9,984,137	659,120	172,894,777
7/1/2043-6/30/2044	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	10,593,889	10,517,229	6.1%	10,199,703	301,566	173,196,343
7/1/2044-6/30/2045	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	10,805,702	10,874,815	5.4%	9,014,705	(1,705,794)	171,490,549
7/1/2045-6/30/2046	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	10,985,166	11,244,559	5.0%	8,216,709	(3,052,998)	168,437,551
7/1/2046-6/30/2047	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	11,135,971	11,626,874	4.9%	8,028,060	(3,774,767)	164,662,784
7/1/2047-6/30/2048	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	11,258,468	12,022,188	4.9%	7,804,514	(4,516,123)	160,146,661
7/1/2048-6/30/2049	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	11,359,346	12,430,942	4.9%	7,545,296	(5,284,974)	154,861,687
7/1/2049-6/30/2050	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	11,439,190	12,853,594	4.9%	7,249,427	(6,083,339)	148,778,348
7/1/2050-6/30/2051	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	11,502,187	13,290,616	4.9%	6,915,786	(6,916,999)	141,861,348
7/1/2051-6/30/2052	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	11,549,137	13,742,497	4.9%	6,543,102	(7,788,513)	134,072,835
7/1/2052-6/30/2053	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	11,564,937	14,209,742	4.8%	6,130,420	(8,684,240)	125,388,595
7/1/2053-6/30/2054	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	11,493,460	14,692,873	4.8%	5,678,483	(9,547,833)	115,840,762

Notes:

- (1) Based on active loan information from Cal-Mortgage
(2) From Section III, Appendix, Page 9 (based on a 7.5% default rate)
(3) Selected
(4) $= [(1) - (2)] \times [1 - (3)]$
(5) Average of [Current and Prior Column(4)] $\times 0.5\%$
(6) Provided by Cal-Mortgage
(7) From Section III, Exhibit 6
(8) $= (6) \times (7)$

- (9) Issued amount $\times (1 - \% \text{ refinanced}) \times 0.4\%$
(10) From Section I, Exhibit 5
(11) From Section I, Exhibit 3
(12) From Section III, Appendix, Page 2
(13) Administrative expenses increase @ 3.40% per year
(14) Selected investment yield
(15) $= [0.5 \times [(5) + (8) + (9) + (10) - (11) - (12) - (13)] + \text{prior cash balance}] \times (14)$
(16) $= (5) + (8) + (9) + (10) - (11) - (12) - (13) + (15)$
(17) $= (16) + (17) \text{ prior}$

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Cash Flow Analysis - No New Loans Insured (Runoff)
Baseline Scenario
Based on Data as of June 30, 2024

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Income for Annual Premium Loans												
Year	Scheduled Amortized Balance	Estimated Default Amount	Percent Terminated & Refinance	Balance Net of Default and Termination	Premium Income	Cash Inflow from Resolved Loans	Payment on Current Default	Payment on Future Default (Including Pipeline)	Administrative Expenses	Investment Yield	Investment Income	Net Cash Flow	Cash Balance
7/1/2023-6/30/2024				0	0								135,077,220
7/1/2024-6/30/2025	0	0	8.5%	0	0	1,251,238	0	1,786,314	5,572,000	4.4%	5,869,655	(237,421)	134,839,799
7/1/2025-6/30/2026	0	0	8.5%	0	0	1,251,238	0	3,230,542	5,572,000	4.4%	5,826,995	(1,724,309)	133,115,490
7/1/2026-6/30/2027	0	0	8.5%	0	0	1,251,238	0	5,003,948	5,572,000	4.5%	5,751,069	(3,573,641)	129,541,849
7/1/2027-6/30/2028	0	0	8.5%	0	0	1,251,238	0	5,038,117	5,572,000	4.6%	5,723,473	(3,635,407)	125,906,442
7/1/2028-6/30/2029	0	0	8.5%	0	0	1,251,238	0	4,954,465	5,572,000	4.6%	5,637,071	(3,638,156)	122,268,286
7/1/2029-6/30/2030	0	0	8.5%	0	0	1,251,238	0	4,241,174	5,572,000	4.8%	5,703,343	(2,858,594)	119,409,693
7/1/2030-6/30/2031	0	0	8.5%	0	0	1,251,238	0	3,482,208	5,572,000	5.0%	5,805,520	(1,997,450)	117,412,243
7/1/2031-6/30/2032	0	0	8.5%	0	0	1,251,238	0	2,737,525	5,572,000	5.0%	5,730,539	(1,327,748)	116,084,495
7/1/2032-6/30/2033	0	0	8.5%	0	0	6,367,365	0	2,121,927	5,572,000	5.1%	5,833,933	4,507,371	120,591,866
7/1/2033-6/30/2034	0	0	8.5%	0	0	252,962	0	1,564,828	5,572,000	5.1%	6,019,875	(863,990)	119,727,876
7/1/2034-6/30/2035	0	0	8.5%	0	0	252,962	0	1,147,663	5,572,000	5.2%	6,063,349	(403,352)	119,324,524
7/1/2035-6/30/2036	0	0	8.5%	0	0	252,962	0	813,370	5,572,000	5.3%	6,136,392	3,984	119,328,509
7/1/2036-6/30/2037	0	0	8.5%	0	0	252,962	0	560,672	5,572,000	5.4%	6,243,568	363,859	119,692,367
7/1/2037-6/30/2038	0	0	8.5%	0	0	252,962	0	362,205	5,572,000	5.5%	6,372,769	691,526	120,383,893
7/1/2038-6/30/2039	0	0	8.5%	0	0	252,962	0	218,887	5,572,000	5.5%	6,523,440	985,516	121,369,409
7/1/2039-6/30/2040	0	0	8.5%	0	0	252,962	0	125,844	5,572,000	5.6%	6,695,096	1,250,215	122,619,624
7/1/2040-6/30/2041	0	0	8.5%	0	0	252,962	0	66,799	5,572,000	5.7%	6,887,822	1,501,986	124,121,610
7/1/2041-6/30/2042	0	0	8.5%	0	0	252,962	0	35,898	5,572,000	5.8%	7,102,400	1,747,465	125,869,075
7/1/2042-6/30/2043	0	0	8.5%	0	0	252,962	0	18,087	5,572,000	6.0%	7,340,381	2,003,257	127,872,332
7/1/2043-6/30/2044	0	0	8.5%	0	0	252,962	0	9,548	5,572,000	6.1%	7,604,153	2,275,567	130,147,899
7/1/2044-6/30/2045	0	0	8.5%	0	0	0	0	5,039	5,572,000	5.4%	6,840,646	1,263,607	131,411,506
7/1/2045-6/30/2046	0	0	8.5%	0	0	0	0	2,639	5,572,000	5.0%	6,372,211	797,572	132,209,078
7/1/2046-6/30/2047	0	0	8.5%	0	0	0	0	1,255	5,572,000	4.9%	6,392,493	819,238	133,028,316
7/1/2047-6/30/2048	0	0	8.5%	0	0	0	0	585	5,572,000	4.9%	6,412,996	840,411	133,868,727
7/1/2048-6/30/2049	0	0	8.5%	0	0	0	0	224	5,572,000	4.9%	6,433,665	861,441	134,730,168
7/1/2049-6/30/2050	0	0	8.5%	0	0	0	0	54	5,572,000	4.9%	6,454,451	882,397	135,612,565
7/1/2050-6/30/2051	0	0	8.5%	0	0	0	0	0	5,572,000	4.9%	6,475,310	903,310	136,515,875
7/1/2051-6/30/2052	0	0	8.5%	0	0	0	0	0	5,572,000	4.9%	6,496,193	924,193	137,440,068
7/1/2052-6/30/2053	0	0	8.5%	0	0	0	0	0	5,572,000	4.8%	6,517,054	945,054	138,385,122
7/1/2053-6/30/2054	0	0	8.5%	0	0	0	0	0	5,572,000	4.8%	6,537,843	965,843	139,350,965

Notes:

- (1) Based on active loan information from Cal-Mortgage
(2) From Section III, Appendix, Page 9 (based on a 7.5% default rate)
(3) Selected
(4) = $[(1) - (2)] \times [1 - (3)]$
(5) Average of [current and prior column(4)] x 0.5%
(6) From Section I, Exhibit 5

- (7) From Section I, Exhibit 3
(8) From Section III, Appendix, Page 4
(9) Administration expense increase @ 0.0% per year
(10) Selected investment yield
(11) = $[0.5 \times [(5) + (6) - (7) - (8) - (9)] + \text{prior cash balance}] \times (10)$
(12) = $(5) + (6) - (7) - (8) - (9) + (11)$
(13) = $(12) + (13) \text{ prior}$

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Cash Flow Analysis - New Loans Insured
Scenario 1: 150 Basis Points Increase
Based on Data as of June 30, 2024

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Year	Income for Annual Premium Loans					Income from Up-Front Premium Loans				Cash Inflow from Resolved Loans	Payment on Current Default	Payment on Future Default (Including Pipeline)	Administrative Expenses	Investment Yield	Investment Income	Net Cash Flow	Cash Balance
	Scheduled Amortized Balance	Estimated Default Amount	Percent Terminated & Refinance	Balance Net of Default and Termination	Premium Income	Issued Amount	Estimated Premium as Percent of Insured Amount	Premium Income	Certification and Inspection Fee Income								
7/1/2023-6/30/2024	0	0	8.5%	0	0	77,980,000		1,817,758	86,580	1,251,238	0	2,858,992	5,572,000	4.4%	6,028,537	7,068,797	135,077,220
7/1/2024-6/30/2025	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	5,596,247	5,761,448	4.4%	6,277,750	4,391,307	142,146,017
7/1/2025-6/30/2026	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	9,150,309	5,957,337	4.5%	6,434,554	798,160	146,537,324
7/1/2026-6/30/2027	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	10,408,535	6,159,887	4.6%	6,590,938	(506,232)	147,335,483
7/1/2027-6/30/2028	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	11,483,781	6,369,323	4.6%	6,630,413	(1,751,439)	146,829,251
7/1/2028-6/30/2029	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	11,622,095	6,585,880	4.8%	6,801,699	(1,935,024)	145,077,812
7/1/2029-6/30/2030	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	1,251,238	0	11,477,161	6,809,800	5.0%	6,993,447	(1,005,067)	143,142,787
7/1/2030-6/30/2031	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	1,251,238	0	11,274,690	7,041,333	5.0%	6,950,325	(1,077,251)	142,137,720
7/1/2031-6/30/2032	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	6,367,365	0	11,137,968	7,280,738	5.1%	7,053,688	4,039,554	141,060,469
7/1/2032-6/30/2033	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	252,962	0	11,026,247	7,528,283	5.1%	7,218,091	(2,046,269)	145,100,023
7/1/2033-6/30/2034	0	0	8.5%	0	0	207,000,000	4.43%	9,161,347	789,196	252,962	0	10,982,681	7,784,245	5.2%	7,222,857	(1,340,564)	143,053,754
7/1/2034-6/30/2035	0	0	8.5%	0	0	207,000,000	4.43%	9,161,347	789,196	252,962	0	11,004,636	8,048,909	5.3%	7,246,397	(1,603,643)	141,713,190
7/1/2035-6/30/2036	0	0	8.5%	0	0	207,000,000	4.43%	9,161,347	789,196	252,962	0	11,065,635	8,322,572	5.4%	7,269,703	(1,914,999)	140,109,548
7/1/2036-6/30/2037	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	11,189,646	8,605,540	5.5%	7,302,721	(1,279,484)	138,194,548
7/1/2037-6/30/2038	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	11,354,287	8,896,128	5.5%	7,343,227	(1,696,207)	136,915,064
7/1/2038-6/30/2039	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	11,581,904	9,200,664	5.6%	7,360,226	(2,209,361)	135,218,858
7/1/2039-6/30/2040	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	11,852,484	9,513,487	5.7%	7,347,663	(2,805,338)	133,009,496
7/1/2040-6/30/2041	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	12,143,717	9,836,946	5.8%	7,299,849	(3,467,833)	130,204,158
7/1/2041-6/30/2042	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	12,444,467	10,171,402	6.0%	7,211,351	(4,191,537)	126,736,326
7/1/2042-6/30/2043	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	12,719,638	10,517,229	6.1%	7,077,290	(4,946,597)	122,544,789
7/1/2043-6/30/2044	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	12,975,216	10,874,815	6.4%	5,970,189	(6,919,824)	117,598,192
7/1/2044-6/30/2045	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	13,191,354	11,244,559	5.0%	5,149,345	(8,326,550)	110,678,368
7/1/2045-6/30/2046	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	13,372,719	11,626,874	4.9%	4,708,683	(9,330,891)	102,351,819
7/1/2046-6/30/2047	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	13,519,903	12,022,188	4.9%	4,221,260	(10,360,812)	93,020,927
7/1/2047-6/30/2048	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	13,641,056	12,430,942	4.9%	3,686,185	(11,425,795)	82,660,115
7/1/2048-6/30/2049	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	13,736,934	12,853,594	4.9%	3,102,338	(12,528,173)	71,234,320
7/1/2049-6/30/2050	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	13,812,568	13,290,616	4.9%	2,468,441	(13,674,725)	58,706,148
7/1/2050-6/30/2051	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	13,868,934	13,742,497	4.9%	1,783,053	(14,868,360)	45,031,422
7/1/2051-6/30/2052	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	13,887,898	14,209,742	4.8%	1,045,129	(16,092,492)	30,163,062
7/1/2052-6/30/2053	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	13,802,057	14,692,873	4.8%	255,687	(17,279,225)	14,070,570
7/1/2053-6/30/2054	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0					(3,208,655)	

Notes:

- (1) Based on active loan information from Cal-Mortgage
(2) From Section III, Appendix, Page 9 (based on a 7.5% default rate)
(3) Selected
(4) $= [(1) - (2)] \times [1 - (3)]$
(5) Average of [Current and Prior Column(4)] $\times 0.5\%$
(6) Provided by Cal-Mortgage
(7) From Section III, Exhibit 6
(8) $= (6) \times (7)$

- (9) Issued Amount $\times (1 - \% \text{Refinanced}) \times 0.4\%$
(10) From Section I, Exhibit 5
(11) From Section I, Exhibit 3
(12) From Section III, Appendix, Page 6
(13) Administration expense increase @ 3.4% per year
(14) Selected Investment Yield
(15) $= [0.5 \times [(5) + (8) + (9) + (10) - (11) - (12) - (13)] + \text{prior cash balance}] \times (14)$
(16) $= (5) + (8) + (9) + (10) - (11) - (12) - (13) + (15)$
(17) $= (16) + (17) \text{ prior}$

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Cash Flow Analysis - New Loans Insured
Scenario 2: 300 Basis Points Increase
Based on Data as of June 30, 2024

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Year	Income for Annual Premium Loans					Income from Up-Front Premium Loans				Cash Inflow from Resolved Loans	Payment on Current Default	Payment on Future Default (Including Pipeline)	Administrative Expenses	Investment Yield	Investment Income	Net Cash Flow	Cash Balance
	Scheduled Amortized Balance	Estimated Default Amount	Percent Terminated & Refinance	Balance Net of Default and Termination	Premium Income	Issued Amount	Estimated Premium as Percent of Insured Amount	Premium Income	Certification and Inspection Fee Income								
7/1/2023-6/30/2024	0	0	8.5%	0	0	77,980,000		1,817,758	86,580	1,251,238	0	3,256,772	5,572,000	4.4%	6,019,695	6,662,175	135,077,220
7/1/2024-6/30/2025	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	6,375,271	5,761,448	4.4%	6,242,355	3,576,887	141,739,395
7/1/2025-6/30/2026	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	10,429,240	5,957,337	4.5%	6,351,256	(564,069)	145,316,282
7/1/2026-6/30/2027	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	11,875,978	6,159,887	4.6%	6,438,893	(2,125,720)	144,752,212
7/1/2027-6/30/2028	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	13,124,170	6,369,323	4.6%	6,396,925	(3,625,315)	142,626,492
7/1/2028-6/30/2029	0	0	8.5%	0	0	171,000,000	4.43%	7,568,069	651,944	1,251,238	0	13,312,037	6,585,880	4.8%	6,467,118	(3,959,547)	139,001,177
7/1/2029-6/30/2030	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	1,251,238	0	12,984,684	6,809,800	5.0%	6,543,463	(3,158,742)	135,041,630
7/1/2030-6/30/2031	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	1,251,238	0	12,860,188	7,041,333	5.0%	6,391,284	(3,346,287)	131,882,888
7/1/2031-6/30/2032	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	6,367,365	0	7,280,738	7,280,738	5.1%	6,377,148	1,640,795	128,536,602
7/1/2032-6/30/2033	0	0	8.5%	0	0	188,000,000	4.43%	8,320,451	716,757	252,962	0	12,760,483	7,528,283	5.1%	6,406,718	(4,591,878)	130,177,397
7/1/2033-6/30/2034	0	0	8.5%	0	0	207,000,000	4.43%	9,161,347	789,196	252,962	0	12,734,661	7,784,245	5.2%	6,268,070	(4,047,330)	125,585,519
7/1/2034-6/30/2035	0	0	8.5%	0	0	207,000,000	4.43%	9,161,347	789,196	252,962	0	12,781,210	8,048,909	5.3%	5,984,103	(4,491,987)	121,538,189
7/1/2035-6/30/2036	0	0	8.5%	0	0	207,000,000	4.43%	9,161,347	789,196	252,962	0	12,869,604	8,322,572	5.4%	5,826,285	(5,004,568)	117,046,202
7/1/2036-6/30/2037	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	13,027,998	8,605,540	5.5%	5,454,145	(4,594,272)	112,041,634
7/1/2037-6/30/2038	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	13,230,504	8,898,128	5.5%	5,173,432	(5,258,864)	107,447,362
7/1/2038-6/30/2039	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	13,503,630	9,200,664	5.6%	4,841,876	(6,049,168)	102,188,498
7/1/2039-6/30/2040	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	13,824,639	9,513,487	5.7%	4,438,566	(6,951,713)	96,139,338
7/1/2040-6/30/2041	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	14,168,533	9,836,946	5.8%	4,040,161	(7,950,622)	89,187,617
7/1/2041-6/30/2042	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	14,522,338	10,171,402	6.0%	3,954,876	(9,042,194)	81,236,994
7/1/2042-6/30/2043	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	252,962	0	14,845,387	10,517,229	6.1%	2,925,673	(10,194,759)	72,194,801
7/1/2043-6/30/2044	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	15,144,730	10,874,815	5.4%	1,389,307	(12,133,854)	62,000,041
7/1/2044-6/30/2045	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	15,397,542	11,244,559	5.0%	1,044,751	(13,600,101)	49,866,188
7/1/2045-6/30/2046	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	15,609,468	11,626,874	4.9%	838,006	(14,887,016)	36,266,087
7/1/2046-6/30/2047	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	15,781,338	12,022,188	4.9%	638,006	(16,205,501)	21,379,070
7/1/2047-6/30/2048	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	15,922,767	12,430,942	4.9%	(172,926)	(17,566,616)	15,773,500
7/1/2048-6/30/2049	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	16,034,679	12,853,594	4.9%	(1,978,905)	(18,973,006)	(12,393,047)
7/1/2049-6/30/2050	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	16,122,949	13,290,616	4.9%	(2,976,997)	(20,432,452)	(31,363,053)
7/1/2050-6/30/2051	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	16,188,732	13,742,497	4.9%	(4,040,161)	(21,948,207)	(51,798,504)
7/1/2051-6/30/2052	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	16,210,859	14,209,742	4.8%	(5,167,109)	(23,500,744)	(73,746,712)
7/1/2052-6/30/2053	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0	16,110,653	14,692,873	4.8%		(97,247,456)	(122,258,073)
7/1/2053-6/30/2054	0	0	8.5%	0	0	228,000,000	4.43%	10,090,759	869,259	0	0						

Notes:

- (1) Based on active loan information from Cal-Mortgage
(2) From Section III, Appendix, Page 9 (based on a 7.5% default rate)
(3) Selected
(4) = [(1) - (2)] x [1 - (3)]
(5) Average of [Current and Prior Column(4)] x 0.5%
(6) Provided by Cal-Mortgage
(7) From Section III, Exhibit 6
(8) = (6) x (7)

- (9) Issued Amount x (1 - % Refinanced) x 0.4%
(10) From Section I, Exhibit 5
(11) From Section I, Exhibit 3
(12) From Section III, Appendix, Page 8
(13) Administration expense increase @ 3.4% per year
(14) Selected Investment Yield
(15) = [0.5 x [(5) + (8) + (9) + (10) - (11) - (12) - (13)] + prior cash balance] x (14)
(16) = (5) + (8) + (9) + (10) - (11) - (12) - (13) + (15)
(17) = (16) + (17) prior

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Estimate of Cal-Mortgage's Default Rate
Based on Data as of June 30, 2024

	Industry Loss Experience	Cal-Mortgage	
		Including Triad	Excluding Triad
(1) Selected Hospitals Default Rate	0.95%		
(2) Cal-Mortgage's Hospitals In-Force Current Principal Balance	274,667,178		
(3) Selected Nursing Homes Default Rate	15.75%		
(4) Cal-Mortgage's Nursing Homes In-Force Current Principal Balance	1,021,235,058		
(5) Combined Cal-Mortgage's Hospitals and Nursing Homes Default Rate	12.61%	4.33%	2.19%
(6) 2022 Selected Default Rate	6.86%		
(7) New Selected Long-Term Default Rate	7.47%		
(8) Original Loan Amount Default as of 6/30/2024 - Expected vs. Actual	323,765,828	369,094,120	186,864,120

Notes:

- (1) From Section III, Exhibit 2, Page 2, Row (7)
- (2) Provided by Cal-Mortgage
- (3) From Section III, Exhibit 2, Page 3, Row (7)
- (4) Provided by Cal-Mortgage
- (5) $= [(1) \times (2) + (3) \times (4)] / [(2) + (4)]$
- (6) From Cal-Mortgage Analysis at 6/30/2022
- (7) Selected
- (8) Based on (7) and Cal-Mortgage Data

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Hospitals
Selection of Ultimate Default Rate
Based on Data as of June 30, 2024

	(1)	(2)	(3)	(4)	(5)	(6)
Issue Year	Exposure Base	Actual Original Loan Balance Default Rate	Development Method Ultimate	Bornhuetter-Ferguson Method Ultimate	Prior Selected Ultimate Default Rate	Selected Ultimate Default Rate
1981	4,606,300	No Update Available for Income Securities Investment Data			1.94%	1.94%
1982	8,153,200				1.13%	1.13%
1983	8,817,100				0.28%	0.28%
1984	7,589,500				0.23%	0.23%
1985	23,821,200				0.91%	0.91%
1986	7,184,300				3.88%	3.88%
1987	11,121,100				1.92%	1.92%
1988	10,757,500				0.45%	0.45%
1989	13,397,300				0.61%	0.61%
1990	12,003,000				0.82%	0.82%
1991	15,968,000				2.77%	2.77%
1992	20,414,100				2.70%	2.70%
1993	29,001,500				1.39%	1.39%
1994	13,536,700				1.14%	1.14%
1995	11,442,100				0.29%	0.29%
1996	16,356,200				3.30%	3.30%
1997	22,036,300				1.00%	1.00%
1998	33,623,500				0.94%	0.94%
1999	21,678,800				0.45%	0.45%
2000	14,147,100				0.05%	0.05%
2001	20,232,300				0.05%	0.05%
2002	21,982,400				0.44%	0.44%
2003	25,228,700				2.36%	2.36%
2004	25,692,900				0.13%	0.13%
2005	34,116,970				0.43%	0.43%
2006	32,707,970				0.16%	0.16%
2007	40,993,880				2.64%	2.64%
2008	58,164,990				0.86%	0.86%
2009	43,923,150			0.05%	0.05%	
2010	28,106,270			0.27%	0.27%	
2011	22,644,540			0.25%	0.25%	
2012	27,202,420			0.59%	0.59%	
2013	18,424,500			0.24%	0.24%	
2014	16,235,790			0.30%	0.30%	
2015	23,098,300			0.50%	0.50%	
2016	37,247,500			0.51%	0.51%	
2017	34,727,680			0.63%	0.63%	
2018	22,826,360			2.53%	2.53%	
2019	29,126,550			0.91%	0.91%	
2020	25,589,230			1.02%	1.02%	
2021	22,828,260			1.05%	1.05%	
2022	18,734,270				1.05%	
2023	12,347,960				1.05%	

Notes:

- (1) From Alacra, Inc. for 1981 - 2004 and from Refinitiv US, LLC. for 2005 and subsequent
(2) Data Not Available
(3) Data Not Available
(4) Data Not Available
(5) From Cal-Mortgage Analysis at 6/30/2022
(6) Selected
(7) Selected

Weighted Average 1981-2019	0.95%
Weighted Average 1981-1987	1.31%
Weighted Average 1988-2008	1.12%
Weighted Average 2009-2019	0.58%
Arithmetic Average 1981-2019	1.03%
Arithmetic Average 1981-1987	1.47%
Arithmetic Average 1988-2008	1.09%
Arithmetic Average 2009-2019	0.62%
Prior Selection	0.95%
(7) Selected Long-Term Default Rate	0.95%

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Nursing Homes
Selection of Ultimate Default Rate
Based on Data as of June 30, 2024

(1) Issue Year	(2) Exposure Base	(3) Actual Original Loan Balance Default Rate	(4) Development Method Ultimate	(5) Bornhuetter- Ferguson Method	(6) Prior Selected Ultimate	(7) Selected Ultimate Default Rate
1981	392,300				37.09%	37.09%
1982	838,700				40.17%	40.17%
1983	795,000				54.32%	54.32%
1984	739,700				40.39%	40.39%
1985	1,160,300				26.26%	26.26%
1986	772,800				24.40%	24.40%
1987	914,300				13.44%	13.44%
1988	1,451,700				8.57%	8.57%
1989	1,561,600				4.76%	4.76%
1990	1,678,600				9.77%	9.77%
1991	1,538,500				2.23%	2.23%
1992	2,429,300				5.22%	5.22%
1993	2,515,600				9.04%	9.04%
1994	2,427,400				11.41%	11.41%
1995	1,986,300				14.60%	14.60%
1996	3,040,500				10.33%	10.33%
1997	3,523,600				9.03%	9.03%
1998	5,077,800				9.65%	9.65%
1999	4,981,900				8.39%	8.39%
2000	2,876,400				5.74%	5.74%
2001	2,919,300				6.06%	6.06%
2002	3,787,200				3.72%	3.72%
2003	3,228,400				3.27%	3.27%
2004	3,222,300				6.51%	6.51%
2005	4,276,270				1.42%	1.42%
2006	6,010,820				3.15%	3.15%
2007	7,837,320				8.40%	8.40%
2008	2,498,740				7.85%	7.85%
2009	1,953,000				15.09%	15.09%
2010	2,729,090				15.73%	15.73%
2011	1,217,210				20.58%	20.58%
2012	3,680,230				19.00%	19.00%
2013	2,804,940				10.58%	10.58%
2014	2,717,980				30.20%	30.20%
2015	3,797,800				13.69%	13.69%
2016	5,690,630				20.73%	20.73%
2017	6,195,970				29.65%	29.65%
2018	4,678,190				31.42%	31.42%
2019	5,276,660				17.99%	17.99%
2020	3,844,000				22.11%	22.11%
2021	6,403,150				20.00%	20.00%
2022	2,146,880					20.00%
2023	1,701,990					20.00%

No Update Available for
Income Securities Investment Data

Notes:

- (1) From Alacra, Inc. for 1981 - 2004 and from
Refinitiv US, LLC. for 2005 and subsequent
(2) Data Not Available
(3) Data Not Available
(4) Data Not Available
(5) From Cal-Mortgage Analysis at 6/30/2022
(6) Selected
(7) Selected

Weighted Average 1981-2019 13.31%
Weighted Average 1981-1987 32.59%
Weighted Average 1988-2008 6.91%
Weighted Average 2009-2019 21.47%
Arithmetic Average 1981-2019 15.64%
Arithmetic Average 1981-1987 33.72%
Arithmetic Average 1988-2008 7.10%
Arithmetic Average 2009-2019 20.42%

Prior Selection 15.75%

(7) Selected Long-Term Default Rate 15.75%

No Update Available for
Income Securities Investment Data

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Estimate of Cal-Mortgage's Loss Severity
Based on Data as of June 30, 2024

	(1)	(2)	(3)	(4)
Facility Type	Income Securities Investors Data	Actual Cal-Mortgage Experience (Including Triad)	Prior Selected	Selected
Hospitals		N/A	N/A	N/A
Nursing Home		N/A	N/A	N/A
TOTALS		72.5%	64.5%	68.5%

Notes:

(1) *Data Not Available*

(1) *From Section III, Exhibit 3, Page 2*

(2) *From Cal-Mortgage Analysis at 6/30/2022*

(3) *Selected*

Office of Health Facility Loan Insurance
California Health Facility Construction loan Insurance program

Cal-Mortgage's Loss Severity (Actual Experience Including Triad)
Based on Data as of June 30, 2024

(1) Total Defaulted as of 6/30/2024	0
(2) Net Paid at 6/30/2024	0
(3) Sherman Oaks Original Loan Balance	182,230,000
(4) Loss on Current Defaults	182,230,000
(5) Net Paid on Resolved Loans	60,379,451
(6) Expected Recoveries on Resolved Loans	13,820,948
(7) Total Outlay	228,788,502
(8) Defaulted Original Loan Amount	0
(9) Resolved Original Loan Amount	315,655,805
(10) Total Loan Amount	315,655,805
(11) Indicated Loss Severity	72.5%

Notes:

- (1) From Section I, Exhibit 2
(2) Provided by Cal-Mortgage
(3) Provided by Cal-Mortgage
(4) = (1) + (2) + (3);
Including Triad (Sherman Oaks)
Original Loan Balance
(5) Provided by Cal-Mortgage
(6) From Section I, Exhibits 4 and 5
(7) = (4) + (5) + (6)
(8) Provided by Cal-Mortgage
(9) Provided by Cal-Mortgage
(10) = (8) + (9)
(11) = (7) / (10)

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Estimate of Cal-Mortgage's Cumulative Loss Payment Pattern
Based on Data as of June 30, 2024

	(1)	(2)	(3)
Years From Default	Income Securities Investors Data	Prior Selection	Selected
0	21.1%	20.5%	20.5%
1	41.1%	41.0%	41.0%
2	68.8%	68.5%	68.5%
3	80.8%	80.5%	80.5%
4	91.3%	91.5%	91.5%
5	95.4%	95.5%	95.5%
6	97.3%	97.5%	97.5%
7	98.8%	98.5%	98.5%
8	99.3%	99.3%	99.3%
9	99.5%	99.5%	99.5%
10	99.7%	99.7%	99.7%
11	99.9%	99.9%	99.9%
12	100.0%	100.0%	100.0%
13	100.0%	100.0%	100.0%

Notes:

- (1) From Income Securities Investors, LLC; based on selections from Cal-Mortgage Analysis at 6/30/2022
- (2) From Cal-Mortgage Analysis at 6/30/2022
- (3) Selected

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Hospitals and Nursing Homes Combined
Analysis of Settlement Pattern after Loan Default (\$000s)

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Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Historical Termination Rate
Based on Data as of June 30, 2024

(1) Fiscal Year End	(2) Outstanding Balance	(3) Including Refinanced Loans		(4) Excluding Refinanced Loans	
		Terminated Loans	Termination Rate	Terminated Loans	Termination Rate
2002	1,166,847,458	66,072,545	5.7%	no data	
2003	1,244,637,412	66,600,000	5.4%	62,425,000	5.0%
2004	1,329,588,053	112,540,000	8.5%	55,965,000	4.2%
2005	1,260,565,324	140,022,148	11.1%	83,782,148	6.6%
2006	1,254,779,406	43,985,000	3.5%	34,830,000	2.8%
2007	1,132,647,525	152,015,000	13.4%	139,530,000	12.3%
2008	1,374,064,775	67,057,777	4.9%	56,362,777	4.1%
2009	1,655,191,905	63,009,971	3.8%	63,009,971	3.8%
2010	1,735,067,632	16,220,755	0.9%	9,720,755	0.6%
2011	1,810,529,285	102,687,212	5.7%	90,762,212	5.0%
2012	1,714,993,295	151,868,952	8.9%	102,558,952	6.0%
2013	1,726,980,115	391,406,790	22.7%	142,846,790	8.3%
2014	1,671,379,249	339,040,000	20.3%	233,550,000	14.0%
2015	1,773,230,552	103,506,653	5.8%	73,506,653	4.1%
2016	1,637,990,120	328,208,594	20.0%	63,823,594	3.9%
2017	1,590,800,080	415,480,000	26.1%	206,225,000	13.0%
2018	1,679,591,385	43,577,000	2.6%	35,117,000	2.1%
2019	1,816,496,274	38,485,000	2.1%	31,370,000	1.7%
2020	1,780,317,746	195,430,000	11.0%	25,805,000	1.4%
2021	1,661,201,598	336,115,000	20.2%	160,725,000	9.7%
2022	1,548,180,135	151,500,000	9.8%	119,205,000	7.7%
2023	1,386,594,261	322,765,535	23.3%	257,840,000	18.6%
2024	1,295,902,235	64,635,000	5.0%	-	0.0%
TOTALS	35,247,575,820	3,712,228,932	10.5%	2,048,960,852	6.0%

Estimated Termination Rate

(6) Fiscal Year	(7) Termination Rate
7/1/2024-6/30/2025 and subsequent	8.5%

Notes:

- (1) Provided by Cal-Mortgage
(2) Provided by Cal-Mortgage
(3) = (2) / (1)
(4) Provided by Cal-Mortgage
(5) = (4) / (1)
(6) Selected
(7) Selected

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

Estimated Premium Rate

	(1)	(2)
Risk Category	Weight	Premium Rate
Below Investment Grade	75.0%	3.00%
Investment Grade	25.0%	1.85%

(3)	Combined	2.71%
(4)	Ratio of Principal & Interest to Principal for Current Borrower Portfolio	1.632
(5)	Effective Premium Rate as a Percent of the Principal	4.43%

Notes:

- (1) *Provided by Cal-Mortgage*
- (2) *From the Cal-Mortgage Loan Insurance Premium Fee Schedule*
- (3) *Sum of column (2) weighted by column (1)*
- (4) *Based on active loan information from Cal-Mortgage*
- (5) *= (3) x (4)*

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Estimated Amount of Loan Default by Fiscal Year - New Loans Insured
Baseline Scenario
Based on Data as of June 30, 2024

Issue Year	Total Loan Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by Fiscal Year
7/1/1989-6/30/1990	285,070,000	3.40%	9,689,495	420	100%	7/1/2024-6/30/2025	17,526,879
7/1/1990-6/30/1991	502,627,148	3.40%	17,084,237	408	100%	7/1/2025-6/30/2026	16,777,712
7/1/1991-6/30/1992	340,350,000	3.40%	11,568,456	396	100%	7/1/2026-6/30/2027	15,764,584
7/1/1992-6/30/1993	425,234,203	3.40%	14,453,660	384	100%	7/1/2027-6/30/2028	15,140,752
7/1/1993-6/30/1994	269,577,356	3.40%	9,162,902	372	100%	7/1/2028-6/30/2029	14,583,018
7/1/1994-6/30/1995	86,855,000	3.40%	2,952,191	360	100%	7/1/2029-6/30/2030	14,184,857
7/1/1995-6/30/1996	122,845,000	3.40%	4,175,487	348	100%	7/1/2030-6/30/2031	13,546,216
7/1/1996-6/30/1997	96,845,000	3.40%	3,291,750	336	100%	7/1/2031-6/30/2032	13,309,257
7/1/1997-6/30/1998	288,615,000	3.40%	9,809,990	324	100%	7/1/2032-6/30/2033	13,447,725
7/1/1998-6/30/1999	30,100,000	3.40%	1,023,095	312	100%	7/1/2033-6/30/2034	13,410,792
7/1/1999-6/30/2000	135,160,000	3.40%	4,594,072	300	100%	7/1/2034-6/30/2035	13,345,155
7/1/2000-6/30/2001	153,995,000	3.40%	5,234,272	288	100%	7/1/2035-6/30/2036	13,548,847
7/1/2001-6/30/2002	183,335,000	3.40%	6,231,535	276	100%	7/1/2036-6/30/2037	13,707,332
7/1/2002-6/30/2003	157,890,000	3.40%	5,366,662	264	100%	7/1/2037-6/30/2038	14,039,970
7/1/2003-6/30/2004	198,201,000	3.40%	6,736,828	252	100%	7/1/2038-6/30/2039	14,364,040
7/1/2004-6/30/2005	47,200,000	3.40%	1,604,322	240	100%	7/1/2039-6/30/2040	14,726,021
7/1/2005-6/30/2006	68,565,000	3.40%	2,330,516	228	100%	7/1/2040-6/30/2041	15,195,511
7/1/2006-6/30/2007	26,224,359	3.40%	891,363	216	100%	7/1/2041-6/30/2042	15,534,152
7/1/2007-6/30/2008	332,810,000	3.40%	11,312,172	204	99%	7/1/2042-6/30/2043	15,860,518
7/1/2008-6/30/2009	354,360,000	3.40%	12,044,654	192	98%	7/1/2043-6/30/2044	16,118,865
7/1/2009-6/30/2010	135,035,000	9.47%	12,783,232	180	97%	7/1/2044-6/30/2045	16,354,616
7/1/2010-6/30/2011	190,190,000	9.47%	18,004,539	168	96%	7/1/2045-6/30/2046	16,519,130
7/1/2011-6/30/2012	55,860,000	9.47%	5,288,046	156	93%	7/1/2046-6/30/2047	16,637,284
7/1/2012-6/30/2013	361,555,000	9.47%	34,226,989	144	91%	7/1/2047-6/30/2048	16,751,456
7/1/2013-6/30/2014	258,081,893	9.47%	24,431,597	132	87%	7/1/2048-6/30/2049	16,846,556
7/1/2014-6/30/2015	241,145,000	9.47%	22,828,248	120	82%	7/1/2049-6/30/2050	16,896,212
7/1/2015-6/30/2016	263,524,235	9.47%	24,946,802	108	77%	7/1/2050-6/30/2051	16,943,934
7/1/2016-6/30/2017	374,545,000	9.47%	35,456,701	96	72%	7/1/2051-6/30/2052	16,973,487
7/1/2017-6/30/2018	238,740,000	9.47%	22,600,576	84	62%	7/1/2052-6/30/2053	16,850,007
7/1/2018-6/30/2019	192,050,000	9.47%	18,180,618	72	52%	7/1/2053-6/30/2054	16,318,729
7/1/2019-6/30/2020	167,700,000	9.47%	15,875,499	60	40%		
7/1/2020-6/30/2021	75,780,000	9.47%	7,173,794	48	28%		
7/1/2021-6/30/2022	113,320,000	9.47%	10,727,558	36	13%		
7/1/2022-6/30/2023	232,890,000	9.47%	22,046,780	24	4%		
7/1/2023-6/30/2024	77,980,000	9.47%	7,382,060	12	1%		
7/1/2024-6/30/2025	171,000,000	7.30%	12,480,008		0%		
7/1/2025-6/30/2026	171,000,000	7.39%	12,628,908		0%		
7/1/2026-6/30/2027	171,000,000	7.42%	12,682,861		0%		
7/1/2027-6/30/2028	171,000,000	7.43%	12,712,210		0%		
7/1/2028-6/30/2029	171,000,000	7.45%	12,747,327		0%		
7/1/2029-6/30/2030	171,000,000	7.45%	12,736,726		0%		
7/1/2030-6/30/2031	188,000,000	7.46%	14,024,986		0%		
7/1/2031-6/30/2032	188,000,000	7.46%	14,025,765		0%		
7/1/2032-6/30/2033	188,000,000	7.47%	14,037,207		0%		
7/1/2033-6/30/2034	188,000,000	7.47%	14,038,835		0%		
7/1/2034-6/30/2035	207,000,000	7.47%	15,455,472		0%		
7/1/2035-6/30/2036	207,000,000	7.47%	15,455,853		0%		
7/1/2036-6/30/2037	207,000,000	7.47%	15,455,344		0%		
7/1/2037-6/30/2038	228,000,000	7.47%	17,026,844		0%		
7/1/2038-6/30/2039	228,000,000	7.47%	17,027,501		0%		
7/1/2039-6/30/2040	228,000,000	7.47%	17,027,436		0%		
7/1/2040-6/30/2041	228,000,000	7.47%	17,026,318		0%		
7/1/2041-6/30/2042	228,000,000	7.47%	17,025,838		0%		
7/1/2042-6/30/2043	228,000,000	7.47%	17,026,474		0%		
7/1/2043-6/30/2044	228,000,000	7.47%	17,027,046		0%		
7/1/2044-6/30/2045	228,000,000	7.47%	17,027,293		0%		
7/1/2045-6/30/2046	228,000,000	7.47%	17,026,904		0%		
7/1/2046-6/30/2047	228,000,000	7.47%	17,026,574		0%		
7/1/2047-6/30/2048	228,000,000	7.47%	17,026,561		0%		
7/1/2048-6/30/2049	228,000,000	7.47%	17,026,794		0%		
7/1/2049-6/30/2050	228,000,000	7.47%	17,026,985		0%		
7/1/2050-6/30/2051	228,000,000	7.47%	17,026,944		0%		
7/1/2051-6/30/2052	228,000,000	7.47%	17,026,800		0%		
7/1/2052-6/30/2053	228,000,000	7.47%	17,026,761		0%		
7/1/2053-6/30/2054	228,000,000	7.47%	17,026,761		0%		

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Estimated Loss Payment for Future Default by Fiscal Year - New Loans Insured
Baseline Scenario
Based on Data as of June 30, 2024**

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2024-6/30/2025	17,526,879	68.5%	12,005,912	2,461,212
7/1/2025-6/30/2026	16,777,712	68.5%	11,492,733	4,817,222
7/1/2026-6/30/2027	15,764,584	68.5%	10,798,740	7,871,378
7/1/2027-6/30/2028	15,140,752	68.5%	10,371,415	8,941,093
7/1/2028-6/30/2029	14,583,018	68.5%	9,989,367	9,843,392
7/1/2029-6/30/2030	14,184,857	68.5%	9,716,627	9,932,154
7/1/2030-6/30/2031	13,546,216	68.5%	9,279,158	9,773,471
7/1/2031-6/30/2032	13,309,257	68.5%	9,116,841	9,564,695
7/1/2032-6/30/2033	13,447,725	68.5%	9,211,692	9,415,749
7/1/2033-6/30/2034	13,410,792	68.5%	9,186,392	9,292,011
7/1/2034-6/30/2035	13,345,155	68.5%	9,141,431	9,230,701
7/1/2035-6/30/2036	13,548,847	68.5%	9,280,960	9,228,062
7/1/2036-6/30/2037	13,707,332	68.5%	9,389,523	9,261,666
7/1/2037-6/30/2038	14,039,970	68.5%	9,617,379	9,351,295
7/1/2038-6/30/2039	14,364,040	68.5%	9,839,367	9,478,069
7/1/2039-6/30/2040	14,726,021	68.5%	10,087,324	9,660,178
7/1/2040-6/30/2041	15,195,511	68.5%	10,408,925	9,880,329
7/1/2041-6/30/2042	15,534,152	68.5%	10,640,894	10,118,901
7/1/2042-6/30/2043	15,860,518	68.5%	10,864,455	10,366,596
7/1/2043-6/30/2044	16,118,865	68.5%	11,041,423	10,593,889
7/1/2044-6/30/2045	16,354,616	68.5%	11,202,912	10,805,702
7/1/2045-6/30/2046	16,519,130	68.5%	11,315,604	10,985,166
7/1/2046-6/30/2047	16,637,284	68.5%	11,396,539	11,135,971
7/1/2047-6/30/2048	16,751,456	68.5%	11,474,747	11,258,468
7/1/2048-6/30/2049	16,846,556	68.5%	11,539,891	11,359,346
7/1/2049-6/30/2050	16,896,212	68.5%	11,573,905	11,439,190
7/1/2050-6/30/2051	16,943,934	68.5%	11,606,595	11,502,187
7/1/2051-6/30/2052	16,973,487	68.5%	11,626,838	11,549,137
7/1/2052-6/30/2053	16,850,007	68.5%	11,542,255	11,564,937
7/1/2053-6/30/2054	16,318,729	68.5%	11,178,329	11,493,460

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Estimated Amount of Loan Default by Fiscal Year - No New Loans Insured (Runoff)
Baseline Scenario
Based on Data as of June 30, 2024

Issue Year	Total Loan Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by Fiscal Year
7/1/1989-6/30/1990	285,070,000	3.40%	9,689,495	420	100%	7/1/2024-6/30/2025	12,720,769
7/1/1990-6/30/1991	502,627,148	3.40%	17,084,237	408	100%	7/1/2025-6/30/2026	10,284,694
7/1/1991-6/30/1992	340,350,000	3.40%	11,568,456	396	100%	7/1/2026-6/30/2027	8,285,171
7/1/1992-6/30/1993	425,234,203	3.40%	14,453,660	384	100%	7/1/2027-6/30/2028	6,349,623
7/1/1993-6/30/1994	269,577,356	3.40%	9,162,902	372	100%	7/1/2028-6/30/2029	4,971,966
7/1/1994-6/30/1995	86,855,000	3.40%	2,952,191	360	100%	7/1/2029-6/30/2030	3,862,088
7/1/1995-6/30/1996	122,845,000	3.40%	4,175,487	348	100%	7/1/2030-6/30/2031	2,855,461
7/1/1996-6/30/1997	96,845,000	3.40%	3,291,750	336	100%	7/1/2031-6/30/2032	1,900,194
7/1/1997-6/30/1998	288,615,000	3.40%	9,809,990	324	100%	7/1/2032-6/30/2033	1,406,068
7/1/1998-6/30/1999	30,100,000	3.40%	1,023,095	312	100%	7/1/2033-6/30/2034	925,347
7/1/1999-6/30/2000	135,160,000	3.40%	4,594,072	300	100%	7/1/2034-6/30/2035	620,584
7/1/2000-6/30/2001	153,995,000	3.40%	5,234,272	288	100%	7/1/2035-6/30/2036	358,065
7/1/2001-6/30/2002	183,335,000	3.40%	6,231,535	276	100%	7/1/2036-6/30/2037	169,040
7/1/2002-6/30/2003	157,890,000	3.40%	5,366,662	264	100%	7/1/2037-6/30/2038	78,983
7/1/2003-6/30/2004	198,201,000	3.40%	6,736,828	252	100%	7/1/2038-6/30/2039	0
7/1/2004-6/30/2005	47,200,000	3.40%	1,604,322	240	100%	7/1/2039-6/30/2040	0
7/1/2005-6/30/2006	68,565,000	3.40%	2,330,516	228	100%	7/1/2040-6/30/2041	0
7/1/2006-6/30/2007	26,224,359	3.40%	891,363	216	100%	7/1/2041-6/30/2042	0
7/1/2007-6/30/2008	332,810,000	3.40%	11,312,172	204	99%	7/1/2042-6/30/2043	0
7/1/2008-6/30/2009	354,360,000	3.40%	12,044,654	192	98%	7/1/2043-6/30/2044	0
7/1/2009-6/30/2010	135,035,000	9.47%	12,783,232	180	97%	7/1/2044-6/30/2045	0
7/1/2010-6/30/2011	190,190,000	9.47%	18,004,539	168	96%	7/1/2045-6/30/2046	0
7/1/2011-6/30/2012	55,860,000	9.47%	5,288,046	156	93%	7/1/2046-6/30/2047	0
7/1/2012-6/30/2013	361,555,000	9.47%	34,226,989	144	91%	7/1/2047-6/30/2048	0
7/1/2013-6/30/2014	258,081,893	9.47%	24,431,597	132	87%	7/1/2048-6/30/2049	0
7/1/2014-6/30/2015	241,145,000	9.47%	22,828,248	120	82%	7/1/2049-6/30/2050	0
7/1/2015-6/30/2016	263,524,235	9.47%	24,946,802	108	77%	7/1/2050-6/30/2051	0
7/1/2016-6/30/2017	374,545,000	9.47%	35,456,701	96	72%	7/1/2051-6/30/2052	0
7/1/2017-6/30/2018	238,740,000	9.47%	22,600,576	84	62%	7/1/2052-6/30/2053	0
7/1/2018-6/30/2019	192,050,000	9.47%	18,180,618	72	52%	7/1/2053-6/30/2054	0
7/1/2019-6/30/2020	167,700,000	9.47%	15,875,499	60	40%		
7/1/2020-6/30/2021	75,780,000	9.47%	7,173,794	48	28%		
7/1/2021-6/30/2022	113,320,000	9.47%	10,727,558	36	13%		
7/1/2022-6/30/2023	232,890,000	9.47%	22,046,780	24	4%		
7/1/2023-6/30/2024	77,980,000	9.47%	7,382,060	12	1%		

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Estimated Loss Payment for Future Default by Fiscal Year - No New Loans Insured (Runoff)
Baseline Scenario
Based on Data as of June 30, 2024**

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2024-6/30/2025	12,720,769	68.5%	8,713,726	1,786,314
7/1/2025-6/30/2026	10,284,694	68.5%	7,045,016	3,230,542
7/1/2026-6/30/2027	8,285,171	68.5%	5,675,342	5,003,948
7/1/2027-6/30/2028	6,349,623	68.5%	4,349,492	5,038,117
7/1/2028-6/30/2029	4,971,966	68.5%	3,405,797	4,954,465
7/1/2029-6/30/2030	3,862,088	68.5%	2,645,530	4,241,174
7/1/2030-6/30/2031	2,855,461	68.5%	1,955,991	3,482,208
7/1/2031-6/30/2032	1,900,194	68.5%	1,301,633	2,737,525
7/1/2032-6/30/2033	1,406,068	68.5%	963,156	2,121,927
7/1/2033-6/30/2034	925,347	68.5%	633,863	1,564,828
7/1/2034-6/30/2035	620,584	68.5%	425,100	1,147,663
7/1/2035-6/30/2036	358,065	68.5%	245,274	813,370
7/1/2036-6/30/2037	169,040	68.5%	115,793	560,672
7/1/2037-6/30/2038	78,983	68.5%	54,103	362,205
7/1/2038-6/30/2039	0	68.5%	0	218,887
7/1/2039-6/30/2040	0	68.5%	0	125,844
7/1/2040-6/30/2041	0	68.5%	0	66,799
7/1/2041-6/30/2042	0	68.5%	0	35,898
7/1/2042-6/30/2043	0	68.5%	0	18,087
7/1/2043-6/30/2044	0	68.5%	0	9,548
7/1/2044-6/30/2045	0	68.5%	0	5,039
7/1/2045-6/30/2046	0	68.5%	0	2,639
7/1/2046-6/30/2047	0	68.5%	0	1,255
7/1/2047-6/30/2048	0	68.5%	0	585
7/1/2048-6/30/2049	0	68.5%	0	224
7/1/2049-6/30/2050	0	68.5%	0	54
7/1/2050-6/30/2051	0	68.5%	0	0
7/1/2051-6/30/2052	0	68.5%	0	0
7/1/2052-6/30/2053	0	68.5%	0	0
7/1/2053-6/30/2054	0	68.5%	0	0

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Estimated Amount of Loan Default by Fiscal Year - New Loans Insured
Scenario 1: 150 Basis Points Increase
Based on Data as of June 30, 2024

Issue Year	Total Loan Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by Fiscal Year
7/1/1989-6/30/1990	285,070,000	4.90%	13,965,545	420	100%	7/1/2024-6/30/2025	20,359,565
7/1/1990-6/30/1991	502,627,148	4.90%	24,623,644	408	100%	7/1/2025-6/30/2026	19,492,647
7/1/1991-6/30/1992	340,350,000	4.90%	16,673,706	396	100%	7/1/2026-6/30/2027	18,357,279
7/1/1992-6/30/1993	425,234,203	4.90%	20,832,173	384	100%	7/1/2027-6/30/2028	17,697,923
7/1/1993-6/30/1994	269,577,356	4.90%	13,206,563	372	100%	7/1/2028-6/30/2029	17,120,235
7/1/1994-6/30/1995	86,855,000	4.90%	4,255,016	360	100%	7/1/2029-6/30/2030	16,724,576
7/1/1995-6/30/1996	122,845,000	4.90%	6,018,162	348	100%	7/1/2030-6/30/2031	16,041,113
7/1/1996-6/30/1997	96,845,000	4.90%	4,744,425	336	100%	7/1/2031-6/30/2032	15,818,414
7/1/1997-6/30/1998	288,615,000	4.90%	14,139,215	324	100%	7/1/2032-6/30/2033	16,013,104
7/1/1998-6/30/1999	30,100,000	4.90%	1,474,595	312	100%	7/1/2033-6/30/2034	16,001,574
7/1/1999-6/30/2000	135,160,000	4.90%	6,621,472	300	100%	7/1/2034-6/30/2035	15,958,647
7/1/2000-6/30/2001	153,995,000	4.90%	7,544,197	288	100%	7/1/2035-6/30/2036	16,225,697
7/1/2001-6/30/2002	183,335,000	4.90%	8,981,560	276	100%	7/1/2036-6/30/2037	16,431,529
7/1/2002-6/30/2003	157,890,000	4.90%	7,735,012	264	100%	7/1/2037-6/30/2038	16,841,784
7/1/2003-6/30/2004	198,201,000	4.90%	9,709,843	252	100%	7/1/2038-6/30/2039	17,236,825
7/1/2004-6/30/2005	47,200,000	4.90%	2,312,322	240	100%	7/1/2039-6/30/2040	17,676,652
7/1/2005-6/30/2006	68,565,000	4.90%	3,358,991	228	100%	7/1/2040-6/30/2041	18,243,728
7/1/2006-6/30/2007	26,224,359	4.90%	1,284,728	216	100%	7/1/2041-6/30/2042	18,654,395
7/1/2007-6/30/2008	332,810,000	4.90%	16,304,322	204	99%	7/1/2042-6/30/2043	19,047,534
7/1/2008-6/30/2009	354,360,000	4.90%	17,360,054	192	98%	7/1/2043-6/30/2044	19,357,256
7/1/2009-6/30/2010	135,035,000	10.97%	14,808,757	180	97%	7/1/2044-6/30/2045	19,640,081
7/1/2010-6/30/2011	190,190,000	10.97%	20,857,389	168	96%	7/1/2045-6/30/2046	19,837,482
7/1/2011-6/30/2012	55,860,000	10.97%	6,125,946	156	93%	7/1/2046-6/30/2047	19,979,241
7/1/2012-6/30/2013	361,555,000	10.97%	39,650,314	144	91%	7/1/2047-6/30/2048	20,116,288
7/1/2013-6/30/2014	258,081,893	10.97%	28,302,825	132	87%	7/1/2048-6/30/2049	20,230,424
7/1/2014-6/30/2015	241,145,000	10.97%	26,445,423	120	82%	7/1/2049-6/30/2050	20,290,027
7/1/2015-6/30/2016	263,524,235	10.97%	28,899,666	108	77%	7/1/2050-6/30/2051	20,347,315
7/1/2016-6/30/2017	374,545,000	10.97%	41,074,876	96	72%	7/1/2051-6/30/2052	20,382,797
7/1/2017-6/30/2018	238,740,000	10.97%	26,181,676	84	62%	7/1/2052-6/30/2053	20,234,510
7/1/2018-6/30/2019	192,050,000	10.97%	21,061,368	72	52%	7/1/2053-6/30/2054	19,596,510
7/1/2019-6/30/2020	167,700,000	10.97%	18,390,999	60	40%		
7/1/2020-6/30/2021	75,780,000	10.97%	8,310,494	48	28%		
7/1/2021-6/30/2022	113,320,000	10.97%	12,427,358	36	13%		
7/1/2022-6/30/2023	232,890,000	10.97%	25,540,130	24	4%		
7/1/2023-6/30/2024	77,980,000	10.97%	8,551,760	12	1%		
7/1/2024-6/30/2025	171,000,000	8.80%	15,045,008		0%		
7/1/2025-6/30/2026	171,000,000	8.89%	15,193,908		0%		
7/1/2026-6/30/2027	171,000,000	8.92%	15,247,861		0%		
7/1/2027-6/30/2028	171,000,000	8.93%	15,277,210		0%		
7/1/2028-6/30/2029	171,000,000	8.95%	15,312,327		0%		
7/1/2029-6/30/2030	171,000,000	8.95%	15,301,726		0%		
7/1/2030-6/30/2031	188,000,000	8.96%	16,844,986		0%		
7/1/2031-6/30/2032	188,000,000	8.96%	16,845,765		0%		
7/1/2032-6/30/2033	188,000,000	8.97%	16,857,207		0%		
7/1/2033-6/30/2034	188,000,000	8.97%	16,858,835		0%		
7/1/2034-6/30/2035	207,000,000	8.97%	18,560,472		0%		
7/1/2035-6/30/2036	207,000,000	8.97%	18,560,853		0%		
7/1/2036-6/30/2037	207,000,000	8.97%	18,560,344		0%		
7/1/2037-6/30/2038	228,000,000	8.97%	20,446,844		0%		
7/1/2038-6/30/2039	228,000,000	8.97%	20,447,501		0%		
7/1/2039-6/30/2040	228,000,000	8.97%	20,447,436		0%		
7/1/2040-6/30/2041	228,000,000	8.97%	20,446,318		0%		
7/1/2041-6/30/2042	228,000,000	8.97%	20,445,838		0%		
7/1/2042-6/30/2043	228,000,000	8.97%	20,446,474		0%		
7/1/2043-6/30/2044	228,000,000	8.97%	20,447,046		0%		
7/1/2044-6/30/2045	228,000,000	8.97%	20,447,293		0%		
7/1/2045-6/30/2046	228,000,000	8.97%	20,446,904		0%		
7/1/2046-6/30/2047	228,000,000	8.97%	20,446,574		0%		
7/1/2047-6/30/2048	228,000,000	8.97%	20,446,561		0%		
7/1/2048-6/30/2049	228,000,000	8.97%	20,446,794		0%		
7/1/2049-6/30/2050	228,000,000	8.97%	20,446,985		0%		
7/1/2050-6/30/2051	228,000,000	8.97%	20,446,944		0%		
7/1/2051-6/30/2052	228,000,000	8.97%	20,446,800		0%		
7/1/2052-6/30/2053	228,000,000	8.97%	20,446,761		0%		
7/1/2053-6/30/2054	228,000,000	8.97%	20,446,761		0%		

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Estimated Loss Payment for Future Default by Fiscal Year - New Loans Insured
Scenario 1: 150 Basis Points Increase
Based on Data as of June 30, 2024**

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2024-6/30/2025	20,359,565	68.5%	13,946,302	2,858,992
7/1/2025-6/30/2026	19,492,647	68.5%	13,352,463	5,596,247
7/1/2026-6/30/2027	18,357,279	68.5%	12,574,736	9,150,309
7/1/2027-6/30/2028	17,697,923	68.5%	12,123,077	10,408,535
7/1/2028-6/30/2029	17,120,235	68.5%	11,727,361	11,483,781
7/1/2029-6/30/2030	16,724,576	68.5%	11,456,335	11,622,095
7/1/2030-6/30/2031	16,041,113	68.5%	10,988,163	11,477,161
7/1/2031-6/30/2032	15,818,414	68.5%	10,835,614	11,274,690
7/1/2032-6/30/2033	16,013,104	68.5%	10,968,976	11,137,968
7/1/2033-6/30/2034	16,001,574	68.5%	10,961,078	11,026,247
7/1/2034-6/30/2035	15,958,647	68.5%	10,931,673	10,982,681
7/1/2035-6/30/2036	16,225,697	68.5%	11,114,602	11,004,636
7/1/2036-6/30/2037	16,431,529	68.5%	11,255,597	11,065,635
7/1/2037-6/30/2038	16,841,784	68.5%	11,536,622	11,189,646
7/1/2038-6/30/2039	17,236,825	68.5%	11,807,225	11,354,287
7/1/2039-6/30/2040	17,676,652	68.5%	12,108,506	11,581,904
7/1/2040-6/30/2041	18,243,728	68.5%	12,496,954	11,852,484
7/1/2041-6/30/2042	18,654,395	68.5%	12,778,261	12,143,717
7/1/2042-6/30/2043	19,047,534	68.5%	13,047,561	12,444,467
7/1/2043-6/30/2044	19,357,256	68.5%	13,259,720	12,719,638
7/1/2044-6/30/2045	19,640,081	68.5%	13,453,455	12,975,216
7/1/2045-6/30/2046	19,837,482	68.5%	13,588,675	13,191,354
7/1/2046-6/30/2047	19,979,241	68.5%	13,685,780	13,372,719
7/1/2047-6/30/2048	20,116,288	68.5%	13,779,657	13,519,903
7/1/2048-6/30/2049	20,230,424	68.5%	13,857,841	13,641,056
7/1/2049-6/30/2050	20,290,027	68.5%	13,898,669	13,736,934
7/1/2050-6/30/2051	20,347,315	68.5%	13,937,911	13,812,568
7/1/2051-6/30/2052	20,382,797	68.5%	13,962,216	13,868,934
7/1/2052-6/30/2053	20,234,510	68.5%	13,860,639	13,887,898
7/1/2053-6/30/2054	19,596,510	68.5%	13,423,609	13,802,057

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Estimated Amount of Loan Default by Fiscal Year - New Loans Insured
Scenario 2: 300 Basis Points Increase
Based on Data as of June 30, 2024

Issue Year	Total Loan Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by Fiscal Year
7/1/1989-6/30/1990	285,070,000	6.40%	18,241,595	420	100%	7/1/2024-6/30/2025	23,192,251
7/1/1990-6/30/1991	502,627,148	6.40%	32,163,052	408	100%	7/1/2025-6/30/2026	22,207,581
7/1/1991-6/30/1992	340,350,000	6.40%	21,778,956	396	100%	7/1/2026-6/30/2027	20,949,973
7/1/1992-6/30/1993	425,234,203	6.40%	27,210,686	384	100%	7/1/2027-6/30/2028	20,255,094
7/1/1993-6/30/1994	269,577,356	6.40%	17,250,223	372	100%	7/1/2028-6/30/2029	19,657,452
7/1/1994-6/30/1995	86,855,000	6.40%	5,557,841	360	100%	7/1/2029-6/30/2030	19,264,296
7/1/1995-6/30/1996	122,845,000	6.40%	7,860,837	348	100%	7/1/2030-6/30/2031	18,536,011
7/1/1996-6/30/1997	96,845,000	6.40%	6,197,100	336	100%	7/1/2031-6/30/2032	18,327,572
7/1/1997-6/30/1998	288,615,000	6.40%	18,468,440	324	100%	7/1/2032-6/30/2033	18,578,482
7/1/1998-6/30/1999	30,100,000	6.40%	1,926,095	312	100%	7/1/2033-6/30/2034	18,592,356
7/1/1999-6/30/2000	135,160,000	6.40%	8,648,872	300	100%	7/1/2034-6/30/2035	18,572,140
7/1/2000-6/30/2001	153,995,000	6.40%	9,854,122	288	100%	7/1/2035-6/30/2036	18,902,547
7/1/2001-6/30/2002	183,335,000	6.40%	11,731,585	276	100%	7/1/2036-6/30/2037	19,155,725
7/1/2002-6/30/2003	157,890,000	6.40%	10,103,362	264	100%	7/1/2037-6/30/2038	19,643,598
7/1/2003-6/30/2004	198,201,000	6.40%	12,682,858	252	100%	7/1/2038-6/30/2039	20,109,610
7/1/2004-6/30/2005	47,200,000	6.40%	3,020,322	240	100%	7/1/2039-6/30/2040	20,627,282
7/1/2005-6/30/2006	68,565,000	6.40%	4,387,466	228	100%	7/1/2040-6/30/2041	21,291,945
7/1/2006-6/30/2007	26,224,359	6.40%	1,678,094	216	100%	7/1/2041-6/30/2042	21,774,638
7/1/2007-6/30/2008	332,810,000	6.40%	21,296,472	204	99%	7/1/2042-6/30/2043	22,234,551
7/1/2008-6/30/2009	354,360,000	6.40%	22,675,454	192	98%	7/1/2043-6/30/2044	22,595,646
7/1/2009-6/30/2010	135,035,000	12.47%	16,834,282	180	97%	7/1/2044-6/30/2045	22,925,545
7/1/2010-6/30/2011	190,190,000	12.47%	23,710,239	168	96%	7/1/2045-6/30/2046	23,155,833
7/1/2011-6/30/2012	55,860,000	12.47%	6,963,846	156	93%	7/1/2046-6/30/2047	23,321,199
7/1/2012-6/30/2013	361,555,000	12.47%	45,073,639	144	91%	7/1/2047-6/30/2048	23,481,121
7/1/2013-6/30/2014	258,081,893	12.47%	32,174,054	132	87%	7/1/2048-6/30/2049	23,614,292
7/1/2014-6/30/2015	241,145,000	12.47%	30,062,598	120	82%	7/1/2049-6/30/2050	23,683,843
7/1/2015-6/30/2016	263,524,235	12.47%	32,852,529	108	77%	7/1/2050-6/30/2051	23,750,697
7/1/2016-6/30/2017	374,545,000	12.47%	46,693,051	96	72%	7/1/2051-6/30/2052	23,792,107
7/1/2017-6/30/2018	238,740,000	12.47%	29,762,776	84	62%	7/1/2052-6/30/2053	23,619,013
7/1/2018-6/30/2019	192,050,000	12.47%	23,942,118	72	52%	7/1/2053-6/30/2054	22,874,291
7/1/2019-6/30/2020	167,700,000	12.47%	20,906,499	60	40%		
7/1/2020-6/30/2021	75,780,000	12.47%	9,447,194	48	28%		
7/1/2021-6/30/2022	113,320,000	12.47%	14,127,158	36	13%		
7/1/2022-6/30/2023	232,890,000	12.47%	29,033,480	24	4%		
7/1/2023-6/30/2024	77,980,000	12.47%	9,721,460	12	1%		
7/1/2024-6/30/2025	171,000,000	10.30%	17,610,008		0%		
7/1/2025-6/30/2026	171,000,000	10.39%	17,758,908		0%		
7/1/2026-6/30/2027	171,000,000	10.42%	17,812,861		0%		
7/1/2027-6/30/2028	171,000,000	10.43%	17,842,210		0%		
7/1/2028-6/30/2029	171,000,000	10.45%	17,877,327		0%		
7/1/2029-6/30/2030	171,000,000	10.45%	17,866,726		0%		
7/1/2030-6/30/2031	188,000,000	10.46%	19,664,986		0%		
7/1/2031-6/30/2032	188,000,000	10.46%	19,665,765		0%		
7/1/2032-6/30/2033	188,000,000	10.47%	19,677,207		0%		
7/1/2033-6/30/2034	188,000,000	10.47%	19,678,835		0%		
7/1/2034-6/30/2035	207,000,000	10.47%	21,665,472		0%		
7/1/2035-6/30/2036	207,000,000	10.47%	21,665,853		0%		
7/1/2036-6/30/2037	207,000,000	10.47%	21,665,344		0%		
7/1/2037-6/30/2038	228,000,000	10.47%	23,866,844		0%		
7/1/2038-6/30/2039	228,000,000	10.47%	23,867,501		0%		
7/1/2039-6/30/2040	228,000,000	10.47%	23,867,436		0%		
7/1/2040-6/30/2041	228,000,000	10.47%	23,866,318		0%		
7/1/2041-6/30/2042	228,000,000	10.47%	23,865,838		0%		
7/1/2042-6/30/2043	228,000,000	10.47%	23,866,474		0%		
7/1/2043-6/30/2044	228,000,000	10.47%	23,867,046		0%		
7/1/2044-6/30/2045	228,000,000	10.47%	23,867,293		0%		
7/1/2045-6/30/2046	228,000,000	10.47%	23,866,904		0%		
7/1/2046-6/30/2047	228,000,000	10.47%	23,866,574		0%		
7/1/2047-6/30/2048	228,000,000	10.47%	23,866,561		0%		
7/1/2048-6/30/2049	228,000,000	10.47%	23,866,794		0%		
7/1/2049-6/30/2050	228,000,000	10.47%	23,866,985		0%		
7/1/2050-6/30/2051	228,000,000	10.47%	23,866,944		0%		
7/1/2051-6/30/2052	228,000,000	10.47%	23,866,800		0%		
7/1/2052-6/30/2053	228,000,000	10.47%	23,866,761		0%		
7/1/2053-6/30/2054	228,000,000	10.47%	23,866,761		0%		

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Estimated Loss Payment for Future Default by Fiscal Year - New Loans Insured
Scenario 2: 300 Basis Points Increase
Based on Data as of June 30, 2024**

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2024-6/30/2025	23,192,251	68.5%	15,886,692	3,256,772
7/1/2025-6/30/2026	22,207,581	68.5%	15,212,193	6,375,271
7/1/2026-6/30/2027	20,949,973	68.5%	14,350,732	10,429,240
7/1/2027-6/30/2028	20,255,094	68.5%	13,874,740	11,875,978
7/1/2028-6/30/2029	19,657,452	68.5%	13,465,355	13,124,170
7/1/2029-6/30/2030	19,264,296	68.5%	13,196,043	13,312,037
7/1/2030-6/30/2031	18,536,011	68.5%	12,697,168	13,180,851
7/1/2031-6/30/2032	18,327,572	68.5%	12,554,387	12,984,684
7/1/2032-6/30/2033	18,578,482	68.5%	12,726,260	12,860,188
7/1/2033-6/30/2034	18,592,356	68.5%	12,735,764	12,760,483
7/1/2034-6/30/2035	18,572,140	68.5%	12,721,916	12,734,661
7/1/2035-6/30/2036	18,902,547	68.5%	12,948,244	12,781,210
7/1/2036-6/30/2037	19,155,725	68.5%	13,121,672	12,869,604
7/1/2037-6/30/2038	19,643,598	68.5%	13,455,865	13,027,998
7/1/2038-6/30/2039	20,109,610	68.5%	13,775,083	13,230,504
7/1/2039-6/30/2040	20,627,282	68.5%	14,129,688	13,503,630
7/1/2040-6/30/2041	21,291,945	68.5%	14,584,983	13,824,639
7/1/2041-6/30/2042	21,774,638	68.5%	14,915,627	14,168,533
7/1/2042-6/30/2043	22,234,551	68.5%	15,230,668	14,522,338
7/1/2043-6/30/2044	22,595,646	68.5%	15,478,017	14,845,387
7/1/2044-6/30/2045	22,925,545	68.5%	15,703,999	15,144,730
7/1/2045-6/30/2046	23,155,833	68.5%	15,861,746	15,397,542
7/1/2046-6/30/2047	23,321,199	68.5%	15,975,021	15,609,468
7/1/2047-6/30/2048	23,481,121	68.5%	16,084,568	15,781,338
7/1/2048-6/30/2049	23,614,292	68.5%	16,175,790	15,922,767
7/1/2049-6/30/2050	23,683,843	68.5%	16,223,432	16,034,679
7/1/2050-6/30/2051	23,750,697	68.5%	16,269,227	16,122,949
7/1/2051-6/30/2052	23,792,107	68.5%	16,297,594	16,188,732
7/1/2052-6/30/2053	23,619,013	68.5%	16,179,024	16,210,859
7/1/2053-6/30/2054	22,874,291	68.5%	15,668,890	16,110,653

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Estimated Amount of Loan Default by Fiscal Year - Annual-Premium Loans Only
Baseline Scenario
Based on Data as of June 30, 2024**

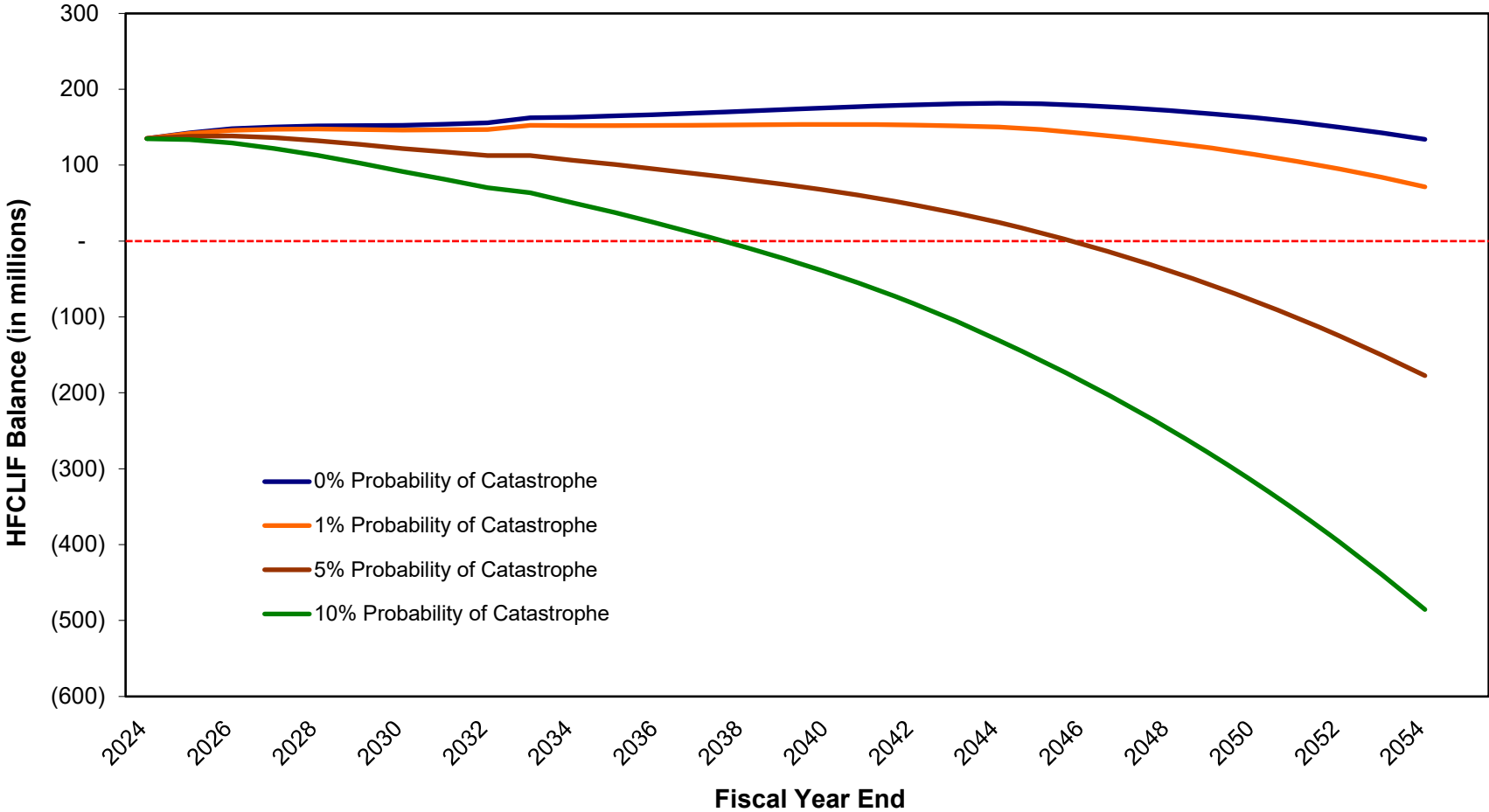
Issue Year	Total Annual Premium Loans Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by Fiscal Year
7/1/1983-6/30/1984	159,700,000	7.47%	11,929,590	492	100%	7/1/2024-6/30/2025	0
7/1/1984-6/30/1985	151,784,000	7.47%	11,338,265	480	100%	7/1/2025-6/30/2026	0
7/1/1985-6/30/1986	210,620,000	7.47%	15,733,314	468	100%	7/1/2026-6/30/2027	0
7/1/1986-6/30/1987	287,629,000	7.47%	21,485,886	456	100%	7/1/2027-6/30/2028	0
7/1/1987-6/30/1988	164,845,000	7.47%	12,313,922	444	100%	7/1/2028-6/30/2029	0
7/1/1988-6/30/1989	291,840,000	7.47%	21,800,448	432	100%	7/1/2029-6/30/2030	0
7/1/1989-6/30/1990	285,070,000	7.47%	21,294,729	420	100%	7/1/2030-6/30/2031	0
7/1/1990-6/30/1991	502,627,148	7.47%	37,546,248	408	100%	7/1/2031-6/30/2032	0
7/1/1991-6/30/1992	340,350,000	7.47%	25,424,145	396	100%	7/1/2032-6/30/2033	0
7/1/1992-6/30/1993	425,234,203	7.47%	31,764,995	384	100%	7/1/2033-6/30/2034	0
7/1/1993-6/30/1994	269,577,356	7.47%	20,137,428	372	100%	7/1/2034-6/30/2035	0
7/1/1994-6/30/1995	86,855,000	7.47%	6,488,069	360	100%	7/1/2035-6/30/2036	0
7/1/1995-6/30/1996	122,845,000	7.47%	9,176,522	348	100%	7/1/2036-6/30/2037	0
7/1/1996-6/30/1997	96,845,000	7.47%	7,234,322	336	100%	7/1/2037-6/30/2038	0
7/1/1997-6/30/1998	288,615,000	7.47%	21,559,541	324	100%	7/1/2038-6/30/2039	0
7/1/1998-6/30/1999	30,100,000	7.47%	2,248,470	312	100%	7/1/2039-6/30/2040	0
7/1/1999-6/30/2000	135,160,000	7.47%	10,096,452	300	100%	7/1/2040-6/30/2041	0
7/1/2000-6/30/2001	35,640,000	7.47%	2,662,308	288	100%	7/1/2041-6/30/2042	0

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Projected Fiscal Year End HFCLIF Balance

Fiscal Year	Expected Fiscal Year End Fund Balance			
	0% Probability of Catastrophe	1% Probability of Catastrophe	5% Probability of Catastrophe	10% Probability of Catastrophe
7/1/2023-6/30/2024	135,077,220	135,077,220	135,077,220	135,077,220
7/1/2024-6/30/2025	142,579,064	141,666,776	138,049,844	133,548,768
7/1/2025-6/30/2026	147,896,961	146,019,566	138,627,327	129,451,012
7/1/2026-6/30/2027	150,284,355	147,414,890	136,097,140	122,047,124
7/1/2027-6/30/2028	151,674,679	147,769,009	132,321,443	113,138,502
7/1/2028-6/30/2029	152,120,706	147,124,022	127,314,687	102,782,761
7/1/2029-6/30/2030	152,555,352	146,404,708	122,030,311	91,844,795
7/1/2030-6/30/2031	154,065,250	146,702,367	117,468,335	81,304,516
7/1/2031-6/30/2032	155,630,063	146,990,044	112,649,003	70,159,768
7/1/2032-6/30/2033	162,455,001	152,465,654	112,780,289	63,657,833
7/1/2033-6/30/2034	163,358,485	151,945,999	106,597,510	50,436,000
7/1/2034-6/30/2035	165,149,632	152,224,871	100,893,800	37,331,160
7/1/2035-6/30/2036	166,883,159	152,370,710	94,668,777	23,264,494
7/1/2036-6/30/2037	168,534,159	152,333,944	87,921,290	8,171,099
7/1/2037-6/30/2038	171,077,251	153,097,159	81,527,349	(7,067,949)
7/1/2038-6/30/2039	173,487,080	153,606,798	74,424,213	(23,596,855)
7/1/2039-6/30/2040	175,701,359	153,792,122	66,470,831	(41,578,277)
7/1/2040-6/30/2041	177,671,259	153,589,774	57,607,298	(61,123,936)
7/1/2041-6/30/2042	179,365,344	152,970,083	47,737,923	(82,442,662)
7/1/2042-6/30/2043	180,758,857	151,888,706	36,754,861	(105,655,342)
7/1/2043-6/30/2044	181,854,829	150,329,103	24,538,228	(131,025,957)
7/1/2044-6/30/2045	180,936,505	146,807,141	10,633,661	(157,756,937)
7/1/2045-6/30/2046	178,678,888	141,953,225	(4,619,321)	(185,840,431)
7/1/2046-6/30/2047	175,742,222	136,297,594	(21,141,977)	(215,795,756)
7/1/2047-6/30/2048	172,107,718	129,821,411	(39,004,838)	(247,704,509)
7/1/2048-6/30/2049	167,749,098	122,485,176	(58,258,987)	(281,647,513)
7/1/2049-6/30/2050	162,638,085	114,250,595	(78,953,265)	(317,759,178)
7/1/2050-6/30/2051	156,740,518	105,080,392	(101,177,466)	(356,101,663)
7/1/2051-6/30/2052	150,020,193	94,930,243	(124,948,568)	(396,696,765)
7/1/2052-6/30/2053	142,454,201	83,782,564	(150,373,058)	(439,733,022)
7/1/2053-6/30/2054	134,074,843	71,676,742	(177,380,827)	(485,200,611)

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Estimated Fiscal Year End HFCLIF Balance**



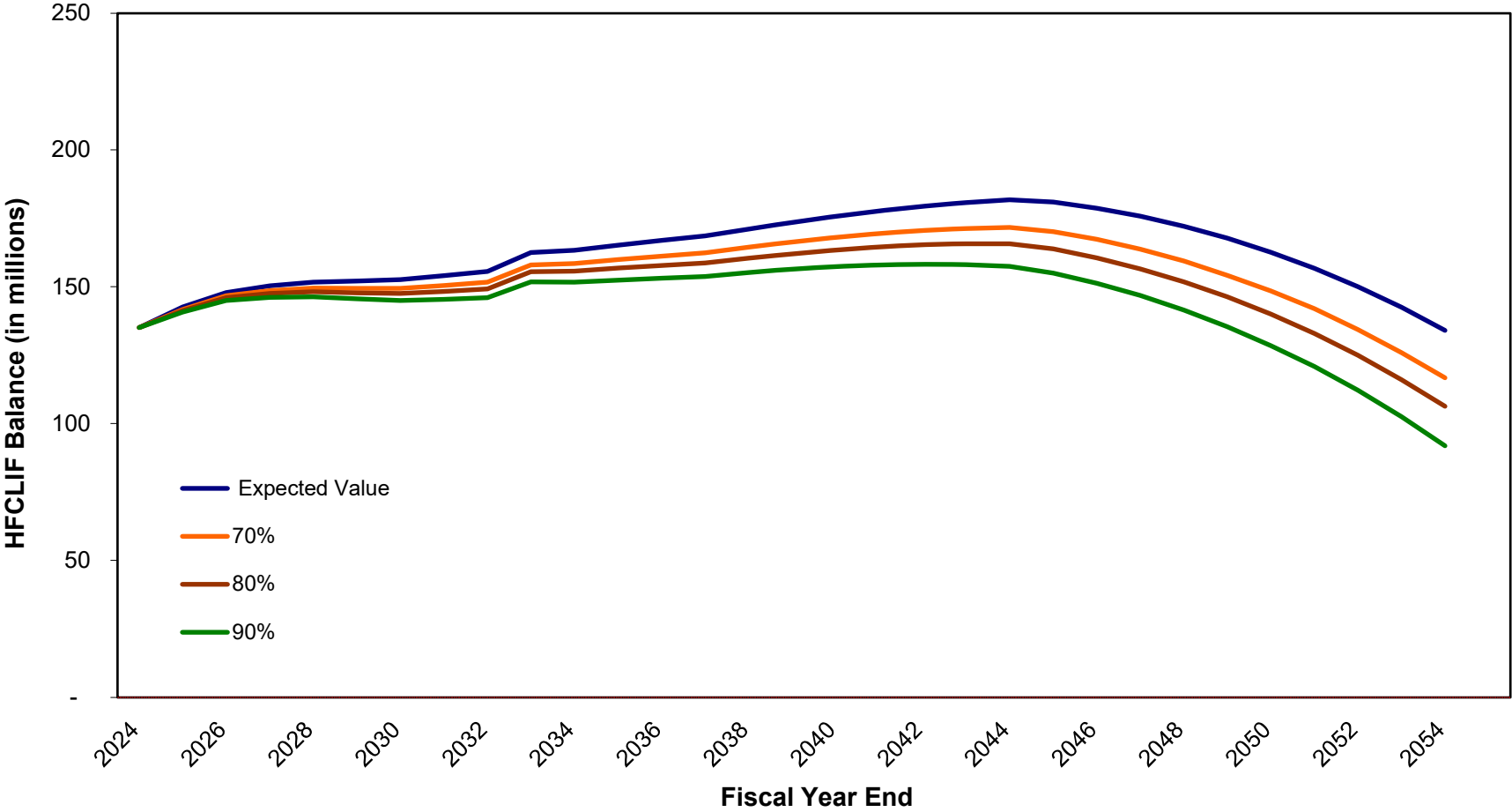
**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program**

**Projected Fiscal Year End HFCLIF Balance
0% Probability of Catastrophe**

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2023-6/30/2024	135,077,220	135,077,220	135,077,220	135,077,220
7/1/2024-6/30/2025	142,579,064	141,675,379	141,210,665	140,688,215
7/1/2025-6/30/2026	147,896,961	146,686,713	145,964,363	144,957,758
7/1/2026-6/30/2027	150,284,355	148,565,265	147,501,826	146,106,882
7/1/2027-6/30/2028	151,674,679	149,483,705	148,128,136	146,281,930
7/1/2028-6/30/2029	152,120,706	149,431,106	147,779,136	145,566,127
7/1/2029-6/30/2030	152,555,352	149,369,782	147,530,802	144,928,973
7/1/2030-6/30/2031	154,065,250	150,448,205	148,292,746	145,394,767
7/1/2031-6/30/2032	155,630,063	151,617,625	149,231,585	145,994,663
7/1/2032-6/30/2033	162,455,001	157,994,757	155,432,668	151,790,278
7/1/2033-6/30/2034	163,358,485	158,495,374	155,657,370	151,638,717
7/1/2034-6/30/2035	165,149,632	159,915,752	156,776,502	152,432,478
7/1/2035-6/30/2036	166,883,159	161,161,995	157,720,818	153,110,021
7/1/2036-6/30/2037	168,534,159	162,382,542	158,644,470	153,696,022
7/1/2037-6/30/2038	171,077,251	164,424,425	160,418,286	155,179,163
7/1/2038-6/30/2039	173,487,080	166,294,672	161,995,747	156,408,591
7/1/2039-6/30/2040	175,701,359	168,008,514	163,386,445	157,299,113
7/1/2040-6/30/2041	177,671,259	169,349,161	164,482,497	157,966,094
7/1/2041-6/30/2042	179,365,344	170,498,843	165,345,746	158,178,074
7/1/2042-6/30/2043	180,758,857	171,271,794	165,693,073	158,028,563
7/1/2043-6/30/2044	181,854,829	171,703,938	165,754,078	157,463,950
7/1/2044-6/30/2045	180,936,505	170,148,161	163,813,538	154,951,222
7/1/2045-6/30/2046	178,678,888	167,305,077	160,493,060	151,282,130
7/1/2046-6/30/2047	175,742,222	163,739,604	156,493,012	146,804,877
7/1/2047-6/30/2048	172,107,718	159,403,128	151,767,269	141,469,275
7/1/2048-6/30/2049	167,749,098	154,188,848	146,285,599	135,420,024
7/1/2049-6/30/2050	162,638,085	148,514,274	140,019,355	128,466,465
7/1/2050-6/30/2051	156,740,518	141,941,791	132,867,434	120,851,205
7/1/2051-6/30/2052	150,020,193	134,373,264	124,921,144	112,133,109
7/1/2052-6/30/2053	142,454,201	125,938,395	116,033,793	102,450,480
7/1/2053-6/30/2054	134,074,843	116,719,381	106,326,156	91,933,801

**Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Estimated Fiscal Year End HFCLIF Balance**

0% Probability of Catastrophe

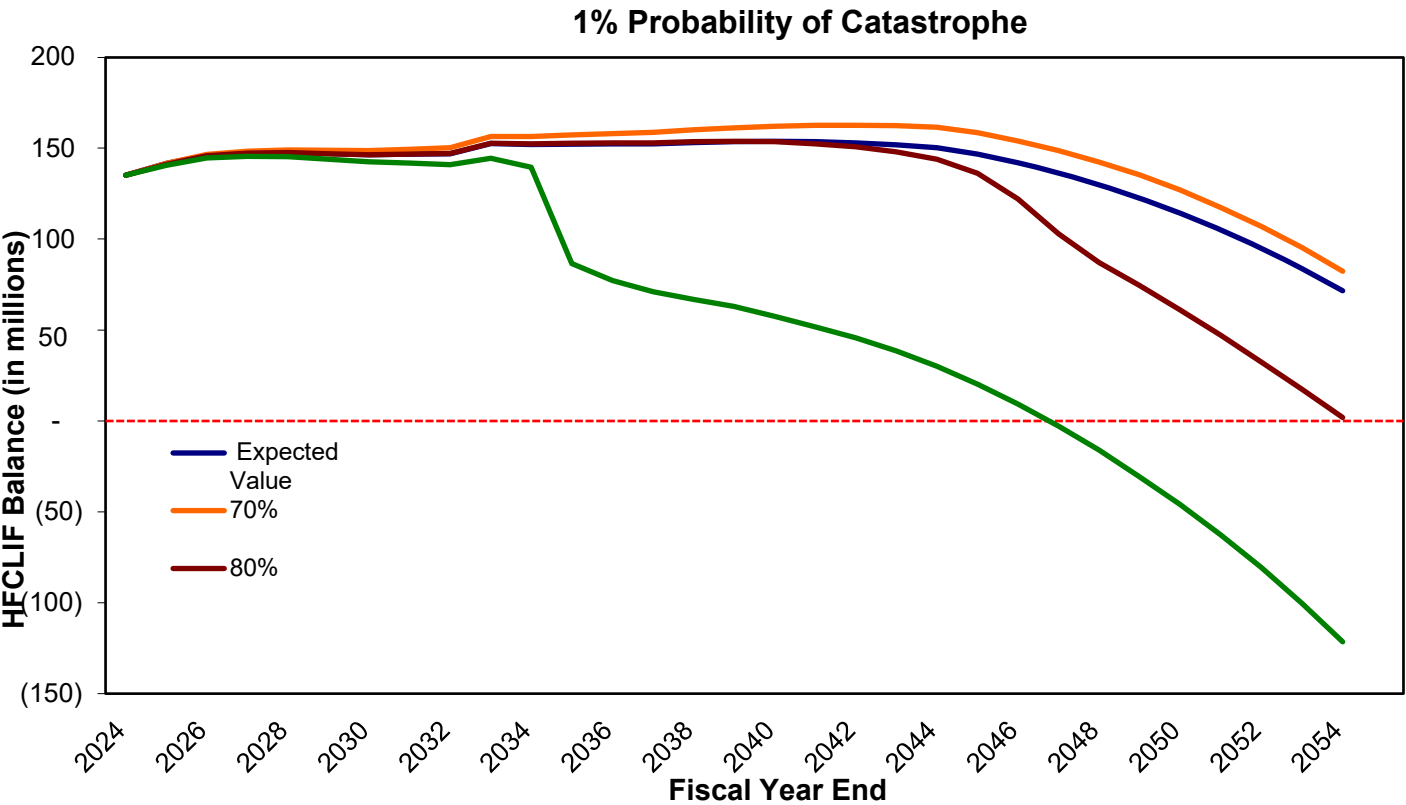


Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Projected Fiscal Year End HFCLIF Balance
1% Probability of Catastrophe

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2023-6/30/2024	135,077,220	135,077,220	135,077,220	135,077,220
7/1/2024-6/30/2025	141,666,776	141,642,169	141,175,087	140,640,844
7/1/2025-6/30/2026	146,019,566	146,601,246	145,819,953	144,701,360
7/1/2026-6/30/2027	147,414,890	148,351,783	147,216,042	145,564,732
7/1/2027-6/30/2028	147,769,009	149,099,886	147,577,714	145,298,107
7/1/2028-6/30/2029	147,124,022	148,853,725	146,956,412	143,987,690
7/1/2029-6/30/2030	146,404,708	148,581,274	146,388,010	142,502,637
7/1/2030-6/30/2031	146,702,367	149,414,730	146,719,763	141,881,091
7/1/2031-6/30/2032	146,990,044	150,292,702	147,156,890	140,835,963
7/1/2032-6/30/2033	152,465,654	156,333,063	152,779,018	144,363,182
7/1/2033-6/30/2034	151,945,999	156,424,939	152,323,003	139,542,723
7/1/2034-6/30/2035	152,224,871	157,355,461	152,699,120	86,542,502
7/1/2035-6/30/2036	152,370,710	158,047,884	152,863,294	77,120,593
7/1/2036-6/30/2037	152,333,944	158,692,197	152,900,138	71,050,578
7/1/2037-6/30/2038	153,097,159	160,077,021	153,559,850	66,791,907
7/1/2038-6/30/2039	153,606,798	161,219,988	153,779,065	62,868,633
7/1/2039-6/30/2040	153,792,122	162,129,170	153,545,028	57,484,478
7/1/2040-6/30/2041	153,589,774	162,655,945	152,398,364	51,738,492
7/1/2041-6/30/2042	152,970,083	162,711,135	150,826,056	45,700,692
7/1/2042-6/30/2043	151,888,706	162,397,080	147,944,125	38,418,158
7/1/2043-6/30/2044	150,329,103	161,473,101	143,926,131	30,017,016
7/1/2044-6/30/2045	146,807,141	158,480,859	136,233,733	20,203,887
7/1/2045-6/30/2046	141,953,225	154,005,655	122,111,009	9,250,736
7/1/2046-6/30/2047	136,297,594	148,704,002	102,854,665	(2,826,328)
7/1/2047-6/30/2048	129,821,411	142,372,751	87,134,789	(16,093,775)
7/1/2048-6/30/2049	122,485,176	135,283,952	74,303,073	(30,898,903)
7/1/2049-6/30/2050	114,250,595	126,940,263	60,939,090	(46,096,923)
7/1/2050-6/30/2051	105,080,392	117,378,401	47,045,328	(62,805,677)
7/1/2051-6/30/2052	94,930,243	106,885,424	32,314,729	(80,719,301)
7/1/2052-6/30/2053	83,782,564	95,276,469	17,305,547	(100,398,753)
7/1/2053-6/30/2054	71,676,742	82,449,778	2,030,833	(121,517,647)

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Estimated Fiscal Year End HFCLIF Balance

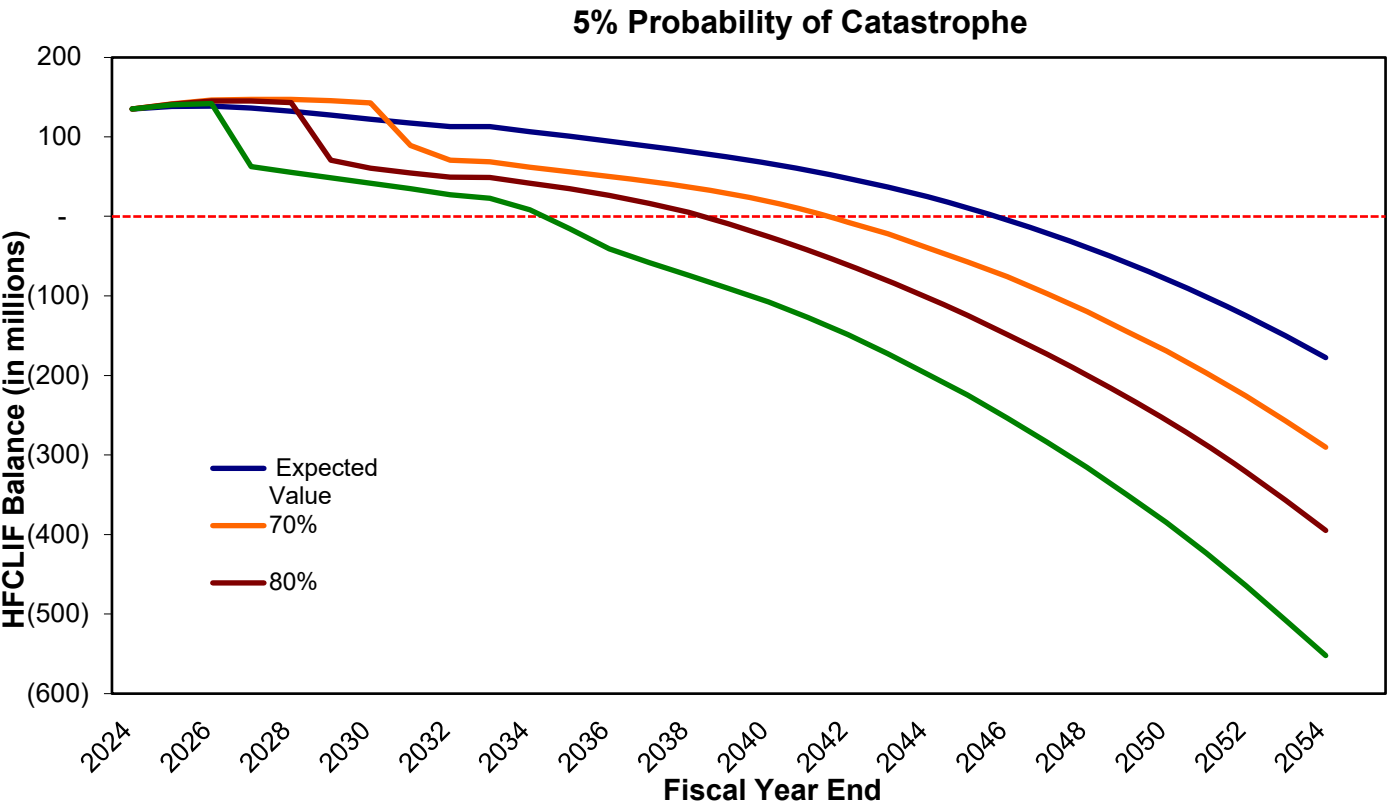


Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Projected Fiscal Year End HFCLIF Balance
5% Probability of Catastrophe

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2023-6/30/2024	135,077,220	135,077,220	135,077,220	135,077,220
7/1/2024-6/30/2025	138,049,844	141,511,776	141,005,906	140,353,582
7/1/2025-6/30/2026	138,627,327	146,166,379	145,124,005	142,148,833
7/1/2026-6/30/2027	136,097,140	147,303,693	145,404,920	62,646,855
7/1/2027-6/30/2028	132,321,443	147,083,400	143,111,099	55,444,470
7/1/2028-6/30/2029	127,314,687	145,419,687	70,413,660	48,443,186
7/1/2029-6/30/2030	122,030,311	142,624,322	60,699,627	41,662,728
7/1/2030-6/30/2031	117,468,335	89,072,892	54,615,180	34,943,460
7/1/2031-6/30/2032	112,649,003	70,592,117	49,095,973	27,105,848
7/1/2032-6/30/2033	112,780,289	68,576,885	48,813,424	22,860,696
7/1/2033-6/30/2034	106,597,510	61,599,676	41,747,794	8,411,336
7/1/2034-6/30/2035	100,893,800	56,008,298	34,725,804	(15,676,701)
7/1/2035-6/30/2036	94,668,777	50,149,882	26,280,209	(40,703,454)
7/1/2036-6/30/2037	87,921,290	43,682,532	16,354,273	(58,295,923)
7/1/2037-6/30/2038	81,527,349	37,223,384	5,118,104	(74,382,925)
7/1/2038-6/30/2039	74,424,213	28,866,805	(9,431,120)	(90,737,845)
7/1/2039-6/30/2040	66,470,831	18,622,996	(25,738,757)	(107,797,458)
7/1/2040-6/30/2041	57,607,298	6,583,572	(42,639,658)	(127,457,181)
7/1/2041-6/30/2042	47,737,923	(7,544,608)	(61,474,140)	(148,545,456)
7/1/2042-6/30/2043	36,754,861	(22,015,976)	(81,195,559)	(172,660,864)
7/1/2043-6/30/2044	24,538,228	(39,592,495)	(101,923,903)	(198,469,696)
7/1/2044-6/30/2045	10,633,661	(57,303,880)	(124,718,933)	(224,704,870)
7/1/2045-6/30/2046	(4,619,321)	(76,023,283)	(148,829,095)	(253,833,709)
7/1/2046-6/30/2047	(21,141,977)	(97,178,305)	(173,385,424)	(284,006,845)
7/1/2047-6/30/2048	(39,004,838)	(119,659,565)	(199,486,539)	(315,564,876)
7/1/2048-6/30/2049	(58,258,987)	(144,480,397)	(227,622,362)	(349,779,779)
7/1/2049-6/30/2050	(78,953,265)	(169,381,307)	(256,146,022)	(384,957,019)
7/1/2050-6/30/2051	(101,177,466)	(197,119,499)	(287,345,670)	(423,484,845)
7/1/2051-6/30/2052	(124,948,568)	(225,910,044)	(321,294,969)	(464,668,256)
7/1/2052-6/30/2053	(150,373,058)	(257,436,596)	(357,226,422)	(507,888,730)
7/1/2053-6/30/2054	(177,380,827)	(289,920,010)	(394,746,832)	(551,988,535)

Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program
Estimated Fiscal Year End HFCLIF Balance



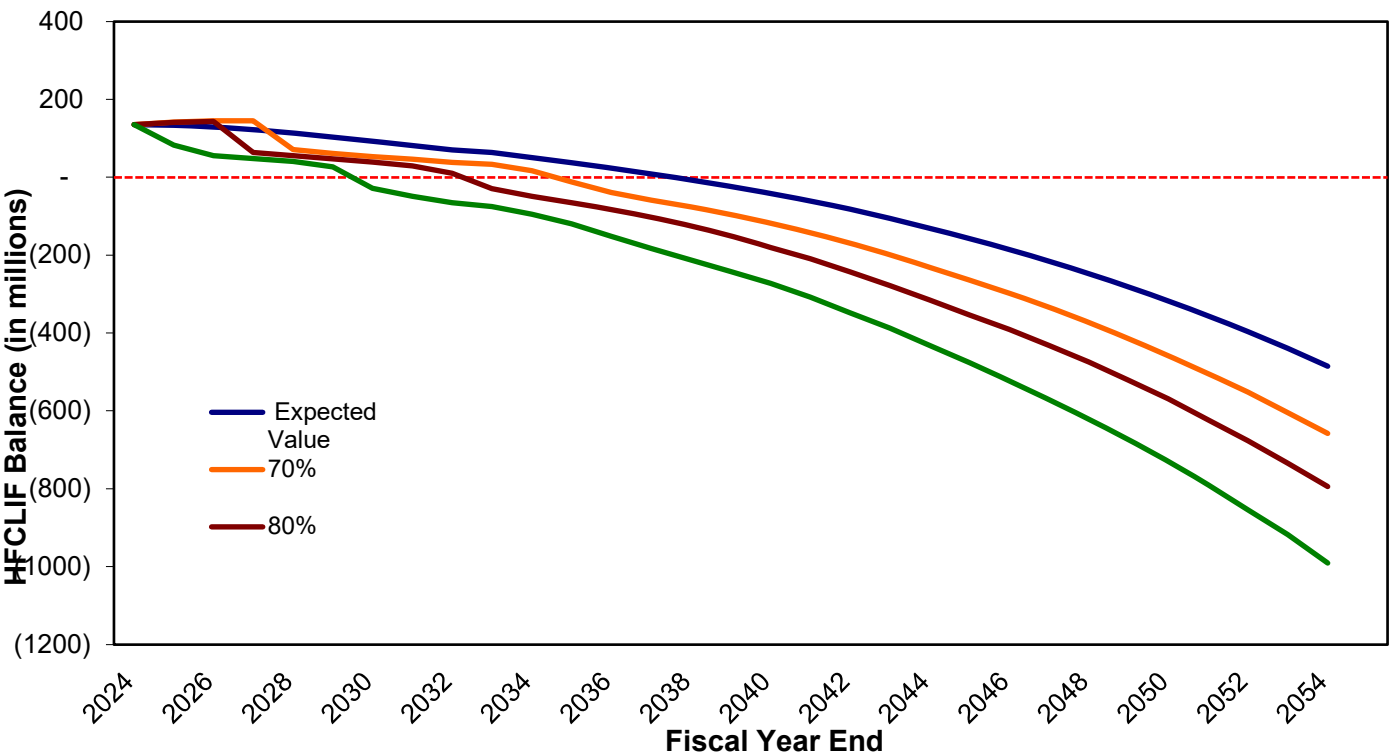
Office of Health Facility Loan Insurance
California Health Facility Construction Loan Insurance Program

Projected Fiscal Year End HFCLIF Balance
10% Probability of Catastrophe

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2023-6/30/2024	135,077,220	135,077,220	135,077,220	135,077,220
7/1/2024-6/30/2025	133,548,768	141,372,288	140,815,286	82,666,021
7/1/2025-6/30/2026	129,451,012	145,500,623	143,167,802	55,117,308
7/1/2026-6/30/2027	122,047,124	144,882,702	63,409,218	48,147,050
7/1/2027-6/30/2028	113,138,502	70,683,772	55,237,210	39,976,779
7/1/2028-6/30/2029	102,782,761	60,596,575	47,191,967	26,306,758
7/1/2029-6/30/2030	91,844,795	52,452,477	38,674,302	(28,445,319)
7/1/2030-6/30/2031	81,304,516	45,855,830	28,768,123	(49,032,692)
7/1/2031-6/30/2032	70,159,768	38,186,800	9,762,715	(65,223,819)
7/1/2032-6/30/2033	63,657,833	32,931,199	(29,360,450)	(75,077,406)
7/1/2033-6/30/2034	50,436,000	16,926,672	(49,401,986)	(95,209,744)
7/1/2034-6/30/2035	37,331,160	(12,480,818)	(65,411,354)	(119,784,163)
7/1/2035-6/30/2036	23,264,494	(39,191,898)	(83,008,448)	(151,809,789)
7/1/2036-6/30/2037	8,171,099	(58,631,893)	(103,485,293)	(183,153,768)
7/1/2037-6/30/2038	(7,067,949)	(76,043,904)	(125,027,772)	(212,680,789)
7/1/2038-6/30/2039	(23,596,855)	(95,696,013)	(150,848,590)	(241,934,557)
7/1/2039-6/30/2040	(41,578,277)	(118,275,441)	(180,347,237)	(273,019,828)
7/1/2040-6/30/2041	(61,123,936)	(142,670,641)	(209,657,945)	(308,307,767)
7/1/2041-6/30/2042	(82,442,662)	(169,508,705)	(243,195,305)	(347,897,390)
7/1/2042-6/30/2043	(105,655,342)	(199,876,728)	(278,010,627)	(387,581,598)
7/1/2043-6/30/2044	(131,025,957)	(231,828,476)	(315,688,931)	(432,276,480)
7/1/2044-6/30/2045	(157,756,937)	(264,518,288)	(353,693,825)	(476,515,213)
7/1/2045-6/30/2046	(185,840,431)	(297,720,677)	(390,813,716)	(522,459,385)
7/1/2046-6/30/2047	(215,795,756)	(334,211,446)	(432,217,712)	(571,532,121)
7/1/2047-6/30/2048	(247,704,509)	(372,747,808)	(474,370,605)	(621,734,521)
7/1/2048-6/30/2049	(281,647,513)	(414,669,780)	(521,204,943)	(674,364,698)
7/1/2049-6/30/2050	(317,759,178)	(459,001,253)	(569,032,255)	(729,541,413)
7/1/2050-6/30/2051	(356,101,663)	(504,513,606)	(623,447,294)	(790,162,987)
7/1/2051-6/30/2052	(396,696,765)	(552,065,550)	(676,733,970)	(854,046,671)
7/1/2052-6/30/2053	(439,733,022)	(604,323,110)	(734,098,841)	(917,777,637)
7/1/2053-6/30/2054	(485,200,611)	(657,601,568)	(793,777,362)	(990,665,774)

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10% Probability of Catastrophe





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