

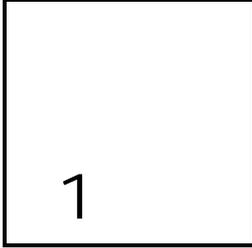
February 6, 2009

Actuarial Study of Health
Facility Construction Loan
Insurance Fund as of
June 30, 2008
Office of Statewide Health Planning
and Development
Cal-Mortgage Loan Insurance
Division
California Health Facility Construction
Loan Insurance Program

OLIVER WYMAN

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Introduction

Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman) has been asked by the Office of Statewide Health Planning and Development (OSHPD), Cal-Mortgage Loan Insurance Division (Cal-Mortgage) and the Health Facility Construction Loan Insurance Fund (HFCLIF or the Fund) to conduct an actuarial analysis. Specifically, Oliver Wyman's analysis provides the following:

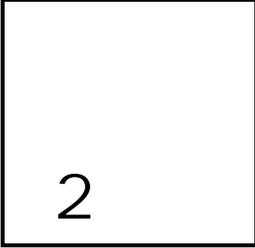
- A determination of the reserve sufficiency of funds in the HFCLIF as of June 30, 2008 to adequately respond to potential foreseeable risks, including extraordinary administrative expenses and actual defaults (Health & Safety Code Section 129330)
- An assessment of the risk to the State's General Fund of the Cal-Mortgage Program

The study was based on the Cal-Mortgage Loan Insurance Program's insured portfolio evaluated as of June 30, 2008. Oliver Wyman analyzed the reserve sufficiency of the HFCLIF by application of the capital and reserve standards of the California Department of Insurance. Oliver Wyman also assessed the reserve sufficiency of the HFCLIF as well as the risk to the General Fund based upon a 30 year projected cash flow analysis of the Cal-Mortgage Loan Insurance Program.

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

This report sets forth the results of the analyses and is accompanied by exhibits which should be considered an integral part of this report.

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Background

Program

The California Health Facility Construction Loan Insurance Program (the Program) was authorized 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 the Office of Statewide Health Planning and Development (OSHPD), the Program insures loans to nonprofit and public health facilities for construction projects that improve access to needed healthcare. OSHPD 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.

The California Health Facility Construction Loan Insurance Law (the Insurance Law) established the Health Facility Construction Loan Insurance Fund, which is used as a depository of fees and insurance premiums and may be used to pay administrative costs of the Program and shortfalls resulting from defaults by insured borrowers.

Section 129330 of the Insurance Law 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

For loans closed prior to January 1, 2001, Section 129040 provided that “The annual [insurance] premium charge shall not be more than an amount equivalent to one-half of 1% [0.005] 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 after January 1, 2001, Section 129040 provides, “[OSHPD] 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.”

Financial Status of the Program

As of June 30, 2008, OSHPD insured 137 projects with an original amount insured totaling \$1,582,264,359. Pursuant to Section 129210, the total amount of insured loans may not exceed \$3 billion.

This insurance is backed by the full faith and credit of the State. Additionally, the insurance is backed by the following:

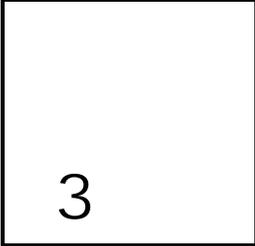
- The HFCLIF which is held and invested by the State Treasurer; HFCLIF’s cash balance as of June 30, 2008, was \$187,183,615
- Debt Service Reserve Funds held by the bond trustees for each insured borrower; at June 30, 2008, this amount totaled \$111,202,985
- Security interests in the real and personal property of borrowers evidenced by deeds of trust, fixture filings, UCC-1s and Deposit Control Agreements
- HFCLIF annual net revenues for 2007-2008 of \$11,293,659
- HFCLIF annual net revenues projected for 2008-2009 of \$11,485,737

If a Borrower fails to make all its payments and its debt service reserve account is depleted, OSHPD is required to pay the annual debt service shortfall from the HFCLIF. If there are inadequate reserves in the HFCLIF, the State Treasurer is required to exchange the bonds for debentures of the State, which are backed by the full faith and

credit of the State. If debentures are issued, the HFCLIF is required to repay the debentures.

The current Standard & Poor's credit rating of the Program, which is derived from the State's rating, is A+.

This actuarial study is based on the Program's insured portfolio as of June 30, 2008 and additional specific information provided to Oliver Wyman through January 30, 2009.

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Summary of Results

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 \$187.18 million as of June 30, 2008 was analyzed against the California Division 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 specify the following requirements:

- Minimum Capital and Surplus
- Loss Reserves:
 - Case Reserves
 - Pipeline IBNR Reserves
 - Future Recoveries
- Contingency Reserves
- Unearned Premium Reserves

The above requirements are individually discussed in the sections that follow.

Minimum Capital and Surplus Requirement

The California Statutory 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:

Cal-Mortgage Minimum Capital and Surplus (\$ millions)	
Minimum Paid-In Capital	\$15
Additional Minimum Surplus	60
Total Required Capital and Surplus	\$75

Loss Reserves: Case Reserves, IBNR Reserves and Future Recoveries

Section 12109 of the California Statutory Insurance Code specifies the requirements for loss reserves, including case reserves, incurred but not reported (IBNR) reserves and 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 \$127.65 million as shown in Section I, Exhibit 2. Section I, Exhibit 3 additionally displays the projected loss payments by fiscal year for the same currently defaulted projects.

- *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 our analysis. Oliver Wyman is using the term “pipeline IBNR reserves” to refer to reserves for projects which have scheduled loss payments during fiscal year 2008/09. 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 \$4.92 million as of June 30, 2008. See Section I, Exhibit 2.

- *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 mentioned above, there are a number of 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 \$10.52 million. Section I, Exhibits 4 and 5 show the detailed calculation of the recoveries.

Contingency Reserves

Based on Section 12108 of the California Statutory Insurance Code, Oliver Wyman has calculated a fully funded contingency reserve provision for Cal-Mortgage of approximately \$10.99 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 as we believe that municipal bonds best correlate with the type of bond insured by Cal-Mortgage.

Unearned Premium Reserves

The California Statutory 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 \$48.10 million as calculated on Section I, Exhibits 7 and 8.

Total Funds Required

Oliver Wyman based its calculation of the total funds required as of June 30, 2008 on California statutory 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 reserve.

Table 1

Cal-Mortgage Statutory Requirements as of June 30, 2008		
Item	Without Pipeline IBNR Reserve	With Pipeline IBNR Reserve
Capital and Surplus	75,000,000	75,000,000
Case Reserve (Current Default)	127,648,370	127,648,370
Pipeline IBNR Reserve	-	4,921,424
Recoveries (Resolved Loans)	(10,521,461)	(10,521,461)
Sherman Oaks Proceeds (Recovery)	(16,185,000)	(16,185,000)
Contingency Reserve	10,992,518	10,992,518
Unearned Premium Reserve	48,101,890	48,101,890
Total	235,036,317	239,957,741

As of June 30, 2008, the actual HFCLIF balance is \$187.18 million. Thus, under California Statutory standards, there is a \$47.85 million shortfall without considering pipeline IBNR reserves. Including the pipeline IBNR reserves increases the shortfall to \$52.77 million. It is at Cal-Mortgage's discretion to include such reserves.

Comparison to Prior Reserves

Total required reserves decreased by approximately \$23.90 million since the prior evaluation as of June 30, 2006. The reconciliation of prior to current loss reserve requirements is detailed below.

Table 2

Cal-Mortgage Statutory Requirements Comparison (in millions)			
Item	Oliver Wyman 2006 Study	Oliver Wyman 2008 Study	Change
Capital and Surplus	75.00	75.00	0.00
Case Reserve (net of recoveries)	140.14	100.94	(39.20)
Pipeline IBNR Reserve	3.10	4.92	1.82
Contingency Reserve	10.04	10.99	0.95
Unearned Premium Reserve	35.58	48.10	12.52
Total	263.86	239.96	(23.90)

The decrease in the shortfall is predominantly due to the reduction of the case reserves (net of recoveries) by \$39.20 million from Oliver Wyman's 2006 report. This change is partially driven by reductions in reserves for Sherman Oaks and Apple Valley. Also contributing to the decrease is the inclusion of the proceeds from the Sherman Oaks sale of \$16.19 million, which are held by the Bond Trustee and are to be paid at the first available call date of August 1, 2008. Additionally, Sunset Haven has been removed from the defaulted list as it has been resolved. Case reserves are based on anticipated payout probability and current loan principal balances, both provided by Cal-Mortgage.

The increase in pipeline IBNR reserves of approximately \$1.82 million from Oliver Wyman's 2006 report is driven by a change in borrowers that are expected to default.

The increase in unearned premium reserves of \$12.52 million from Oliver Wyman's 2006 study is primarily due to the fact that a few large projects such as Lodi Memorial Hospital Association and Los Angeles Jewish Home for the Aging, were newly insured between June 30, 2006 and June 30, 2008. Also contributing to the increase is the fact that loans insured after 1/1/2001 are charged an upfront, nonrefundable premium, as opposed to an annual premium.

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 2003 through 2007 based on financial statements of active insured borrowers provided by Cal-Mortgage:

- Cash Flow Debt Service Ratio (Cash Flow Ratio)
- Total Income Debt Service Ratio (Total Income Ratio)

These ratios are defined as follows:

Cash Flow Ratio = (Net Income + Interest Expense + Depreciation + Amortization) / (Interest Paid + Current Portion of Long-term Debt + Capital Leases + Sinking Fund Payments)

The cash flow 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 Ratio = (Net income + Interest Expense) / (Interest Paid + Current Portion of Long-term Debt + Capital Leases + Sinking Fund Payments)

The total income 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 since 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 1.0 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 1.0, the borrower has not demonstrated the ability to meet its debt service obligations from the current year's operations. A debt service ratio of 1.2 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. All facilities are grouped by type before calculating the ratios. 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 2003 through 2007 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 - Multilevel Facilities;
- Page 4 - Clinics
- Page 5 - Skilled Nursing Facilities (SNFs); and
- Page 6 - Other Facilities

Other Facilities includes Group Homes, Hospices, Intermediate Care facilities, Adult Care Centers and Chemical Dependency Recovery Hospitals.

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 both the original insured amount and principal balance for Hospitals have significantly increased since the prior report. These increases are mostly driven by a \$150.0 million loan insured for Lodi Memorial Hospital on December 13, 2007.

The weighted average debt service ratios exhibit a significant increase for 2006 followed by an overall decrease for 2007. These changes are most significant for Hospitals and Multilevel Facilities. In particular, Lodi Memorial Hospital (Hospitals) experienced a substantial increase in the current portion of long term debt, from \$1.3 million in 2006 to \$9.1 million in 2007. Los Angeles Jewish Home for the Aging (Multi) experienced a similar increase in the current portion of long term debt, from \$0.3 million in 2006 to \$2.1 million in 2007. As well, Los Angeles Jewish Home for the Aging had a 16.3% increase in expenses in 2007 with little increase in revenues, thereby decreasing net income.

The debt service ratios on a weighted average basis have improved significantly in 2006 for Skilled Nursing Facilities and Other Facilities. With respect to Clinics, the debt service ratios on a weighted average basis have remained generally flat between 2003 and 2007.

In 2007, total income debt service ratios (Section II, Exhibit 1, Pages 3 and 4) have improved showing a smaller percentage of borrowers with a ratio below 1.0. The two categories showing the most improvement are Multilevel Facilities and Skilled Nursing Facilities.

In reviewing the income debt service ratios graphs based on the distribution by original loan amount (Section II, Exhibit 3, Page 1) for all facility types combined, Oliver Wyman

again observes that the percentage of borrowers below the 1.0 income debt service ratio has decreased for the last two years when compared to the prior three years. In 2006, 43% of the borrowers were below the 1.0 income debt service ratio and in 2007, this ratio slightly increased to 46%. Hospitals are the largest contributor to that ratio with more than 60% of original loan amount with income debt service ratios below 1.0 in 2007.

In summary, the data show that borrowers' overall financial status has slightly improved with regard to the ability to service debt incurred over the last two years.

Section III - Cash Flow Projections

In order to evaluate the financial strength of 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 Scenario) and without future insured loans (Run-off Scenario) at the selected default rates.

Oliver Wyman's cash flow projection under the Expected Scenario indicates a positive expected fund balance through fiscal year 2037/38, with an ending balance of \$131.37 million. This presents an improved outlook for the Fund compared to Oliver Wyman's 2006 study which projected a positive year-end fund balance through fiscal year 2035/36 of \$98.2 million. As shown in Table 3 below, most of the base assumptions used are the same as those in Oliver Wyman's 2006 report. The largest drivers of the improvement are:

- \$13.25 million increase of the cash balance at June 30, 2008
- \$25.46 million increase in expected premium income from up-front premium loans
- \$25.65 million decrease in expected payments on current defaults over the next 30 years
- The positive impact on investment income due to the three above items

Table 3

Cal-Mortgage Cash Flow Analysis Change in Assumptions				
Item	OW 2006 Study	OW 2008 Study	Historical (excl. Triad)	Historical (incl. Triad)
Premium Rate	2.54%	2.54%		
C&I Fee as % of Loan Principle	0.40%	0.40%		
Projected Default Rate	6.00%	6.75%	2.14%	5.58%
Estimated Claim Severity	60.00%	60.00%	47.82%	61.81%
Estimated Payment Pattern (Paid Within)	6 years	6 years		
Administrative Expenses	4,590,000	4,828,000		
Trend on Administrative Expenses	4.00%	4.00%		

Although the study indicates that the expected fund balance will not be depleted until sometime after 2037/38, the expected net cash flow is negative until 2021/22, remains positive for 8 years, and then is slightly positive or negative through 2037/38.

In Oliver Wyman's analysis, industry data was used to predict future Cal-Mortgage experience. The use of external data adds to the variability associated with the projections. To measure the variability associated with the selected default rate, two adverse scenarios were developed (Section III, Exhibit 1, Pages 3 and 4) with default rates of 8.0% and 10.0% 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.

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

Scenario	Description	Positive Balance Until
Expected	New Loans Insured - 6.75% Default Rate	at least 2037/38
Run-Off	No New Loans Insured - 6.75% Default Rate	2021/22
Adverse	New Loans Insured - 8.0% Default Rate	at least 2037/38
Adverse	New Loans Insured - 10.0% Default Rate	2030/31

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; and
- Investment income.

Projected Default Rate

The first step in Oliver Wyman's analysis is to project ultimate default rates. 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 original loan balance by issue year and default information provided by Thomson Financial Services and Income Securities Advisors.

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 used 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.

An ultimate default rate is calculated for Cal-Mortgage for each issue year based on two segments of historical experience. The first segment, countrywide hospitals experience (Section III, Exhibit 2, Page 2), indicates a 1.1% ultimate default rate. The second segment, countrywide nursing home experience (Section III, Exhibit 2, Page 5), indicates a 13.0% ultimate default rate.

Based on countrywide industry data, in conjunction with the Cal-Mortgage empirical loss experience including and excluding Triad, Oliver Wyman selected a combined ultimate default rate of 6.75% (Section III, Exhibit 2, Page 1). The selected ultimate default rates for Hospitals and Nursing Homes from the prior actuarial study were 1.0% and 12.5%, respectively; and the combined selected ultimate default rate was 6.0%.

Hospitals, with respect to Cal-Mortgage, are defined as including the following types of facilities: ADC-DD, ADHC, BB, CDC: DD, CDRF, CLINIC: MULTI, CLINIC-AIDS, CLINIC-MH, CLINIC-PC, HOSP, HOSP-DIST. Nursing Homes are defined as including: GH-DD, GH-DD/MD, GH-MD, HOSPICE, MULTI-CCRC, MULTI-OTH, ICF-DD, SNF.

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 to say, Cal-Mortgage is only 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 as 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 60.0% for Cal-Mortgage as shown in Section III, Exhibit 3. The selected severity is the same as used in the prior analysis. The selected severity is consistent with industry experience (based on Income Securities Advisors data) and the rating agencies assumptions (Moody's), 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 six-year payout pattern from the year of default. Section III, Exhibit 4, Page 1 shows the selected payment pattern based on industry countywide experience indicated from the Income Securities Advisors data (Section III, Exhibit 4, Page 2).

Termination Rate

Consideration is given to the possibility that some older loans with annual premium will be terminated earlier than expected, and not renewed in the Program. In such cases, 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 rates in Section III, Exhibit 5 are 7.0% for 2008/09 and 5.0% thereafter.

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

Premium for Cal-Mortgage insured loans are set pursuant to statute (Health & Safety Code §129040) and regulation (22 CCR §91477). Prior to January 2001, 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 premium written on loans in-force as of January 1, 2001 and premium written on future loans.

Premium written on loans in-force issued before January 1, 2001 is 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%.

There is no premium income for in-force policies written between January 1, 2001 and June 30, 2008 since one-time premiums were paid at the issuance of each loan.

Premium income for insured loans issued subsequent to June 30, 2008 is 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 a discussion with Cal-Mortgage.

The standard premium rate is 300 basis points (i.e., 3.00%) times total debt service. However, borrowers with a CCC or higher rating 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 40.0% of the total future portfolio while non-investment grade loans are expected to comprise the remaining 60.0%. The resulting weighted average premium rate is 254 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 premium, a Certification and Inspection fee (C&I fee) is charged on the total proceeds of any new loan when any amount of loan will be used for construction, remodel, or land purchase.

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 2008/09 administrative expenses of \$4.83 million, and an assumed increase in expenses of 4.0% 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 thirty years, average 4.27%. Oliver Wyman used a Makridakis type approach to forecast future investment yields. The method extracts trend, cycle, seasonality and error to make the estimate variable over the forecast period (Section III, Exhibit 1, Page 1).

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 Oliver Wyman's cash-flow model. In addition, Oliver Wyman added a scenario analysis for the possibility of catastrophic loss.

Tables 5 and 6 below summarize the results of Oliver Wyman's simulation model. Table 5 displays the year that the fund balance is expected to be depleted in each scenario at various confidence levels. Table 6 shows the expected ending fund balance as of fiscal year 2037/38.

Table 5

Cal-Mortgage Year of Fund Balance Depletion ¹				
Confidence Level	Probability of Catastrophic Scenario ²			
	0%	1%	5%	10%
Expected	at least 2037/38	at least 2037/38	2031/32	2021/22
70%	at least 2037/38	at least 2037/38	2025/26	2019/20
80%	at least 2037/38	at least 2037/38	2021/22	2018/19
90%	at least 2037/38	2032/33	2019/20	2016/17

Table 6

Cal-Mortgage Fiscal Year 2037/38 Ending Fund Balance				
Confidence Level	Probability of Catastrophic Scenario ²			
	0%	1%	5%	10%
Expected	131,420,323	88,331,255	(83,265,517)	(297,254,252)
70%	95,507,775	52,151,812	(167,923,248)	(418,256,371)
80%	74,439,429	12,102,776	(237,565,286)	(510,544,358)
90%	44,862,414	(58,659,276)	(343,239,910)	(637,357,901)

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

² Size of original loan amount for catastrophe claim is assumed to be \$90 million.

For each catastrophic scenario, the mean year-end fund balance is forecasted for fiscal years 2008/09 through 2037/38 (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 confidence levels. Confidence 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 10.0% 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 2019/20. And, there is a 10.0% chance (represented by the 90.0% confidence level) that the Fund balance will be depleted by fiscal year-end 2016/17. 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.

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 of 6.75%. A coefficient of variation of 45.0% is determined based on an analysis of industry data from Income Securities Advisors (Section IV, Exhibit 6, Page 1). The lognormal distribution is truncated between 40.0% and 250.0% of the selected ultimate default rate.

Claim Severity

The claim severity was modeled as a triangle distribution with a minimum of 20.0% of OLB of the default loan and a maximum of 100.0%. The parameters are selected based on the analysis of the data from Income Securities Advisors 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 loan is evenly distributed around the expected volume of new insured loans, plus or minus \$50.0 million.

Termination Rate

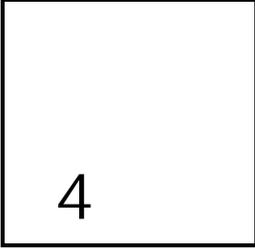
The termination rates of loans are independently simulated for each issue year under a uniform distribution with a minimum of 50.0% of the expected termination rate and a maximum of 150.0% of the expected termination rate.

Investment Yield

The annual investment yield for each fiscal year is independently modeled as a lognormal distribution with a mean equal to the selected investment yield. The selected coefficient of variation is 1.75% based on an analysis of Cal-Mortgage historical rate of return on fund balance (Section I, Exhibit 9).

Catastrophe 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 Hospitals 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 \$90.0 million. The claim severity of catastrophic loss is modeled by a triangle distribution with a minimum of 50.0% of OLB, an expected of 75.0% of OLB and a maximum of 100.0% of OLB.

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Data

For this study, Oliver Wyman relied on the accuracy and completeness of data and information provided by Cal-Mortgage without independent audit. The actuarial analysis is based upon the review of this data and also industry data, along with practical knowledge and training in actuarial theory, which together enable us to interpret the results of calculations. Throughout the process, the data play an important role. The accuracy and validity of the actuarial analysis are dependent on, among other things, the quality of the data used. If the underlying data are inaccurate or incomplete, the results of the analysis may likewise be inaccurate or incomplete.

Oliver Wyman reviewed the data used directly in this analysis for the purpose of identifying values that are questionable or relationships that are materially inconsistent. In cases where the data were incomplete, inaccurate, or not as appropriate as desired, Oliver Wyman considered whether the use of such imperfect data may produce material biases in the results of this study, or whether the data were so inadequate that the data cannot be used to satisfy the purpose of this study.

Oliver Wyman did not, however, audit or verify the data since this is beyond the scope of the assignment. Also, it should be noted that the review of data may not always reveal imperfections and that there may be situations where it is impossible or impracticable to perform a sufficient review of the data.

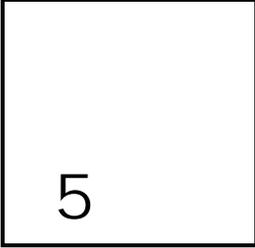
For this study, Oliver Wyman relied on the following information provided by Cal-Mortgage:

- 2007 State Plan – California Health Facility Construction Loan Insurance Program

- Problem Project Report – June 2008
- Monthly Activity Report – December 31, 2007 and June 30, 2008
- Detail 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 6/30/2008
- 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 6/30/2008
- List of projected payments for 2008/09 on currently defaulted projects or projects in the pipeline
- Information on resolved loans and expectations of future reimbursements to the HFCLIF
- Historical investment earnings of the Fund
- Up-front premium for newly issued loans since our 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 & inspection fees.
- Financial statements for each insured for two fiscal years ending during calendar years 2006 and 2007

Oliver Wyman also relied on industry data as follows:

- Countrywide information regarding defaulted bonds for nursing homes and hospitals prepared by Income Securities Advisors
- Countrywide information regarding bond issues for the period 1995 to 2008 for nursing homes and hospitals prepared by Thomson Reuters

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Limitations

The results contained in this report represent Oliver Wyman's professional judgment considering the limitations noted throughout this report. However, variation from these or any other estimates of unpaid amounts is not only possible but probable. Actual future payments may vary significantly and in either direction from the estimates contained in this report.

The study's conclusions were based on an analysis of the data and on the estimation of many contingent events. Future costs were developed from the historical claim experience and covered exposure, with adjustments for anticipated changes. The estimates make no provision for extraordinary future emergence of types of losses not sufficiently represented in historical databases or which are not yet quantifiable.

It was assumed that the mix of exposures for the prospective period is consistent with those covered during the historical periods. To the extent Cal-Mortgage's operations have not been consistent and reflect different degrees of loss potential, then projections based on historical experience may not be reflective of current or future loss levels, and estimated ultimate losses may be too high or too low.

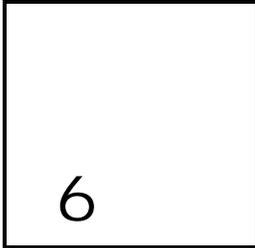
The sources of uncertainty affecting the estimates are numerous and include factors internal and external to Cal-Mortgage. Factors internal to Cal-Mortgage include items such as changes in loan underwriting practices. The most significant external influences include but are not limited to changes in the legal, social, or regulatory environment surrounding the process. Uncontrollable factors such as general economic conditions also contribute to the variability.

Even if there were no unanticipated changes, there exists an inherent fluctuation in the amount of actual claims around the expected amount due to the random nature of the claims process.

Perhaps the factors contributing most to the variability in this study are the relatively small number of expected claims each year and the lack of a large body of historical data. As a result, Oliver Wyman relied on reporting and payment patterns obtained wholly or partially from industry sources. Although Oliver Wyman believes these industry data may provide insight into projecting future Cal-Mortgage experience, the use of external data adds to the variability associated with the estimates.

This actuarial analysis involves various assumptions related to future contingent events. Actuarial standards of practice require disclosure of situations in which reasonable alternative assumptions would result in estimates which are materially different from those presented in this analysis. While Oliver Wyman believes that the assumptions selected in this analysis are reasonable for this situation, reasonable alternative assumptions may produce estimates that are materially different from the estimates presented in this analysis. Such assumptions include, but are not limited to: default rates; investment yields; termination rates; claim severities; catastrophic losses; and payment patterns. This is particularly true with respect to the Cal-Mortgage Loan Insurance Program, where the low frequency / high severity nature of this business implies greater volatility of possible outcomes.

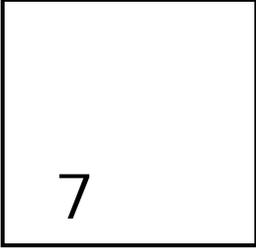
Numbers in the exhibits may be shown with more significant digits than their accuracy suggests. This has been done to simplify the review of the calculations. In addition, in some instances, the computer retains more digits than those displayed. As a result, there may be differences in the actual values shown due to rounding.



Distribution and Use

This report was prepared for the use of the management of OSHPD, Cal-Mortgage and the State of California. Distribution to other parties does not constitute advice by us to those parties. The reliance of other parties on any aspects of Oliver Wyman's report is not authorized by us and is done at their own risk. Should further distribution of this actuarial report be authorized, this analysis must be distributed in its entirety, including all text and exhibits.

The information and advice contained in this document is not intended or written by the Oliver Wyman consultant or actuary to be used, and it cannot be used by the taxpayer, for the purpose of avoiding tax penalties that may be imposed on the taxpayer.

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Closing

It has been a pleasure to provide this analysis to OSHPD and Cal-Mortgage. Oliver Wyman is prepared to discuss the results at your request.

Because the sources of uncertainty affecting the estimates are numerous, Oliver Wyman recommends the actuarial study continue to be done at least every other year, as recommended in the statute.

I, Bonnie Maxie, am a principal with Oliver Wyman Actuarial Consulting, Inc. I am a member of the Casualty Actuarial Society (CAS) and the American Academy of Actuaries (AAA) and meet the Qualification Standards to perform the actuarial analysis contained herein.

Oliver Wyman Actuarial Consulting, Inc.:

Bonnie Maxie, FCAS, MAAA
Four Embarcadero Center, Suite 1100
San Francisco, CA 94111
Direct Dial: (415) 743-7940

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Summary of California Statutory Requirements
As of June 30, 2008**

Statutory Item	Total Reserve without Pipeline IBNR	Total Reserve with Pipeline IBNR
(1) Capital and Surplus	75,000,000	75,000,000
(2) Case Reserve (Current Default)	127,648,370	127,648,370
(3) Pipeline IBNR Reserve		4,921,424
(4) Recoveries (Resolved Loans)	(10,521,461)	(10,521,461)
(5) Sherman Oaks Proceeds (Recovery)	(16,185,000)	(16,185,000)
(6) Contingency Reserve	10,992,518	10,992,518
(7) Unearned Premium Reserve	48,101,890	48,101,890
(8) Total	235,036,317	239,957,741

Notes:

- (1) Minimum capital and surplus requirement according to California Statutory Insurance Code Section 12107
- (2) From Section I, Exhibit 2, Column (7) - Total defaulted as of 6/30/08
- (3) From Section I, Exhibit 2, Column (7) - Pipeline defaulted after 6/30/08
- (4) From Section I, Exhibit 4, Column (9)
- (5) Funds held by Trustee paid at first available call date of August 2008
- (6) From Section I, Exhibit 6, Row (3)
- (7) From Section I, Exhibit 7, Row (6)
- (8) Sum of Rows (1) through (6)

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Summary of Defaulted Loans - Current or in Pipeline
Case Reserves as of June 30, 2008**

Loan ID	Borrower	Date of Default	Original Loan Balance	Loan Balance @Default	Current Loan Principal Balances	Estimated Discounted Case Reserve
(1)	(2)	(3)	(4)	(5)	(6)	(7)
0720 & 0829	Apple Valley Care Center	05/27/04	9,525,000	9,075,000	8,201,250	1,354,890
0695	Sherman Oaks Health System	07/26/95	182,230,000	182,230,000	132,880,000	125,623,536
0446 & 0846	Hermanadad Mexicana Nacional	12/29/98	4,385,000	4,095,000	3,448,319	213,067
0705 & 0828	Burt Center	03/28/05	3,200,000	2,995,000	3,024,980	456,876
**	Other Borrowers	Potential			49,214,239	4,921,424
Total					196,768,788	132,569,794
Total Defaulted as of 6/30/08			199,340,000	198,395,000	147,554,549	127,648,370
Pipeline Default After 6/30/08					49,214,239	4,921,424

Notes:

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

** HFCLIF payments expected for these borrowers

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Projected Principal and Interest Payment for Defaulted Loans
Nominal (Excluding Pipeline)
As of June 30, 2008**

Year	Apple Valley Care Center	Sherman Oaks Health System	Hermandad Mexicana Nacional	Burt Center	Total
7/1/2008-6/30/2009	713,526	11,934,233	217,287	238,180	13,103,226
7/1/2009-6/30/2010	710,272	11,914,270	0	238,938	12,863,480
7/1/2010-6/30/2011	0	11,906,220	0	0	11,906,220
7/1/2011-6/30/2012	0	11,888,645	0	0	11,888,645
7/1/2012-6/30/2013	0	11,900,891	0	0	11,900,891
7/1/2013-6/30/2014	0	11,872,238	0	0	11,872,238
7/1/2014-6/30/2015	0	11,861,138	0	0	11,861,138
7/1/2015-6/30/2016	0	11,845,838	0	0	11,845,838
7/1/2016-6/30/2017	0	11,857,875	0	0	11,857,875
7/1/2017-6/30/2018	0	11,848,125	0	0	11,848,125
7/1/2018-6/30/2019	0	11,834,875	0	0	11,834,875
7/1/2019-6/30/2020	0	11,822,000	0	0	11,822,000
7/1/2020-6/30/2021	0	11,808,250	0	0	11,808,250
7/1/2021-6/30/2022	0	7,989,875	0	0	7,989,875
7/1/2022-6/30/2023	0	0	0	0	0
7/1/2023-6/30/2024	0	0	0	0	0
7/1/2024-6/30/2025	0	0	0	0	0
7/1/2025-6/30/2026	0	0	0	0	0
7/1/2026-6/30/2027	0	0	0	0	0
7/1/2027-6/30/2028	0	0	0	0	0
7/1/2028-6/30/2029	0	0	0	0	0
7/1/2029-6/30/2030	0	0	0	0	0
7/1/2030-6/30/2031	0	0	0	0	0
7/1/2031-6/30/2032	0	0	0	0	0
7/1/2032-6/30/2033	0	0	0	0	0
7/1/2033-6/30/2034	0	0	0	0	0
7/1/2034-6/30/2035	0	0	0	0	0
7/1/2035-6/30/2036	0	0	0	0	0
7/1/2036-6/30/2037	0	0	0	0	0
7/1/2037-6/30/2038	0	0	0	0	0
Total (Undiscounted)	1,423,798	162,284,471	217,287	477,118	164,402,674

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Summary of Resolved Loans
As of June 30, 2008**

Loan ID	Borrower	Original Loan Balance	Date of Loan Default	Loan Balance @Default	Total Net Payment From HFCLIF	Date Resolved	Estimated Recoveries or Future Income	Estimated Discounted Recovery
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
0310, 0407	Kazi House	2,670,000	01/24/00	2,415,000	2,601,035	sale pending	2,150,000	2,108,248
0446, 0846	Hermanidad Mexicana Nacional	4,585,000	12/29/98	4,095,000	3,080,797	sale pending	3,000,000	2,828,598
0742	Health Care Delivery Services	9,930,000	02/26/96	4,192,984	7,025,711	09/01/06	7,692,450	4,521,746
0738, 0739, 0748	Los Medanos HealthCare District	11,100,000	08/28/95	9,161,896	2,502,671	07/01/07	1,000,000	827,152
0658, 0834	Sunset Haven	7,220,000	05/27/04	5,325,000	565,463	01/02/06	250,000	235,717
Total		35,505,000			15,775,677		14,092,450	10,521,461

Notes:

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

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Estimated Recoveries by Borrower
As of June 30, 2008**

Year	Kazi House	Hermandad Mexicana Nacional	Health Care Delivery Services	Los Medanos HealthCare District	Sunset Haven	Total
7/1/2008-6/30/2009	2,150,000		256,415	100,000		2,506,415
7/1/2009-6/30/2010		3,000,000	256,415	100,000	250,000	3,606,415
7/1/2010-6/30/2011			256,415	100,000		356,415
7/1/2011-6/30/2012			256,415	100,000		356,415
7/1/2012-6/30/2013			256,415	100,000		356,415
7/1/2013-6/30/2014			256,415	100,000		356,415
7/1/2014-6/30/2015			256,415	100,000		356,415
7/1/2015-6/30/2016			256,415	100,000		356,415
7/1/2016-6/30/2017			256,415	100,000		356,415
7/1/2017-6/30/2018			256,415	100,000		356,415
7/1/2018-6/30/2019			256,415			256,415
7/1/2019-6/30/2020			256,415			256,415
7/1/2020-6/30/2021			256,415			256,415
7/1/2021-6/30/2022			256,415			256,415
7/1/2022-6/30/2023			256,415			256,415
7/1/2023-6/30/2024			256,415			256,415
7/1/2024-6/30/2025			256,415			256,415
7/1/2025-6/30/2026			256,415			256,415
7/1/2026-6/30/2027			256,415			256,415
7/1/2027-6/30/2028			256,415			256,415
7/1/2028-6/30/2029			256,415			256,415
7/1/2029-6/30/2030			256,415			256,415
7/1/2030-6/30/2031			256,415			256,415
7/1/2031-6/30/2032			256,415			256,415
7/1/2032-6/30/2033			256,415			256,415
7/1/2033-6/30/2034			256,415			256,415
7/1/2034-6/30/2035			256,415			256,415
7/1/2035-6/30/2036			256,415			256,415
7/1/2036-6/30/2037			256,415			256,415
7/1/2037-6/30/2038			256,415			256,415
Total	2,150,000	3,000,000	7,692,450	1,000,000	250,000	14,092,450
Discounted at 4.0%	2,108,248	2,828,598	4,521,746	827,152	235,717	10,521,461

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Contingency Reserves Calculation
As of June 30, 2008**

(1) Principal outstanding	1,374,064,775
(2) Contingency Factor	0.80%
(3) Contingency Reserves Requirement	10,992,518

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

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Unearned Premium Reserves Calculation
As of June 30, 2008**

Month	Annual Premium (1)	Unearned Premium Reserve Factor (2)	Unearned Premium Reserves (3)
Jul-07	97,960	0.0417	4,082
Aug-07	84,799	0.1250	10,600
Sep-07	41,631	0.2083	8,673
Oct-07	490,434	0.2917	143,043
Nov-07	84,661	0.3750	31,748
Dec-07	251,524	0.4583	115,282
Jan-08	13,089	0.5417	7,090
Feb-08	20,921	0.6250	13,076
Mar-08	348,319	0.7083	246,726
Apr-08	72,452	0.7917	57,358
May-08	153,840	0.8750	134,610
Jun-08	39,053	0.9583	37,426
<hr/>			
(4) Subtotal (Annual Premium)	1,698,683		809,713
(5) Subtotal (One-time Premium)			47,292,177
(6) Total Unearned Premium Reserves			48,101,890

Notes:

- (1) Provided by Cal-Mortgage
- (2) Based on monthly pro-rata basis as required by California Insurance Code 12110
- (3) = (1) x (2)
- (5) Section I, Exhibit 8, Column (9)
- (6) = (4) + (5)

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Unearned Premium Reserves Calculation - One-time Nonrefundable Premium
As of June 30, 2008

Project Number	Borrower Name	Project Name	Facility Group	Date Loan Insured	Original Insured Amount	Current Principal Balance	Total Premium	Unearned Premium
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
0763	HENRY MAYO NEWHALL MEMORIAL HOSPITAL	HENRY MAYO NEWHALL MEMORIAL HOSPITAL	HOSP	21-Feb-2001	54,895,000	49,460,000	3,239,642	2,918,894
0705	BURT CENTER, INC.	BURT CENTER, INC.	GH-MD	18-Apr-2001	3,200,000	2,725,000	173,753	147,962
0728	DESERT AIDS PROJECT, INC.	DESERT AIDS PROJECT, INC.	CLINIC-AIDS	26-Apr-2001	3,570,000	2,940,000	191,714	157,882
0761	EL CENTRO REGIONAL MEDICAL CENTER	EL CENTRO REGIONAL MEDICAL CENTER	HOSP	26-Apr-2001	39,300,000	34,000,000	1,949,764	1,686,819
0720	APPLE VALLEY CHRISTIAN CENTERS	APPLE VALLEY RETIREMENT	SNF	24-May-2001	9,525,000	8,065,000	527,936	447,014
0775	SOUTHERN CALIFORNIA ALCOHOL & DRUG PROGRAM	SOUTHERN CALIFORNIA ALCOHOL AND DRUG PROGRAMS, INC.	CDRF	30-May-2001	1,780,000	1,465,000	96,743	79,622
0771	SOCIAL MODEL RECOVERY SYSTEMS, INC.	SOCIAL MODEL RECOVERY SYSTEMS, INC.	CDRF	27-Jun-2001	1,890,000	1,550,000	75,600	62,000
0777	PROTOTYPES	PROTOTYPES	CDRF	27-Jun-2001	4,195,000	3,530,000	228,529	192,302
0776	CORCORAN DISTRICT HOSPITAL	CORCORAN DISTRICT HOSPITAL - L O C	HOSP-DIST	01-Aug-2001	800,000	664,843	5,760	4,787
0769	SAN FERNANDO COMMUNITY HOSPITAL- MISSION COMMUNITY	SAN FERNANDO COMMUNITY HOSPITAL - MISSION COMMUNITY	HOSP	11-Dec-2001	35,445,000	30,900,000	177,272	154,541
0715	THE EPISCOPAL HOME COMMUNITIES	EPISCOPAL HOMES	MULTI-CCRC	26-Feb-2002	90,000,000	82,855,000	3,457,450	3,182,967
0787	SANSUM CLINIC	SANSUM CLINIC	CLINIC- MULTI	01-May-2002	32,600,000	27,730,000	1,623,356	1,380,849
0798	HOPE SERVICES	HOPE SERVICES	ADC-DD	11-Jun-2002	5,845,000	4,595,000	270,566	212,703
0796	ALDERSLY, INC.	ALDERSLY, INC.	MULTI-CCRC	26-Sep-2002	7,125,000	6,435,000	382,597	345,546
0810	NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY	NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY	MULTI-CCRC	19-Dec-2002	49,755,000	42,975,000	1,626,752	1,405,078
0774	ODD FELLOWS HOME OF CALIFORNIA	SARATOGA RETIREMENT COMMUNITY	MULTI-CCRC	07-Jan-2003	80,000,000	77,035,000	4,919,266	4,736,946
0804	NORTH COUNTY SERENITY HOUSE	NORTH COUNTY SERENITY HOUSE	CDRF	28-Jan-2003	5,795,000	5,065,000	314,395	274,790
0802	CLARE FOUNDATION, INC.	CLARE FOUNDATION, INC.	CDRF	29-Apr-2003	1,750,000	1,455,000	78,958	65,648
0815	PRINCIPLES, INC.	PRINCIPLES, INC.	CDRF	29-Apr-2003	2,040,000	1,700,000	92,054	76,711
0827	HENRY MAYO NEWHALL MEMORIAL HOSPITAL	HENRY MAYO NEWHALL MEMORIAL HOSPITAL	HOSP	15-Jun-2003	7,000,000	2,916,683	125,534	52,306
0829	APPLE VALLEY CHRISTIAN CENTERS	APPLE VALLEY RETIREMENT L O C	SNF	16-Jun-2003	500,000	136,250	2,775	756
0828	BURT CENTER, INC.	BURT CENTER, INC. - L O C	GH-MD	19-Jun-2003	300,000	299,980	1,153	1,153
0821	WEST OAKLAND HEALTH COUNCIL, INC.	WEST OAKLAND HEALTH COUNCIL, INC.	CLINIC-PC	21-Jul-2003	2,225,000	1,795,000	85,442	68,930
0830	KERN VALLEY HEALTHCARE DISTRICT	KERN VALLEY HEALTHCARE DISTRICT	HOSP-DIST	26-Sep-2003	17,770,000	15,220,000	821,553	703,660
0826	MOMENTUM FOR MENTAL HEALTH	MOMENTUM FOR MENTAL HEALTH	GH-MD	13-Nov-2003	10,500,000	8,740,000	462,698	385,141
0788	LOS ANGELES JEWISH HOME FOR THE AGING	LOS ANGELES JEWISH HOME FOR THE AGING	MULTI-OTH	17-Dec-2003	80,000,000	77,950,000	4,967,505	4,840,213
0824	DEL NORTE CLINICS, INC.	DEL NORTE CLINICS, INC.	CLINIC-PC	23-Dec-2003	8,795,000	7,865,000	45,610	40,787
0809	BECOMING INDEPENDENT	BECOMING INDEPENDENT - Radian	ADC-DD	21-Jan-2004	5,000,000	4,660,000	265,819	247,743
833A	MARSHALL MEDICAL CENTER	MARSHALL MEDICAL CENTER	HOSP	25-Mar-2004	30,000,000	29,800,000	1,943,759	1,930,800
833B	MARSHALL MEDICAL CENTER	MARSHALL MEDICAL CENTER	HOSP	25-Mar-2004	20,000,000	20,000,000	see above	see above
0846	HERMANDAD MEXICANA NACIONAL, INC.	HERMANDAD - MEXICANA NACIONAL, INC. - L O C	CLINIC-PC	25-Apr-2004	200,000	116,319	420	248
0839	SONOMA VALLEY HEALTH CARE DISTRICT	SONOMA VALLEY HEALTH CARE DISTRICT - RADIAN	HOSP-DIST	30-Apr-2004	7,540,000	4,770,000	266,820	170,695
0789	ELDER CARE ALLIANCE OF UNION CITY	ELDER CARE ALLIANCE OF UNION CITY	MULTI-OTH	08-Jun-2004	15,685,000	15,685,000	993,960	993,960
0847	ALDERSLY, INC.	ALDERSLY, INC.	MULTI-CCRC	19-Jul-2004	1,200,000	1,031,918	52,947	45,531
0845	KEIRO NURSING HOME	KEIRO NURSING HOMES - F G I C	SNF	29-Sep-2004	8,665,000	6,775,000	337,071	263,549
0855	SOLHEIM LUTHERAN HOME	SOLHEIM LUTHERAN HOME F G I C	MULTI-CCRC	02-Dec-2004	6,415,000	5,110,000	211,961	168,842
0851	WALDEN HOUSE, INC.	WALDEN HOUSE, INC. RADIAN	CDRF	30-Dec-2004	7,475,000	6,455,000	316,354	273,186
0836	ADVENT GROUP MINISTRIES, INC	ADVENT GROUP MINISTRIES, INC. - Insured HELP II Loan	GH-MD	27-Jan-2005	400,000	327,902	14,917	12,228
0866	ASIAN COMMUNITY SKILLED NURSING FACILITY	ASIAN COMMUNITY SKILLED NURSING FACILITY - F G I C	SNF	12-Apr-2005	2,070,000	1,560,000	75,465	56,872
0863	CALIFORNIA AUTISM FOUNDATION, INC	CALIFORNIA AUTISM FOUNDATION, INC. - F G I C	GH-DD/MD	12-Apr-2005	3,950,000	3,380,000	168,842	144,477
0865	CLINICAS DEL CAMINO REAL, INC.	CLINICAS DEL CAMINO REAL	CLINIC-PC	12-Apr-2005	9,440,000	8,535,000	433,047	391,531
0859	COMMUNITY MEDICAL CENTER, INC.	COMMUNITY MEDICAL CENTERS, INC. - F G I C	CLINIC-PC	12-Apr-2005	3,220,000	2,895,000	145,060	130,419
0861	SOCIAL MODEL RECOVERY SYSTEMS, INC.	SOCIAL MODEL RECOVERY SYSTEMS, INC. F G I C	CDRF	12-Apr-2005	955,000	830,000	41,881	36,399
0864	SOUTHERN CALIFORNIA ALCOHOL & DRUG PROGRAM	SOUTHERN CALIFORNIA ALCOHOL & DRUG PROGRAM - F G I C	CDRF	12-Apr-2005	1,885,000	1,695,000	84,445	75,833
0862	VERDUGO MENTAL HEALTH	VERDUGO MENTAL HEALTH - F G I C	CLINIC-MH	12-Apr-2005	1,025,000	910,000	45,145	40,080
0868	AIDS HEALTHCARE FOUNDATION	AIDS HEALTHCARE FOUNDATION - F G I C	HOSPICE	21-Jul-2005	7,250,000	6,515,000	291,191	261,670
0875	NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY	NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY - A M B A C	MULTI-CCRC	20-Dec-2005	16,125,000	16,125,000	666,887	666,887
0877	KINSHIP CENTER	KINSHIP CENTER	CLINIC- MULTI	14-Mar-2006	2,910,000	2,765,000	146,051	138,774
0876	CALIFORNIA NEVADA METHODIST HOMES	FOREST HILL MANOR	MULTI-CCRC	03-May-2006	42,280,000	42,280,000	2,035,646	2,035,646
0764	KERN VALLEY HEALTHCARE DISTRICT	KERN VALLEY HEALTHCARE DISTRICT - L O C	HOSP-DIST	23-Jun-2006	1,000,000	955,945	19,333	18,481
0882	KERN VALLEY HEALTHCARE DISTRICT	KERN VALLEY HEALTHCARE DISTRICT - L O C	HOSP-DIST	04-Oct-2006	1,000,000	0	5,200	0
0867	VERDUGO MENTAL HEALTH	VERDUGO MENTAL HEALTH	CLINIC-MH	07-Mar-2007	5,505,000	5,415,000	319,303	314,083
0843	MAYERS MEMORIAL HOSPITAL DISTRICT	MAYERS MEMORIAL HOSPITAL DISTRICT	HOSP-DIST	28-Mar-2007	6,005,000	5,335,000	222,532	197,703
0885	OPTIONS FAMILY OF SERVICES	OPTIONS FAMILY OF SERVICES	GH-DD	30-May-2007	3,090,000	3,035,000	161,838	158,957
0886	LOS ANGELES CENTERS FOR ALCOHOL & DRUG ABUSE	LOS ANGELES CENTERS FOR ALCOHOL AND DRUG ABUSE	CDRF	30-May-2007	2,795,000	2,715,000	141,153	137,113
0825	NATIVE AMERICAN HEALTH CENTER, INC.	NATIVE AMERICAN HEALTH CENTER	CLINIC-PC	07-Jun-2007	7,829,359	7,829,359	475,284	475,284
0893	MAYERS MEMORIAL HOSPITAL DISTRICT	MAYERS MEMORIAL HOSPITAL DISTRICT - L O C	HOSP-DIST	12-Jul-2007	1,000,000	0	0	0
0896	VICTOR VALLEY COMMUNITY HOSPITAL	VICTOR VALLEY COMMUNITY HOSPITAL - L O C	HOSP	30-Jul-2007	4,900,000	4,554,733	28,041	26,065
0884	HENRY MAYO NEWHALL MEMORIAL HOSPITAL	HENRY MAYO NEWHALL MEMORIAL HOSPITAL	HOSP	01-Aug-2007	45,000,000	45,000,000	3,924,819	3,924,819
884A	HENRY MAYO NEWHALL MEMORIAL HOSPITAL	HENRY MAYO NEWHALL MEMORIAL HOSPITAL	HOSP	01-Aug-2007	30,000,000	30,000,000	see above	see above
0891	ASIAN COMMUNITY SKILLED NURSING FACILITY	ASIAN COMMUNITY SKILLED NURSING FACILITY - A M B A C	SNF	03-Oct-2007	19,405,000	19,405,000	1,052,203	1,052,203
0894	HILL COUNTRY COMMUNITY CLINIC	HILL COUNTRY COMMUNITY CLINIC	CLINIC-PC	30-Oct-2007	5,250,000	5,250,000	274,884	274,884
0883	LODI MEMORIAL HOSPITAL ASSOCIATION, INC.	LODI MEMORIAL HOSPITAL ASSOCIATION, INC.	HOSP	13-Dec-2007	150,000,000	150,000,000	5,651,669	5,651,669
0895	LOS ANGELES JEWISH HOME FOR THE AGING	LOS ANGELES JEWISH HOME FOR THE AGING	MULTI-OTH	14-Feb-2008	59,595,000	59,595,000	2,694,101	2,694,101
0897	VALLEY HEALTH TEAM, INC.	VALLEY HEALTH TEAM, INC.	CLINIC-PC	11-Mar-2008	2,325,000	2,325,000	112,760	112,760
0898	CLINICAS DE SALUD DEL PUEBLO	CLINICAS DE SALUD DEL PUEBLO	CLINIC-PC	11-Mar-2008	3,925,000	3,925,000	165,678	165,678
0904	SONOMA VALLEY HEALTH CARE DISTRICT	SONOMA VALLEY HEALTH CARE DISTRICT - L O C	HOSP-DIST	17-Mar-2008	500,000	0	3,025	0
0905	SAN FERNANDO COMMUNITY HOSPITAL- MISSION COMMUNITY	SAN FERNANDO COMMUNITY HOSPITAL - MISSION COMMUNITY - L O C	HOSP	02-Apr-2008	2,000,000	0	1,523	0
0887	FAMILY HEALTH CARE NETWORK	FAMILY HEALTHCARE NETWORK, INC.	CLINIC-PC	15-Apr-2008	7,910,000	7,910,000	376,898	376,898
0906	MENDOCINO COAST HEALTH CARE DISTRICT	MENDOCINO COAST HOSPITAL - L O C	HOSP-DIST	23-Apr-2008	1,000,000	0	2,700	0
Total					1,110,324,359	1,035,540,911	50,125,958	47,292,177

Notes:

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

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

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

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Selection of Interest Rate for Discounting
As of June 30, 2008

Fiscal Period	HFCLIF Balance	Interest Annualized	Prorated Interest for Period	Return on Investment Portfolio
	(1)	(2)	(3)	(4)
7/1/1997-12/31/1997	127,889,020	7,276,885	3,638,443	5.69%
1/1/1998-6/30/1998	130,409,899	7,399,458	3,699,729	5.67%
7/1/1998-12/31/1998	126,990,090	7,051,760	3,525,880	5.55%
1/1/1999-6/30/1999	159,456,957	8,186,520	4,093,260	5.13%
7/1/1999-12/31/1999	149,281,965	7,973,150	3,986,575	5.34%
1/1/2000-6/30/2000	152,519,901	9,129,841	4,564,921	5.99%
7/1/2000-12/31/2000	149,965,171	9,737,239	4,868,619	6.49%
1/1/2001-6/30/2001	151,922,050	8,706,653	4,353,326	5.73%
7/1/2001-12/31/2001	174,327,647	6,960,903	3,480,451	3.99%
1/1/2002-6/30/2002	181,149,000	5,168,181	2,584,090	2.85%
7/1/2002-12/31/2002	181,106,389	4,469,706	2,234,853	2.47%
1/1/2003-6/30/2003	181,404,576	3,372,311	1,686,156	1.86%
7/1/2003-12/31/2003	184,542,439	2,934,225	1,467,112	1.59%
1/1/2004-3/31/2004	181,579,913	2,663,777	665,944	1.47%
4/1/2004-6/30/2004	183,735,388	2,647,627	661,907	1.44%
7/1/2004-9/30/2004	176,758,235	2,943,025	735,756	1.67%
10/1/2004-12/31/2004	178,648,551	3,564,039	891,010	2.00%
1/1/2005-3/31/2005	174,733,992	4,146,438	1,036,609	2.37%
4/1/2005-6/30/2005	177,398,499	5,057,631	1,264,408	2.85%
7/1/2005-9/30/2005	169,095,069	5,373,841	1,343,460	3.18%
10/1/2005-12/31/2005	170,862,917	6,195,489	1,548,872	3.63%
1/1/2006-3/31/2006	169,424,477	6,831,195	1,707,799	4.03%
4/1/2006-6/30/2006	173,933,343	7,877,441	1,969,360	4.53%
7/1/2006-9/30/2006	167,723,683	8,262,069	2,065,517	4.93%
10/1/2006-12/31/2006	171,280,287	8,745,571	2,186,393	5.11%
1/1/2007-3/31/2007	171,603,322	8,875,324	2,218,831	5.17%
4/1/2007-6/30/2007	175,219,057	9,172,718	2,293,179	5.24%
7/1/2007-9/30/2007	173,438,748	9,081,253	2,270,313	5.24%
10/1/2007-12/31/2007	183,130,017	9,074,092	2,268,523	4.96%
1/1/2008-3/31/2008	185,259,745	7,732,742	1,933,185	4.17%
4/1/2008-6/30/2008	187,183,615	5,817,667	1,454,417	3.11%
Total			72,698,900	
Weighted Average All Years				4.63%
Weighted Average 7/1/2002 to 6/30/2008				3.78%
Weighted Average 7/1/2003 to 6/30/2008				3.99%
Average 7/1/2005 to 6/30/2008				4.44%
Prior Selection				4.50%
Selected Discounting Interest Rate				4.00%
Standard Deviation All Years				1.57%
Standard Deviation 7/1/2003 to 6/30/2008				1.43%
Selected Standard Deviation				1.75%

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Distribution of Active Loans by Facility Type
As of 6/30/2008**

Facility Type	# of Projects (1)	# of Borrowers (2)	Original Insured Amount (3)	Principle Balance (4)	Distribution By # of Projects (5)	Distribution By # of Borrowers (6)	Distribution By Original Loan Amount (7)	Distribution By Principle Outstanding (8)
Hospitals	29	13	566,330,000	487,441,422	21.2%	13.0%	35.8%	35.5%
Multilevels	25	19	626,625,000	564,286,918	18.2%	19.0%	39.6%	41.1%
Clinics	38	32	185,819,359	153,227,678	27.7%	32.0%	11.7%	11.2%
SNF	6	4	56,520,000	51,911,250	4.4%	4.0%	3.6%	3.8%
Other	39	32	146,970,000	117,197,507	28.5%	32.0%	9.3%	8.5%
Total	137	100	1,582,264,359	1,374,064,775	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

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

Summary of Cash Flow Debt Service Ratios

Facility Type	Weighted Average					Average					Median				
	2007	2006	2005	2004	2003	2007	2006	2005	2004	2003	2007	2006	2005	2004	2003
Hospitals	2.05	4.48	2.33	3.25	2.68	1.77	2.37	7.52	7.39	5.25	1.34	1.90	1.98	2.42	1.35
Multilevels	2.74	5.37	4.42	2.82	1.76	1.14	1.13	0.86	0.89	0.93	2.07	2.14	1.77	1.49	1.28
Clinics	2.97	2.87	2.51	2.46	2.80	2.91	2.83	1.89	2.40	2.33	2.13	2.28	2.19	2.31	2.08
SNF	2.62	3.36	1.33	0.68	0.45	2.41	2.12	1.44	0.74	0.46	2.84	3.47	1.74	0.72	0.65
Other	2.00	2.65	1.65	1.44	1.68	1.60	2.05	1.27	1.49	1.73	1.77	1.88	1.40	1.40	1.37
Total	2.45	4.45	3.10	2.70	2.15	1.58	1.72	3.96	3.94	3.65	1.93	2.00	1.75	1.63	1.44

Summary of Income Debt Service Ratios

Facility Type	Weighted Average					Average					Median				
	2007	2006	2005	2004	2003	2007	2006	2005	2004	2003	2007	2006	2005	2004	2003
Hospitals	1.17	3.10	1.13	1.77	1.41	0.92	1.32	4.54	4.65	3.46	0.71	1.00	0.89	1.19	0.63
Multilevels	1.50	3.51	3.19	1.18	0.61	0.68	0.66	0.44	0.36	0.42	1.16	1.34	0.85	0.51	0.53
Clinics	1.73	1.72	1.50	1.30	1.79	1.89	1.80	1.15	1.33	1.42	1.09	1.10	1.12	1.34	1.12
SNF	2.00	2.71	0.85	0.23	(0.51)	1.89	1.74	0.95	0.31	(0.50)	2.21	2.95	0.83	0.26	0.36
Other	1.38	1.96	0.88	0.60	0.81	1.16	1.52	0.68	0.74	0.94	1.25	1.22	0.88	0.87	0.82
Total	1.41	2.99	1.99	1.29	1.02	0.96	1.06	2.36	2.38	2.33	1.08	1.21	0.89	0.85	0.80

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Summary of Debt Service Ratios over Last Five Years

Cash Flow Debt Service Ratios

Facility Type	2007			2006			2005			2004			2003		
	<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	23%	8%	69%	23%	0%	77%	19%	6%	75%	12%	6%	82%	37%	5%	58%
Multilevels	21%	0%	79%	21%	11%	68%	35%	0%	65%	38%	5%	57%	36%	12%	52%
Clinics	19%	3%	77%	29%	3%	68%	28%	3%	69%	23%	7%	70%	24%	0%	76%
SNF	0%	25%	75%	25%	0%	75%	50%	0%	50%	50%	25%	25%	67%	0%	33%
Other	24%	10%	66%	19%	6%	74%	42%	3%	55%	21%	16%	63%	28%	7%	65%
Total	21%	6%	73%	23%	5%	71%	34%	3%	64%	25%	10%	65%	31%	6%	64%

Income Debt Service Ratios

Facility Type	2007			2006			2005			2004			2003		
	<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	62%	8%	31%	46%	8%	46%	63%	6%	31%	41%	12%	47%	58%	5%	37%
Multilevels	42%	11%	47%	47%	0%	53%	60%	10%	30%	76%	0%	24%	72%	8%	20%
Clinics	45%	10%	45%	48%	6%	45%	41%	10%	48%	43%	3%	53%	50%	0%	50%
SNF	25%	0%	75%	25%	0%	75%	50%	0%	50%	75%	0%	25%	67%	0%	33%
Other	45%	3%	52%	35%	13%	52%	55%	8%	37%	58%	8%	34%	59%	9%	33%
Total	46%	7%	47%	43%	7%	50%	53%	8%	38%	55%	5%	39%	59%	6%	35%

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Summary of Debt Service Ratios

Cash Flow Debt Service Ratios

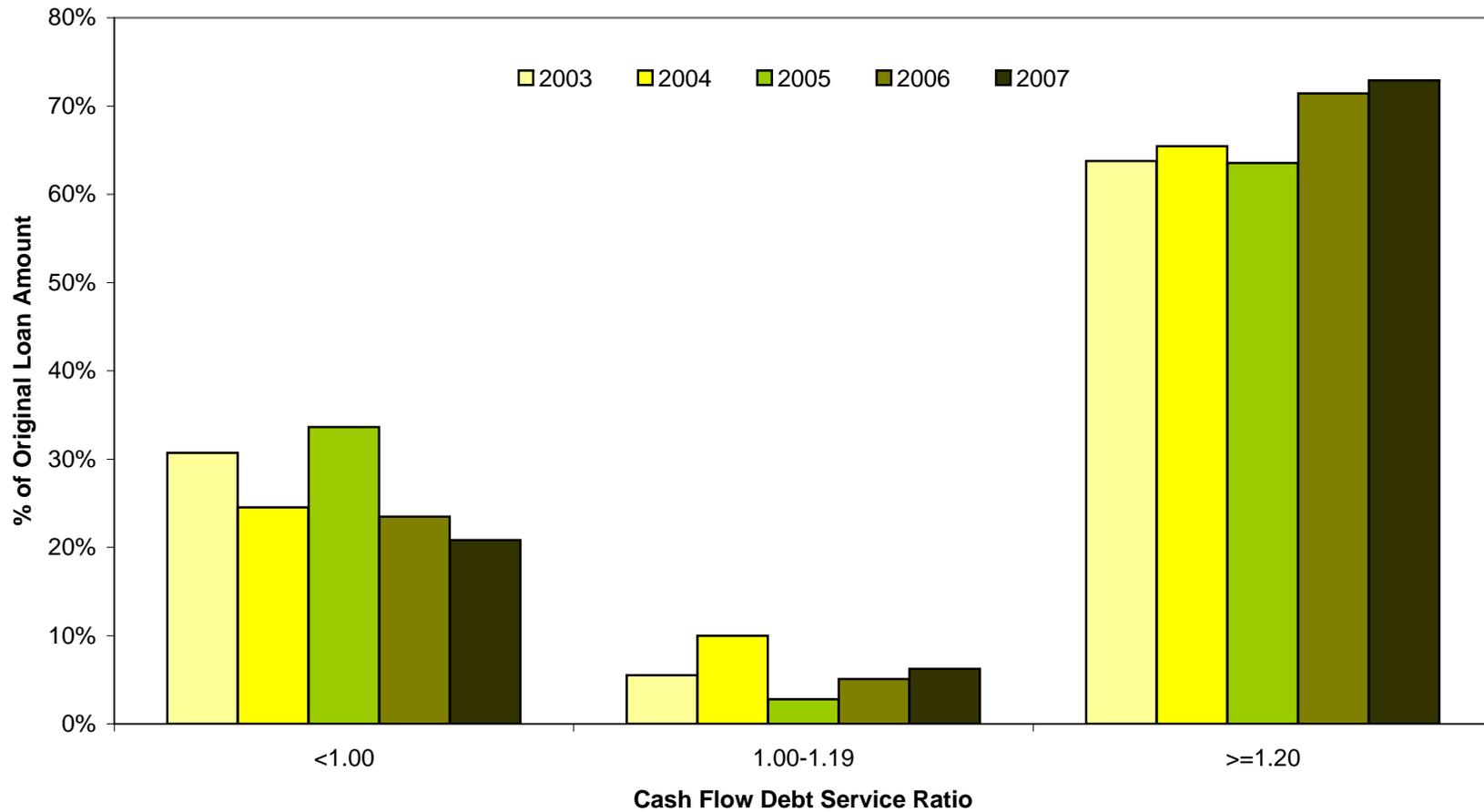
Year	Total			Hospitals			Multilevels			Clinics			SNF			Other		
	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20
2003	31%	6%	64%	37%	5%	58%	36%	12%	52%	24%	0%	76%	67%	0%	33%	28%	7%	65%
2004	25%	10%	65%	12%	6%	82%	38%	5%	57%	23%	7%	70%	50%	25%	25%	21%	16%	63%
2005	34%	3%	64%	19%	6%	75%	35%	0%	65%	28%	3%	69%	50%	0%	50%	42%	3%	55%
2006	23%	5%	71%	23%	0%	77%	21%	11%	68%	29%	3%	68%	25%	0%	75%	19%	6%	74%
2007	21%	6%	73%	23%	8%	69%	21%	0%	79%	19%	3%	77%	0%	25%	75%	24%	10%	66%

Income Debt Service Ratios

Year	Total			Hospitals			Multilevels			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
2003	59%	6%	35%	58%	5%	37%	72%	8%	20%	50%	0%	50%	67%	0%	33%	59%	9%	33%
2004	55%	5%	39%	41%	12%	47%	76%	0%	24%	43%	3%	53%	75%	0%	25%	58%	8%	34%
2005	53%	8%	38%	63%	6%	31%	60%	10%	30%	41%	10%	48%	50%	0%	50%	55%	8%	37%
2006	43%	7%	50%	46%	8%	46%	47%	0%	53%	48%	6%	45%	25%	0%	75%	35%	13%	52%
2007	46%	7%	47%	62%	8%	31%	42%	11%	47%	45%	10%	45%	25%	0%	75%	45%	3%	52%

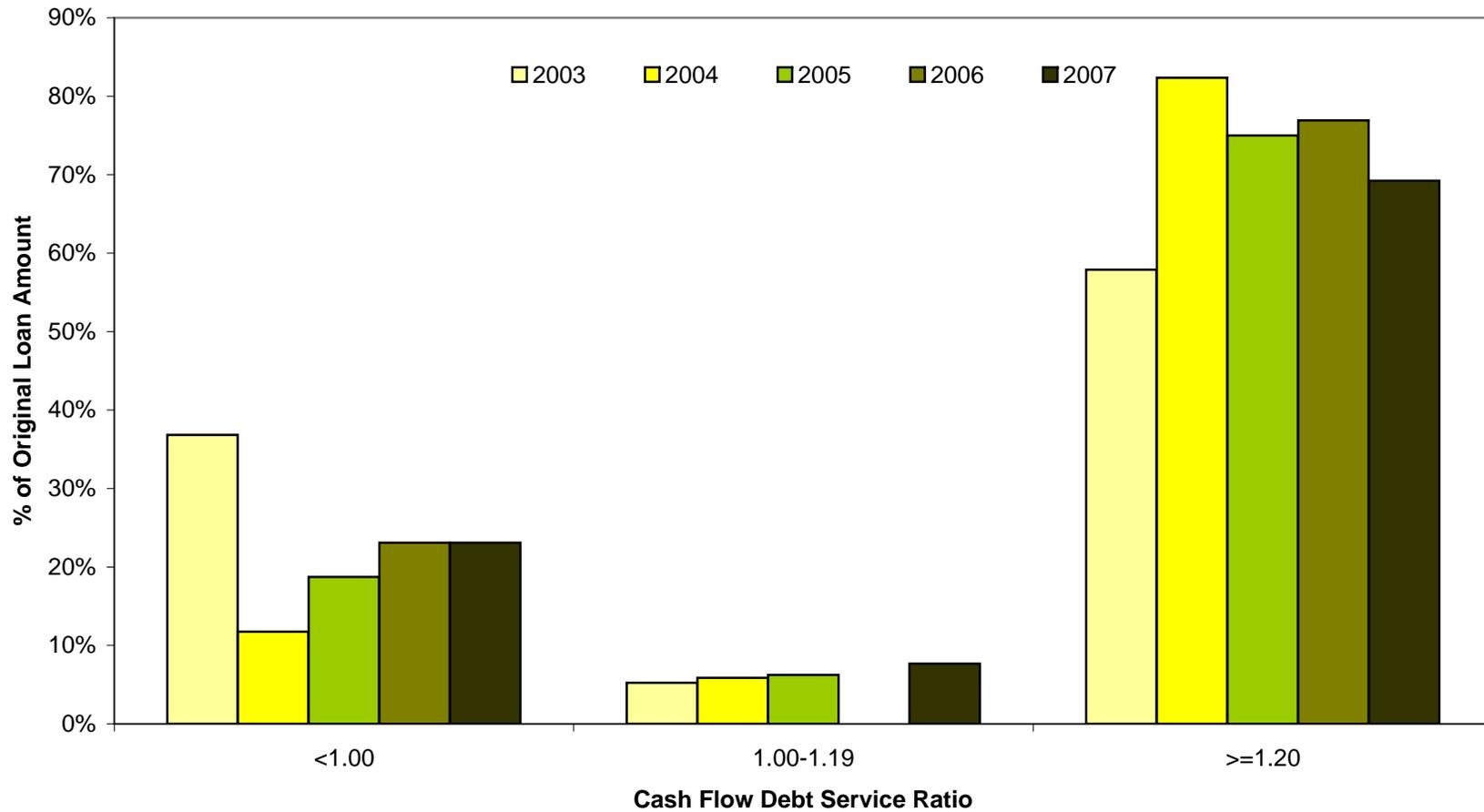
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

TOTAL



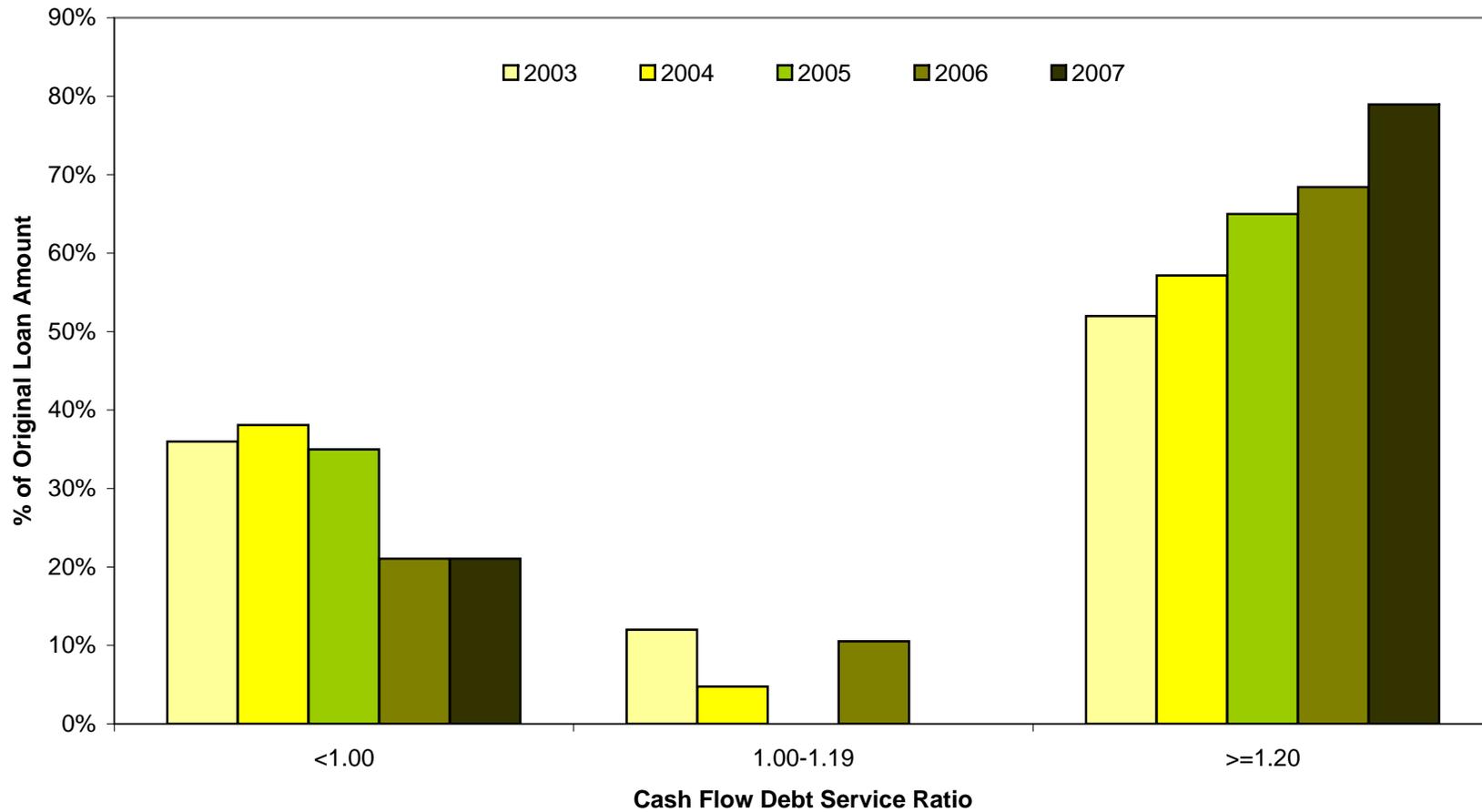
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

HOSPITALS



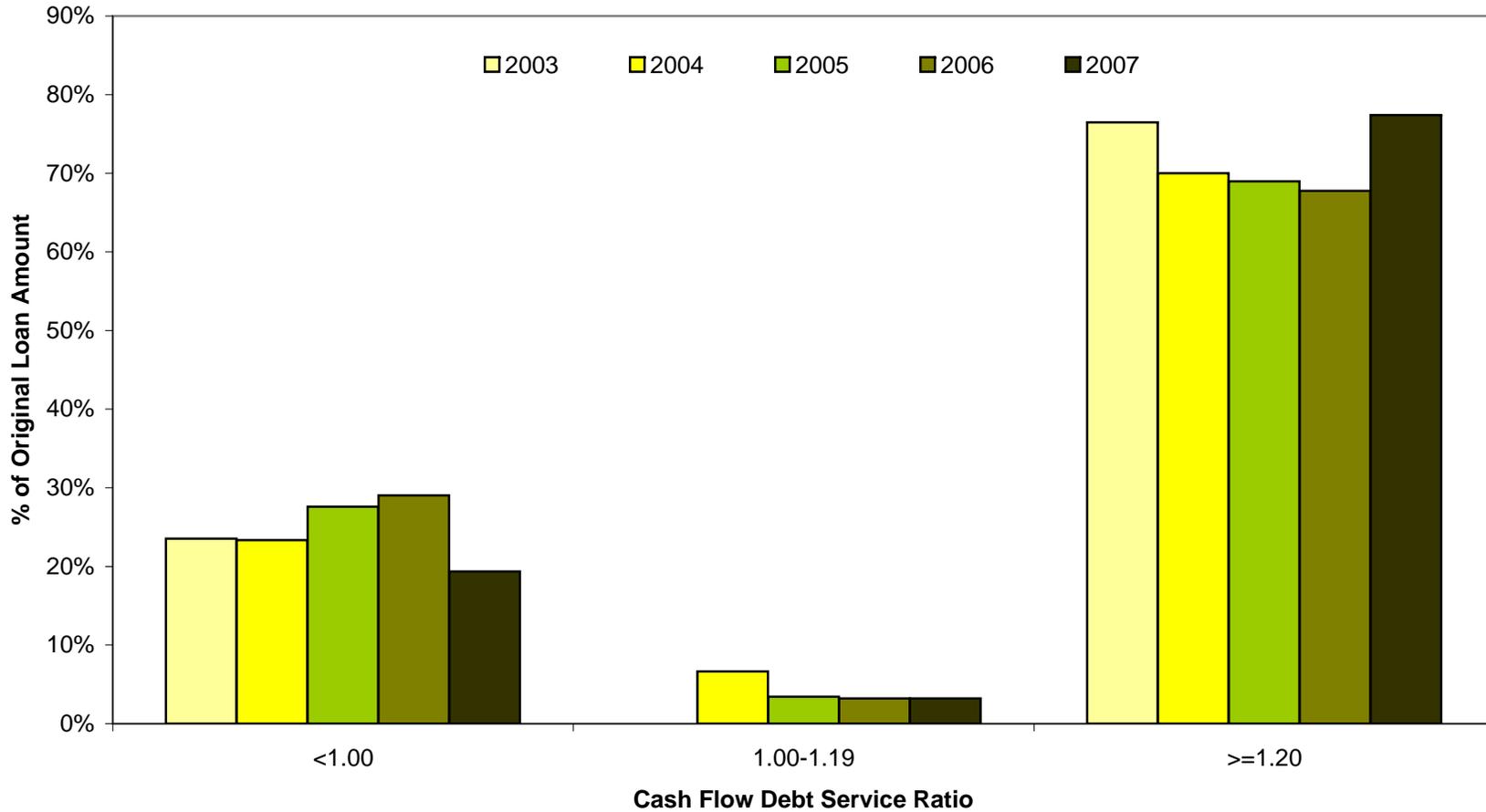
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

MULTILEVELS



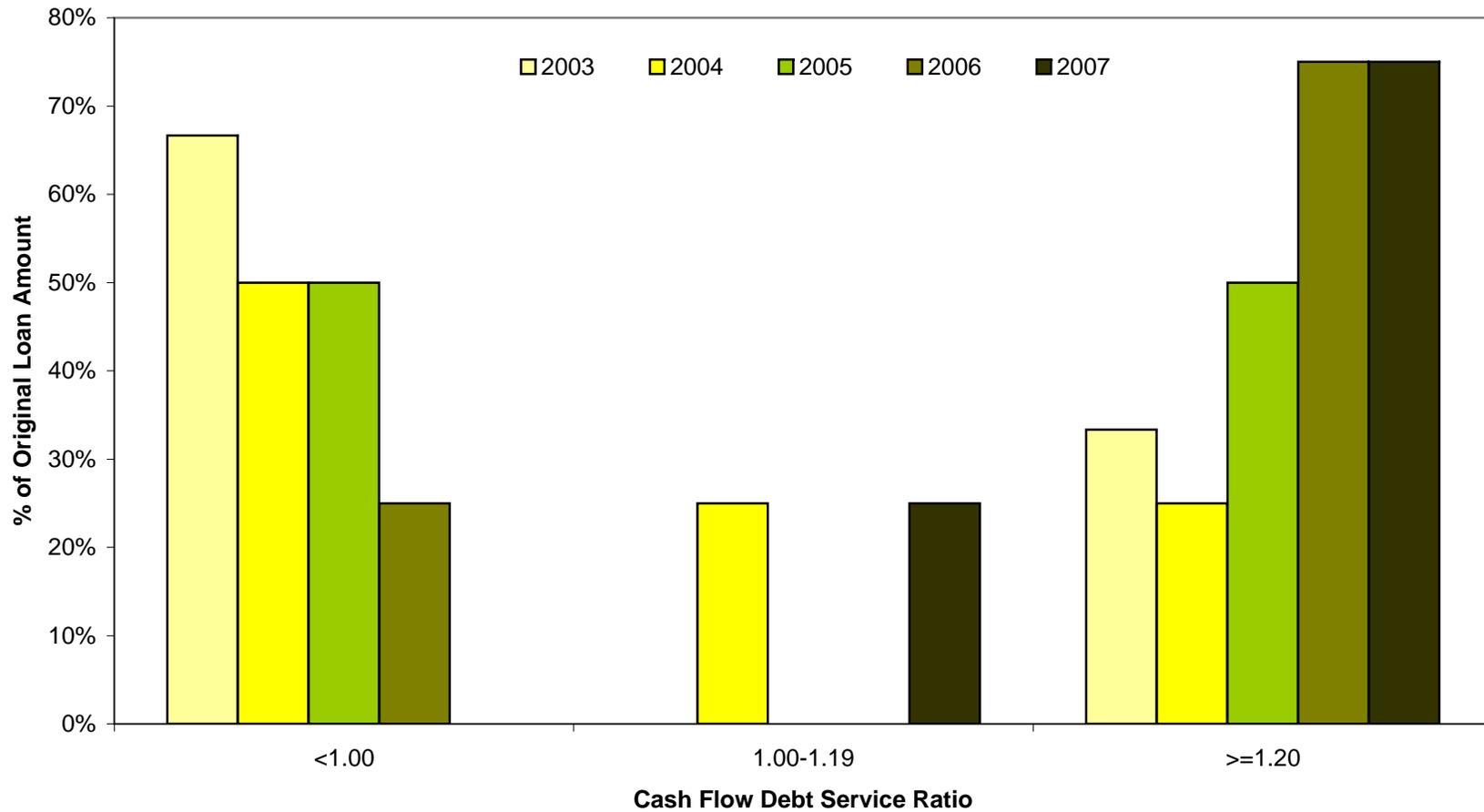
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

CLINICS



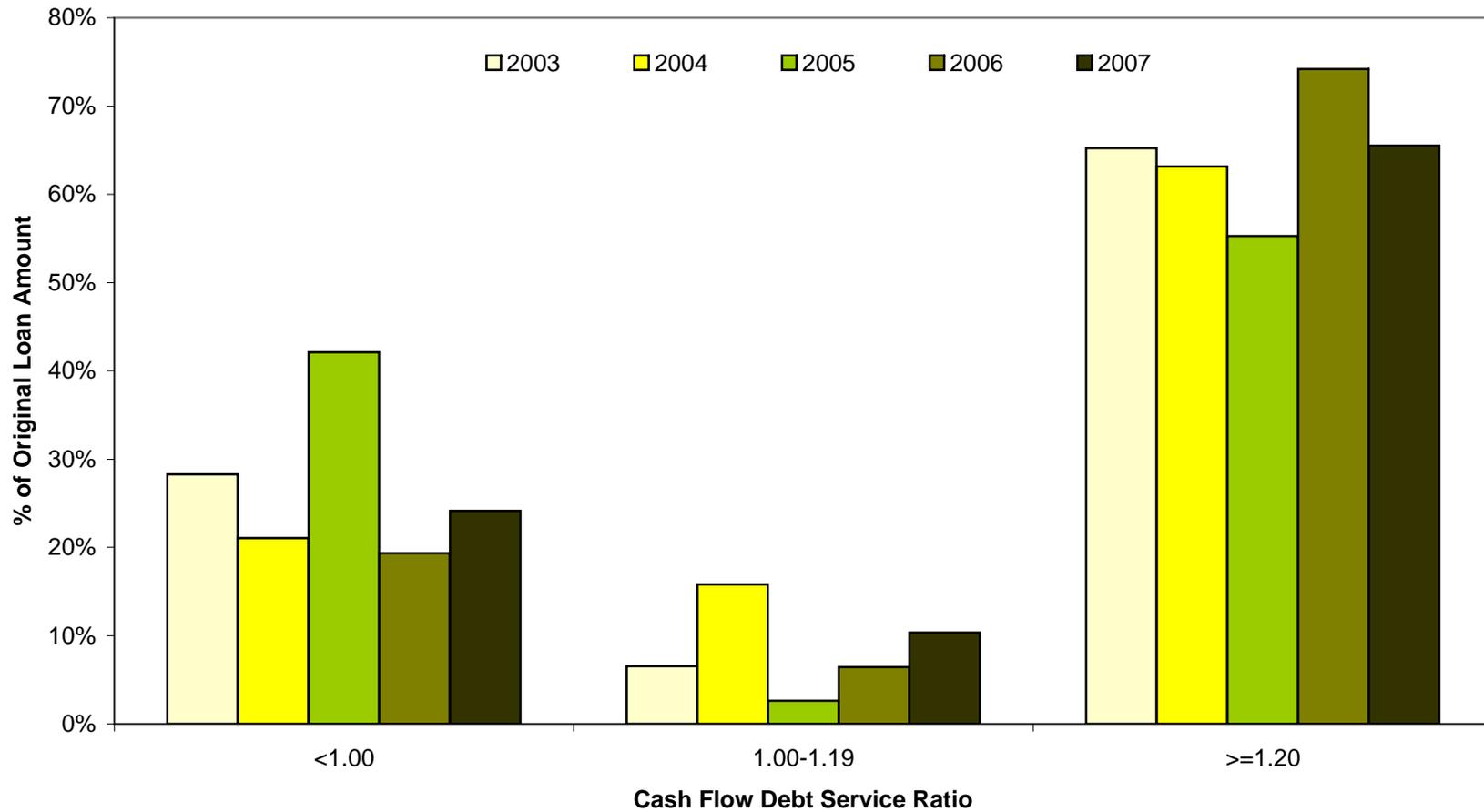
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

SKILLED NURSE FACILITY (SNF)



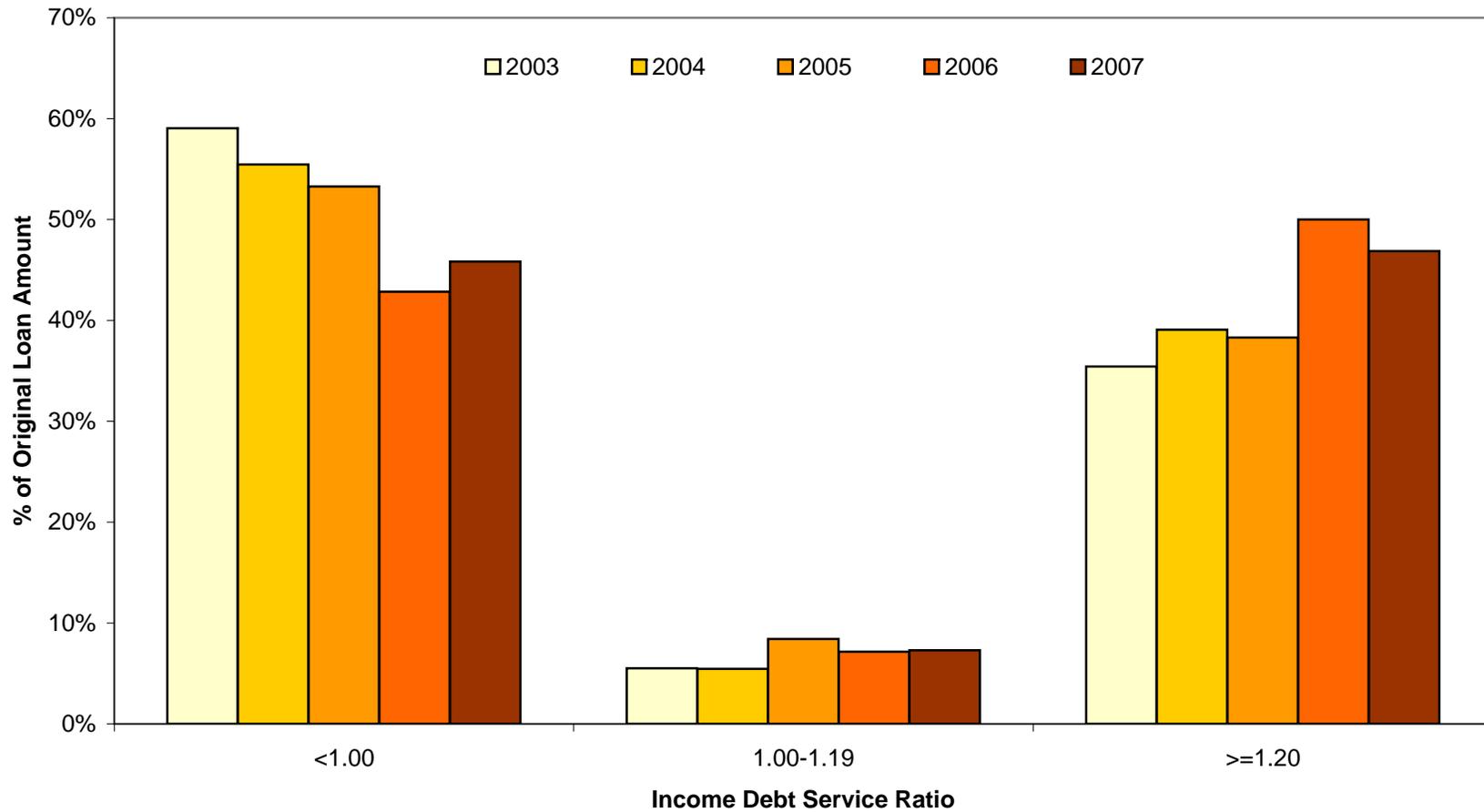
**Cal-Mortgage Loan Insurance Division
 California Health Facility Construction Loan Insurance Program
 Cash Flow Debt Service Ratios
 Distribution by Original Loan Amount**

OTHER



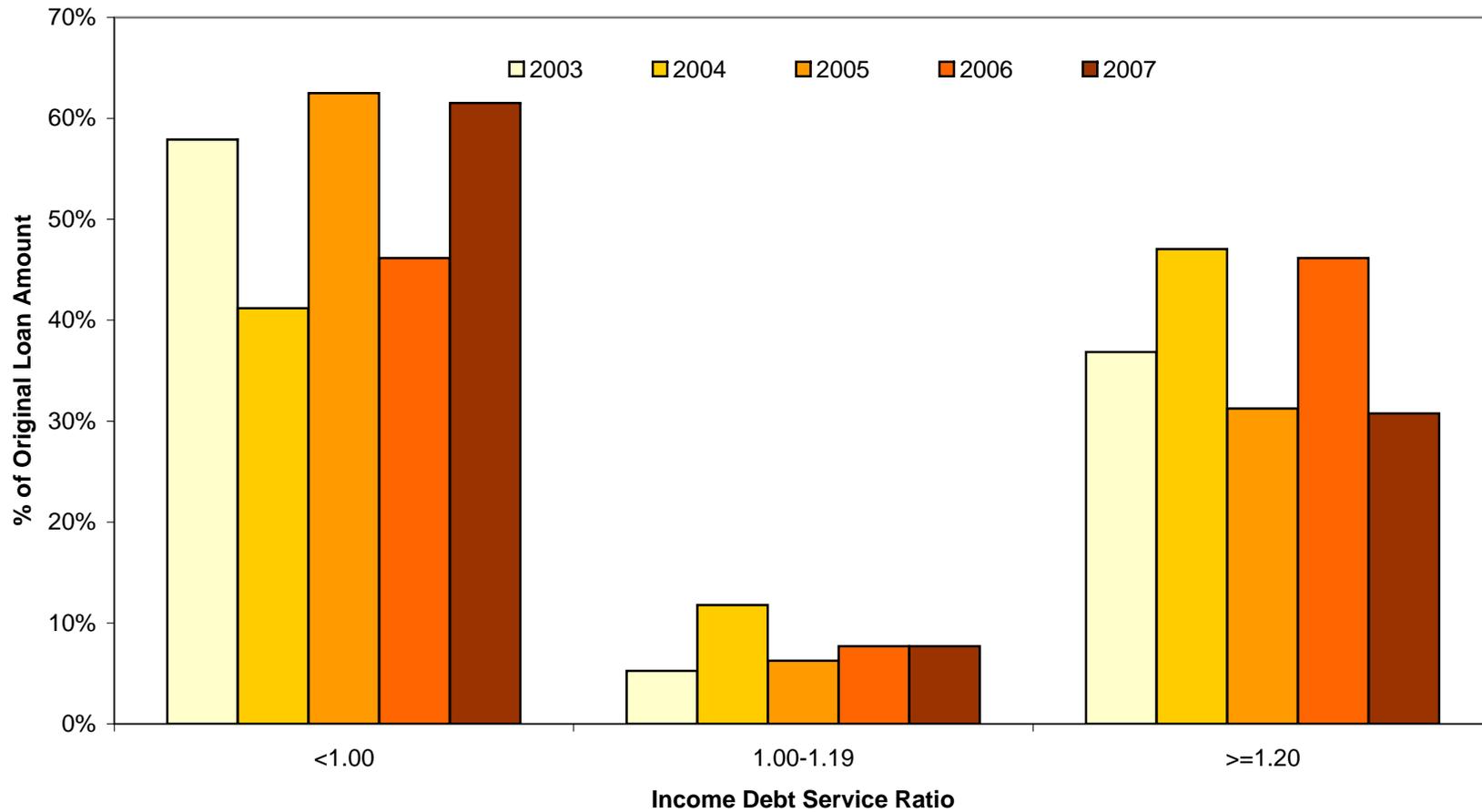
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

TOTAL



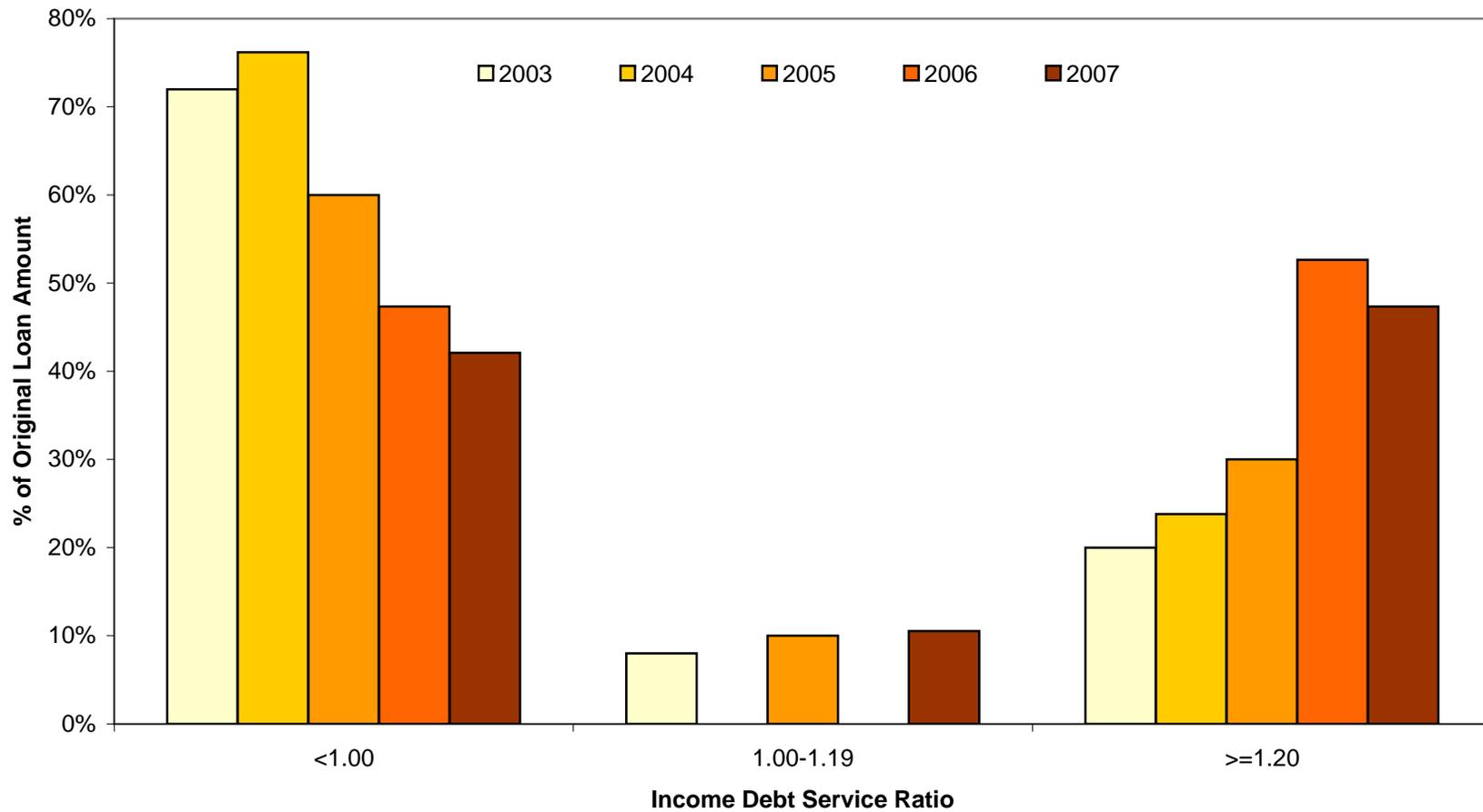
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

HOSPITALS



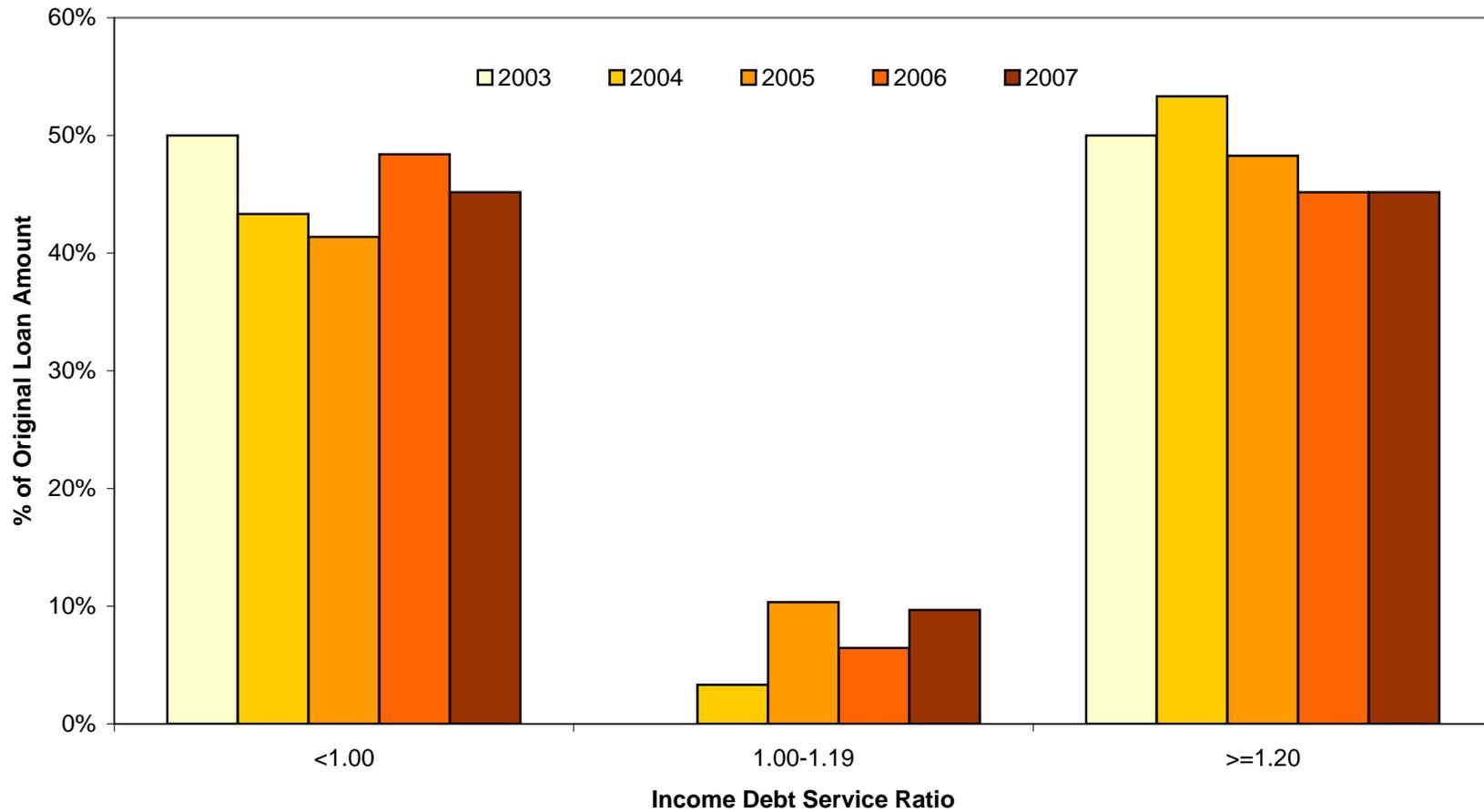
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

MULTILEVELS



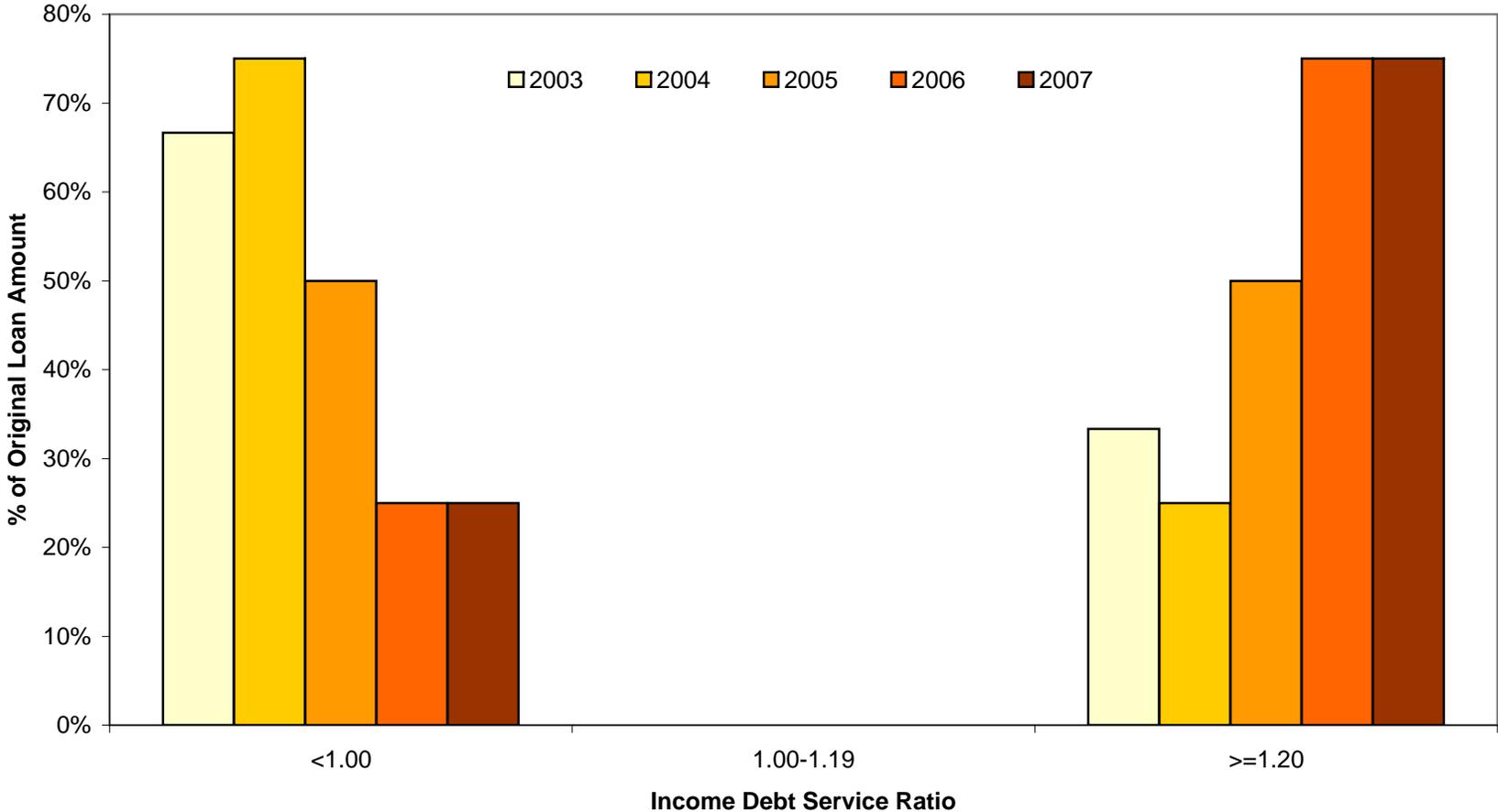
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

CLINICS



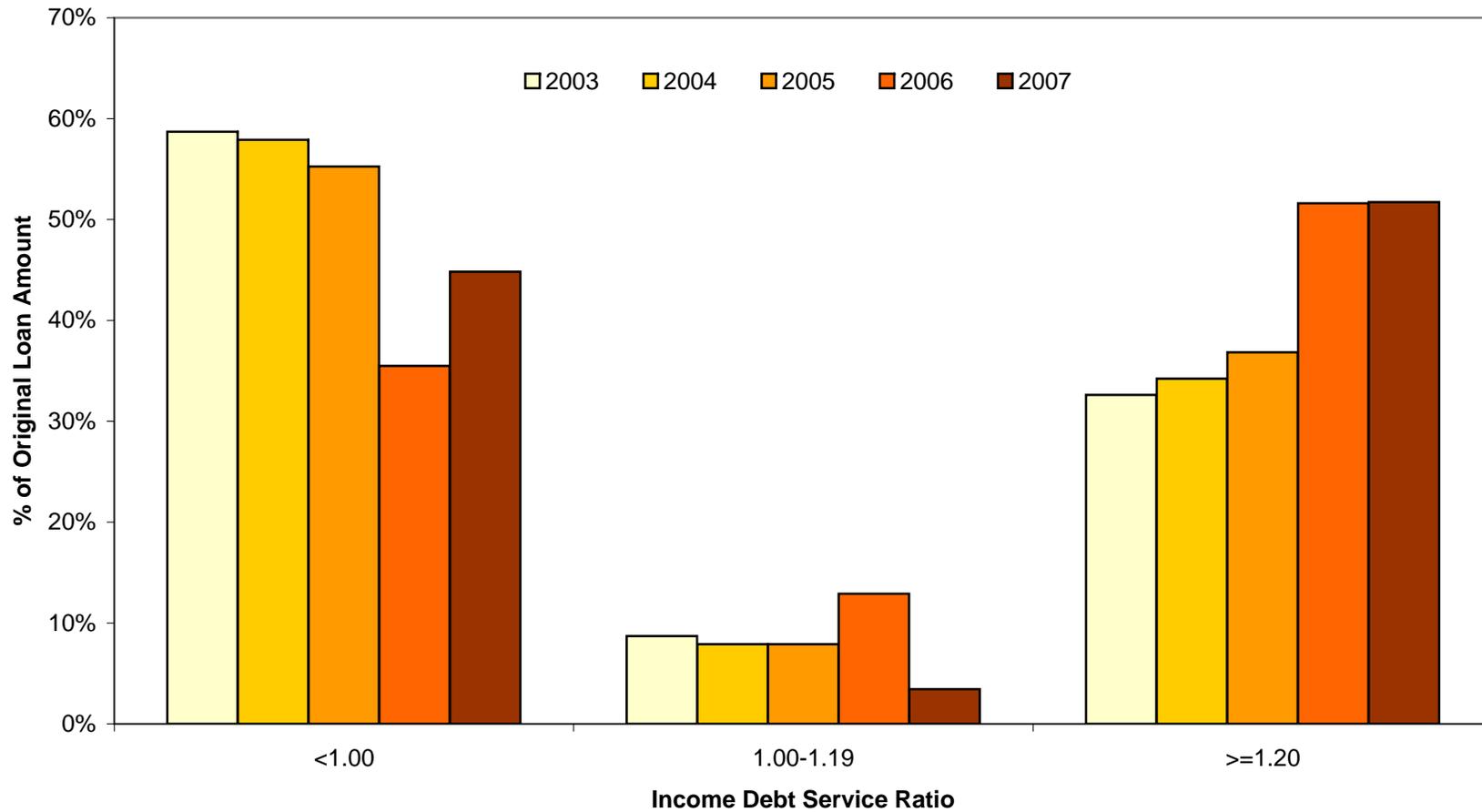
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

SKILLED NURSE FACILITY (SNF)



**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

OTHER



Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Cash Flow Analysis at 6.75% Default Rate - New Loans Insured
As of 6/30/2008

Year	Income from Annual Premium Loans					Income from Up-front Premium Loans				Cash Inflow from Resolved Loans (10)	Payment on Current Defaults (11)	Payment on Future Default (including Pipeline) (12)	Administrative Expenses (13)	Investment Yield (14)	Investment Income (15)	Net Cash Flow (16)	Cash Balance (17)
	Scheduled Amortized Balance (1)	Estimated Default Amount (2)	% Terminated & Refinance (3)	Balance Net of Default and Termination (4)	Premium Income (5)	Issued Amount (6)	Estimated Premium as % of Insured Amount (7)	Premium Income (8)	Certification and Inspection Fee Income (9)								
7/1/2007-6/30/2008				338,523,864	1,698,683	332,810,000		14,259,277	1,279,040								187,183,615
7/1/2008-6/30/2009	320,348,630	1,701,711	7.0%	296,341,635	1,587,164	360,575,000	5.24%	18,904,842	1,417,793	2,506,415	13,103,226	1,511,249	4,828,000	3.4%	6,511,999	11,485,737	198,669,352
7/1/2009-6/30/2010	301,078,649	1,163,471	5.0%	283,302,794	1,449,111	175,000,000	5.24%	9,175,199	688,106	3,606,415	12,863,480	3,281,217	5,021,120	3.5%	6,891,943	644,957	199,314,309
7/1/2010-6/30/2011	282,462,329	790,632	5.0%	264,866,190	1,370,422	175,000,000	5.24%	9,175,199	688,106	356,415	11,906,220	4,809,745	5,221,965	3.5%	6,857,507	(3,490,281)	195,824,028
7/1/2011-6/30/2012	263,410,348	461,153	5.0%	246,328,712	1,277,987	200,000,000	5.24%	10,485,941	786,407	356,415	11,888,645	6,038,590	5,430,843	3.5%	6,607,873	(3,843,455)	191,980,573
7/1/2012-6/30/2013	243,478,123	294,800	5.0%	227,113,038	1,183,604	200,000,000	5.24%	10,485,941	786,407	356,415	11,900,891	6,861,311	5,648,077	3.4%	6,250,679	(5,347,233)	186,633,339
7/1/2013-6/30/2014	223,640,332	189,069	5.0%	208,087,522	1,088,001	200,000,000	5.24%	10,485,941	786,407	356,415	11,872,238	7,364,935	5,874,000	3.2%	5,854,330	(6,540,078)	180,093,261
7/1/2014-6/30/2015	202,658,066	115,438	5.0%	188,044,702	990,331	200,000,000	5.24%	10,485,941	786,407	356,415	11,861,138	7,659,176	6,108,960	3.2%	5,507,132	(7,503,048)	172,590,213
7/1/2015-6/30/2016	181,104,611	62,617	5.0%	167,509,434	888,885	200,000,000	5.24%	10,485,941	786,407	356,415	11,845,838	7,794,928	6,353,319	3.2%	5,269,634	(8,206,802)	164,383,411
7/1/2016-6/30/2017	158,725,701	27,396	5.0%	146,223,444	784,332	225,000,000	5.24%	11,796,684	884,707	356,415	11,857,875	7,840,074	6,607,451	3.3%	5,183,909	(7,299,352)	157,084,059
7/1/2017-6/30/2018	135,220,007	13,911	5.0%	123,879,819	675,258	225,000,000	5.24%	11,796,684	884,707	356,415	11,848,125	7,974,537	6,871,749	3.5%	5,227,793	(7,753,555)	149,330,504
7/1/2018-6/30/2019	111,665,715	2,403	5.0%	101,500,958	563,452	225,000,000	5.24%	11,796,684	884,707	256,415	11,834,875	8,150,134	7,146,619	3.7%	5,318,771	(8,311,598)	141,018,906
7/1/2019-6/30/2020	88,266,097	0	5.0%	79,271,321	451,931	225,000,000	5.24%	11,796,684	884,707	256,415	11,822,000	8,286,169	7,432,484	4.0%	5,380,747	(9,770,169)	132,248,737
7/1/2020-6/30/2021	65,276,332	0	5.0%	57,431,044	341,756	225,000,000	5.24%	11,796,684	884,707	256,415	11,808,250	8,407,002	7,729,784	4.3%	5,342,385	(9,323,088)	122,925,649
7/1/2021-6/30/2022	43,971,534	0	5.0%	37,191,486	236,556	250,000,000	5.24%	13,107,427	983,008	256,415	7,989,875	8,546,443	8,038,975	4.5%	5,266,087	(4,725,800)	118,199,849
7/1/2022-6/30/2023	25,902,884	0	5.0%	20,026,268	143,044	250,000,000	5.24%	13,107,427	983,008	256,415	0	8,690,490	8,360,534	4.6%	5,324,018	2,762,888	120,962,738
7/1/2023-6/30/2024	15,792,262	0	5.0%	10,421,178	76,119	250,000,000	5.24%	13,107,427	983,008	256,415	0	8,845,193	8,694,955	4.5%	5,415,378	2,298,199	123,260,936
7/1/2024-6/30/2025	9,057,261	0	5.0%	4,022,927	36,110	250,000,000	5.24%	13,107,427	983,008	256,415	0	9,033,036	9,042,753	4.4%	5,379,833	1,687,004	124,947,940
7/1/2025-6/30/2026	5,064,821	0	5.0%	230,109	10,633	250,000,000	5.24%	13,107,427	983,008	256,415	0	9,225,226	9,404,464	4.3%	5,260,006	987,799	125,935,739
7/1/2026-6/30/2027	4,040,101	0	5.0%	0	575	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	9,403,139	9,780,642	4.1%	5,151,093	1,723,781	127,659,519
7/1/2027-6/30/2028	2,951,529	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	9,579,159	10,171,868	4.1%	5,123,458	1,128,324	128,787,844
7/1/2028-6/30/2029	1,795,125	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	9,772,768	10,578,743	4.1%	5,206,250	610,634	129,398,477
7/1/2029-6/30/2030	566,665	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	9,989,795	11,001,892	4.3%	5,426,383	190,589	129,589,066
7/1/2030-6/30/2031	0	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	10,197,390	11,441,968	4.6%	5,771,920	(111,544)	129,477,522
7/1/2031-6/30/2032	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	10,388,116	11,899,647	4.9%	6,229,027	1,106,201	130,583,723
7/1/2032-6/30/2033	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	10,576,100	12,375,633	5.3%	6,732,727	945,932	131,529,654
7/1/2033-6/30/2034	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	10,777,045	12,870,658	5.6%	7,167,782	685,017	132,214,671
7/1/2034-6/30/2035	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	10,997,951	13,385,484	5.8%	7,455,744	237,247	132,451,917
7/1/2035-6/30/2036	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	11,208,070	13,920,903	5.9%	7,544,556	(419,481)	132,032,436
7/1/2036-6/30/2037	0	0	5.0%	0	0	325,000,000	5.24%	17,039,655	1,277,911	256,415	0	11,400,241	14,477,740	5.8%	7,464,937	160,937	132,193,373
7/1/2037-6/30/2038	0	0	5.0%	0	0	325,000,000	5.24%	17,039,655	1,277,911	256,415	0	11,588,600	15,056,849	5.7%	7,251,682	(819,787)	131,373,586

Notes:

- (1) Based on active loan information from Cal-Mortgage
- (2) From Section III, Appendix, Page 9
- (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 2
- (13) Administrative Expenses increase @ 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

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Cash Flow Analysis at 6.75% Default Rate - No New Loans Insured
As of 6/30/2008

Income for Annual Premium Loans

Year	Scheduled Amortized Balance (1)	Estimated Default Amount (2)	% Terminated & Refinance (3)	Balance Net of Default and Termination (4)	Premium Income (5)	Cash Inflow from Resolved Loans (6)	Payment on Current Default (7)	Payment on Future Default (including Pipeline) (8)	Administrative Expenses (9)	Investment Yield (10)	Investment Income (11)	Net Cash Flow (12)	Cash Balance (13)
7/1/2007-6/30/2008				338,523,864	1,698,683								187,183,615
7/1/2008-6/30/2009	320,348,630	1,701,711	7.0%	296,341,635	1,587,164	2,506,415	13,103,226	1,453,349	4,828,000	3.4%	6,164,122	(9,126,874)	178,056,741
7/1/2009-6/30/2010	301,078,649	1,163,471	5.0%	283,302,794	1,449,111	3,606,415	12,863,480	2,963,617	4,828,000	3.5%	6,000,645	(9,598,926)	168,457,815
7/1/2010-6/30/2011	282,462,329	790,632	5.0%	264,866,190	1,370,422	356,415	11,906,220	3,801,591	4,828,000	3.5%	5,618,146	(13,190,828)	155,266,988
7/1/2011-6/30/2012	263,410,348	461,153	5.0%	246,328,712	1,277,987	356,415	11,888,645	3,875,911	4,828,000	3.5%	5,054,335	(13,903,818)	141,363,169
7/1/2012-6/30/2013	243,478,123	294,800	5.0%	227,113,038	1,183,604	356,415	11,900,891	3,717,469	4,828,000	3.4%	4,428,617	(14,477,724)	126,885,445
7/1/2013-6/30/2014	223,640,332	189,069	5.0%	208,087,522	1,088,001	356,415	11,872,238	3,389,903	4,828,000	3.2%	3,814,370	(14,831,354)	112,054,091
7/1/2014-6/30/2015	202,658,066	115,438	5.0%	188,044,702	990,331	356,415	11,861,138	2,802,836	4,828,000	3.2%	3,267,115	(14,878,113)	97,175,978
7/1/2015-6/30/2016	181,104,611	62,617	5.0%	167,509,434	888,885	356,415	11,845,838	2,155,804	4,828,000	3.2%	2,808,229	(14,776,113)	82,399,865
7/1/2016-6/30/2017	158,725,701	27,396	5.0%	146,223,444	784,332	356,415	11,857,875	1,647,181	4,828,000	3.3%	2,419,296	(14,773,014)	67,626,852
7/1/2017-6/30/2018	135,220,007	13,911	5.0%	123,879,819	675,258	356,415	11,848,125	1,298,374	4,828,000	3.5%	2,053,559	(14,889,267)	52,737,584
7/1/2018-6/30/2019	111,665,715	2,403	5.0%	101,500,958	563,452	256,415	11,834,875	972,459	4,828,000	3.7%	1,654,421	(15,161,046)	37,576,539
7/1/2019-6/30/2020	88,266,097	0	5.0%	79,271,321	451,931	256,415	11,822,000	675,900	4,828,000	4.0%	1,175,738	(15,441,816)	22,134,723
7/1/2020-6/30/2021	65,276,332	0	5.0%	57,431,044	341,756	256,415	11,808,250	470,932	4,828,000	4.3%	593,627	(15,915,385)	6,219,338
7/1/2021-6/30/2022	43,971,534	0	5.0%	37,191,486	236,556	256,415	7,989,875	329,292	4,828,000	4.5%	(4,812)	(12,659,008)	(6,439,670)
7/1/2022-6/30/2023	25,902,884	0	5.0%	20,026,268	143,044	256,415	0	214,480	4,828,000	4.6%	(398,948)	(5,041,968)	(11,481,638)
7/1/2023-6/30/2024	15,792,262	0	5.0%	10,421,178	76,119	256,415	0	131,036	4,828,000	4.5%	(625,644)	(5,252,147)	(16,733,785)
7/1/2024-6/30/2025	9,057,261	0	5.0%	4,022,927	36,110	256,415	0	81,357	4,828,000	4.4%	(843,753)	(5,460,585)	(22,194,370)
7/1/2025-6/30/2026	5,064,821	0	5.0%	230,109	10,633	256,415	0	50,378	4,828,000	4.3%	(1,049,332)	(5,660,662)	(27,855,032)
7/1/2026-6/30/2027	4,040,101	0	5.0%	0	575	256,415	0	27,025	4,828,000	4.1%	(1,250,392)	(5,848,427)	(33,703,458)
7/1/2027-6/30/2028	2,951,529	0	5.0%	0	0	256,415	0	13,186	4,828,000	4.1%	(1,467,614)	(6,052,384)	(39,755,843)
7/1/2028-6/30/2029	1,795,125	0	5.0%	0	0	256,415	0	6,395	4,828,000	4.1%	(1,730,539)	(6,308,519)	(46,064,361)
7/1/2029-6/30/2030	566,665	0	5.0%	0	0	256,415	0	2,743	4,828,000	4.3%	(2,069,512)	(6,643,840)	(52,708,202)
7/1/2030-6/30/2031	0	0	5.0%	0	0	256,415	0	673	4,828,000	4.6%	(2,506,353)	(7,078,611)	(59,786,812)
7/1/2031-6/30/2032	0	0	5.0%	0	0	256,415	0	0	4,828,000	4.9%	(3,046,516)	(7,618,101)	(67,404,913)
7/1/2032-6/30/2033	0	0	5.0%	0	0	256,415	0	0	4,828,000	5.3%	(3,674,582)	(8,246,167)	(75,651,080)
7/1/2033-6/30/2034	0	0	5.0%	0	0	256,415	0	0	4,828,000	5.6%	(4,354,525)	(8,926,110)	(84,577,190)
7/1/2034-6/30/2035	0	0	5.0%	0	0	256,415	0	0	4,828,000	5.8%	(5,035,777)	(9,607,362)	(94,184,552)
7/1/2035-6/30/2036	0	0	5.0%	0	0	256,415	0	0	4,828,000	5.9%	(5,665,342)	(10,236,927)	(104,421,479)
7/1/2036-6/30/2037	0	0	5.0%	0	0	256,415	0	0	4,828,000	5.8%	(6,204,708)	(10,776,293)	(115,197,772)
7/1/2037-6/30/2038	0	0	5.0%	0	0	256,415	0	0	4,828,000	5.7%	(6,647,699)	(11,219,284)	(126,417,056)

Notes:

- (1) Based on active loan information from Cal-Mortgage
- (2) From Section III, Appendix, Page 9
- (3) Selected
- (4) = [(1) - (2)] x [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% per year
- (10) Selected Investment Yield
- (11) = [0.5 x [(5) + (6) - (7) - (8) - (9)] + prior cash balance] x (10)
- (12) = (5) + (6) - (7) - (8) - (9) + (11)
- (13) = (12) + (13) prior

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Cash Flow Analysis at 8.00% Default Rate - New Loans Insured
As of 6/30/2008

Income for Annual Premium Loans					Income from Up-front Premium Loans				Cash Inflow from		Payment on Future Default		Investment Yield	Investment Income	Net Cash Flow	Cash Balance	
Year	Scheduled Amortized Balance	Estimated Default Amount	% Terminated & Refinance	Balance Net of Default and Termination	Premium Income	Issued Amount	Estimated Premium as % of Insured Amount	Premium and Inspection Fee Income	Resolved Loans	Payment on Current Default	(including Pipeline)	Administrative Expenses					(14)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)				
7/1/2007-6/30/2008				338,523,864	1,698,683	332,810,000		14,259,277	1,279,040								187,183,615
7/1/2008-6/30/2009	320,348,630	1,701,711	7.0%	296,341,635	1,587,164	360,575,000	5.24%	18,904,842	1,417,793	2,506,415	13,103,226	1,791,110	4,828,000	3.4%	6,507,195	11,201,072	198,384,687
7/1/2009-6/30/2010	301,078,649	1,163,471	5.0%	283,302,794	1,449,111	175,000,000	5.24%	9,175,199	688,106	3,606,415	12,863,480	3,888,850	5,021,120	3.5%	6,871,203	16,583	198,401,270
7/1/2010-6/30/2011	282,462,329	790,632	5.0%	264,866,190	1,370,422	175,000,000	5.24%	9,175,199	688,106	356,415	11,906,220	5,700,439	5,221,965	3.5%	6,809,525	(4,428,956)	193,972,314
7/1/2011-6/30/2012	263,410,348	461,153	5.0%	246,328,712	1,277,987	200,000,000	5.24%	10,485,941	786,407	356,415	11,888,645	7,156,848	5,430,843	3.5%	6,524,292	(5,045,294)	188,927,020
7/1/2012-6/30/2013	243,478,123	294,800	5.0%	227,113,038	1,183,604	200,000,000	5.24%	10,485,941	786,407	356,415	11,900,891	8,131,925	5,648,077	3.4%	6,126,833	(6,741,692)	182,185,327
7/1/2013-6/30/2014	223,640,332	189,069	5.0%	208,087,522	1,088,001	200,000,000	5.24%	10,485,941	786,407	356,415	11,872,238	8,728,812	5,874,000	3.2%	5,687,887	(8,070,398)	174,114,929
7/1/2014-6/30/2015	202,658,066	115,438	5.0%	188,044,702	990,331	200,000,000	5.24%	10,485,941	786,407	356,415	11,861,138	9,077,542	6,108,960	3.2%	5,294,969	(9,133,578)	164,981,351
7/1/2015-6/30/2016	181,104,611	62,617	5.0%	167,509,434	888,885	200,000,000	5.24%	10,485,941	786,407	356,415	11,845,838	9,238,433	6,353,319	3.2%	5,004,944	(9,914,996)	155,066,355
7/1/2016-6/30/2017	158,725,701	27,396	5.0%	146,223,444	784,332	225,000,000	5.24%	11,796,684	884,707	356,415	11,857,875	9,291,939	6,607,451	3.3%	4,854,699	(9,080,428)	145,985,927
7/1/2017-6/30/2018	135,220,007	13,911	5.0%	123,879,819	675,258	225,000,000	5.24%	11,796,684	884,707	356,415	11,848,125	9,451,304	6,871,749	3.5%	4,816,892	(9,641,221)	136,344,705
7/1/2018-6/30/2019	111,665,715	2,403	5.0%	101,500,958	563,452	225,000,000	5.24%	11,796,684	884,707	256,415	11,834,875	9,659,418	7,146,619	3.7%	4,805,968	(10,333,685)	126,011,020
7/1/2019-6/30/2020	88,266,097	0	5.0%	79,271,321	451,931	225,000,000	5.24%	11,796,684	884,707	256,415	11,822,000	9,820,644	7,432,484	4.0%	4,747,032	(10,938,359)	115,072,661
7/1/2020-6/30/2021	65,276,332	0	5.0%	57,431,044	341,756	225,000,000	5.24%	11,796,684	884,707	256,415	11,808,250	9,963,854	7,729,784	4.3%	4,574,510	(11,647,815)	103,424,846
7/1/2021-6/30/2022	43,971,534	0	5.0%	37,191,486	236,556	250,000,000	5.24%	13,107,427	983,008	256,415	7,989,875	10,129,118	8,038,975	4.5%	4,359,953	(7,214,609)	96,210,237
7/1/2022-6/30/2023	25,902,884	0	5.0%	20,026,268	143,044	250,000,000	5.24%	13,107,427	983,008	256,415	0	10,299,840	8,360,534	4.6%	4,286,061	115,581	96,325,818
7/1/2023-6/30/2024	15,792,262	0	5.0%	10,421,178	76,119	250,000,000	5.24%	13,107,427	983,008	256,415	0	10,483,192	8,694,955	4.5%	4,260,867	(494,311)	95,831,506
7/1/2024-6/30/2025	9,057,261	0	5.0%	4,022,927	36,110	250,000,000	5.24%	13,107,427	983,008	256,415	0	10,705,821	9,042,753	4.4%	4,127,385	(1,238,229)	94,593,277
7/1/2025-6/30/2026	5,064,821	0	5.0%	230,109	10,633	250,000,000	5.24%	13,107,427	983,008	256,415	0	10,933,602	9,404,464	4.3%	3,923,338	(2,057,245)	92,536,032
7/1/2026-6/30/2027	4,040,101	0	5.0%	0	575	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	11,144,461	9,780,642	4.1%	3,730,010	(1,436,624)	91,097,408
7/1/2027-6/30/2028	2,951,529	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	11,353,077	10,171,868	4.1%	3,596,594	(2,172,458)	88,924,950
7/1/2028-6/30/2029	1,795,125	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	11,582,539	10,578,743	4.1%	3,528,274	(2,877,114)	86,047,835
7/1/2029-6/30/2030	566,665	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	11,839,758	11,001,892	4.3%	3,531,326	(3,554,431)	82,493,405
7/1/2030-6/30/2031	0	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	12,085,795	11,441,968	4.6%	3,582,515	(4,189,354)	78,304,050
7/1/2031-6/30/2032	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	12,311,842	11,899,647	4.9%	3,670,231	(3,376,320)	74,927,730
7/1/2032-6/30/2033	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	12,534,637	12,375,633	5.3%	3,746,520	(3,998,813)	70,928,917
7/1/2033-6/30/2034	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	12,772,794	12,870,658	5.6%	3,726,116	(4,752,399)	66,176,519
7/1/2034-6/30/2035	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	13,034,608	13,385,484	5.8%	3,568,226	(5,686,930)	60,489,589
7/1/2035-6/30/2036	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	13,283,639	13,920,903	5.9%	3,257,533	(6,782,073)	53,707,516
7/1/2036-6/30/2037	0	0	5.0%	0	0	325,000,000	5.24%	17,039,655	1,277,911	256,415	0	13,511,397	14,477,740	5.8%	2,849,199	(6,565,956)	47,141,560
7/1/2037-6/30/2038	0	0	5.0%	0	0	325,000,000	5.24%	17,039,655	1,277,911	256,415	0	13,734,637	15,056,849	5.7%	2,378,388	(7,839,118)	39,302,441

Notes:

- (1) Based on active loan information from Cal-Mortgage
- (2) From Section III, Appendix, Page 9 (based on a 6% 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 6
- (13) Administrative Expenses increase @ 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

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Cash Flow Analysis at 10.00% Default Rate - New Loans Insured
As of 6/30/2008

Income for Annual Premium Loans					Income from Up-front Premium Loans				Cash Inflow from		Payment on Future Default		Investment Yield	Investment Income	Net Cash Flow	Cash Balance	
Year	Scheduled Amortized Balance	Estimated Default Amount	% Terminated & Refinance	Balance Net of Default and Termination	Premium Income	Issued Amount	Estimated Premium as % of Insured Amount	Certification Premium and Inspection Fee Income	Resolved Loans	Payment on Current Default	(including Pipeline)	Administrative Expenses					(14)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)				
7/1/2007-6/30/2008				338,523,864	1,698,683	332,810,000		14,259,277	1,279,040								187,183,615
7/1/2008-6/30/2009	320,348,630	1,701,711	7.0%	296,341,635	1,587,164	360,575,000	5.24%	18,904,842	1,417,793	2,506,415	13,103,226	2,238,887	4,828,000	3.4%	6,499,508	10,745,608	197,929,223
7/1/2009-6/30/2010	301,078,649	1,163,471	5.0%	283,302,794	1,449,111	175,000,000	5.24%	9,175,199	688,106	3,606,415	12,863,480	4,861,063	5,021,120	3.5%	6,838,017	(988,815)	196,940,408
7/1/2010-6/30/2011	282,462,329	790,632	5.0%	264,866,190	1,370,422	175,000,000	5.24%	9,175,199	688,106	356,415	11,906,220	7,125,548	5,221,965	3.5%	6,732,755	(5,930,836)	191,009,572
7/1/2011-6/30/2012	263,410,348	461,153	5.0%	246,328,712	1,277,987	200,000,000	5.24%	10,485,941	786,407	356,415	11,888,645	8,946,060	5,430,843	3.5%	6,390,561	(6,968,237)	184,041,335
7/1/2012-6/30/2013	243,478,123	294,800	5.0%	227,113,038	1,183,604	200,000,000	5.24%	10,485,941	786,407	356,415	11,900,891	10,164,906	5,648,077	3.4%	5,928,679	(8,972,827)	175,068,507
7/1/2013-6/30/2014	223,640,332	189,069	5.0%	208,087,522	1,088,001	200,000,000	5.24%	10,485,941	786,407	356,415	11,872,238	10,911,015	5,874,000	3.2%	5,421,577	(10,518,911)	164,549,596
7/1/2014-6/30/2015	202,658,066	115,438	5.0%	188,044,702	990,331	200,000,000	5.24%	10,485,941	786,407	356,415	11,861,138	11,346,928	6,108,960	3.2%	4,955,507	(11,742,424)	152,807,172
7/1/2015-6/30/2016	181,104,611	62,617	5.0%	167,509,434	888,885	200,000,000	5.24%	10,485,941	786,407	356,415	11,845,838	11,548,041	6,353,319	3.2%	4,581,441	(12,648,108)	140,159,064
7/1/2016-6/30/2017	158,725,701	27,396	5.0%	146,223,444	784,332	225,000,000	5.24%	11,796,684	884,707	356,415	11,857,875	11,614,924	6,607,451	3.3%	4,327,962	(11,930,150)	128,228,914
7/1/2017-6/30/2018	135,220,007	13,911	5.0%	123,879,819	675,258	225,000,000	5.24%	11,796,684	884,707	356,415	11,848,125	11,814,130	6,871,749	3.5%	4,159,452	(12,661,487)	115,567,427
7/1/2018-6/30/2019	111,665,715	2,403	5.0%	101,500,958	563,452	225,000,000	5.24%	11,796,684	884,707	256,415	11,834,875	12,074,272	7,146,619	3.7%	3,985,484	(13,569,024)	101,998,403
7/1/2019-6/30/2020	88,266,097	0	5.0%	79,271,321	451,931	225,000,000	5.24%	11,796,684	884,707	256,415	11,822,000	12,275,805	7,432,484	4.0%	3,733,088	(14,407,464)	87,590,938
7/1/2020-6/30/2021	65,276,332	0	5.0%	57,431,044	341,756	225,000,000	5.24%	11,796,684	884,707	256,415	11,808,250	12,454,817	7,729,784	4.3%	3,345,910	(15,367,378)	72,223,560
7/1/2021-6/30/2022	43,971,534	0	5.0%	37,191,486	236,556	250,000,000	5.24%	13,107,427	983,008	256,415	7,989,875	12,661,397	8,038,975	4.5%	2,910,137	(11,196,704)	61,026,856
7/1/2022-6/30/2023	25,902,884	0	5.0%	20,026,268	143,044	250,000,000	5.24%	13,107,427	983,008	256,415	0	12,874,800	8,360,534	4.6%	2,625,330	(4,120,110)	56,906,746
7/1/2023-6/30/2024	15,792,262	0	5.0%	10,421,178	76,119	250,000,000	5.24%	13,107,427	983,008	256,415	0	13,103,990	8,694,955	4.5%	2,413,649	(4,962,327)	51,944,419
7/1/2024-6/30/2025	9,057,261	0	5.0%	4,022,927	36,110	250,000,000	5.24%	13,107,427	983,008	256,415	0	13,382,276	9,042,753	4.4%	2,123,468	(5,918,601)	46,025,817
7/1/2025-6/30/2026	5,064,821	0	5.0%	230,109	10,633	250,000,000	5.24%	13,107,427	983,008	256,415	0	13,667,002	9,404,464	4.3%	1,784,667	(6,929,316)	39,096,502
7/1/2026-6/30/2027	4,040,101	0	5.0%	0	575	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	13,930,576	9,780,642	4.1%	1,456,278	(6,498,472)	32,598,030
7/1/2027-6/30/2028	2,951,529	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	14,191,347	10,171,868	4.1%	1,153,611	(7,453,710)	25,144,320
7/1/2028-6/30/2029	1,795,125	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	14,478,174	10,578,743	4.1%	843,512	(8,457,511)	16,686,809
7/1/2029-6/30/2030	566,665	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	14,799,697	11,001,892	4.3%	499,234	(9,546,462)	7,140,346
7/1/2030-6/30/2031	0	0	5.0%	0	0	275,000,000	5.24%	14,418,169	1,081,309	256,415	0	15,107,244	11,441,968	4.6%	79,468	(10,713,850)	(3,573,504)
7/1/2031-6/30/2032	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	15,389,802	11,899,647	4.9%	(423,842)	(10,548,354)	(14,121,858)
7/1/2032-6/30/2033	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	15,668,296	12,375,633	5.3%	(1,031,411)	(11,910,404)	(26,032,261)
7/1/2033-6/30/2034	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	15,965,992	12,870,658	5.6%	(1,780,550)	(13,452,263)	(39,484,525)
7/1/2034-6/30/2035	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	16,293,260	13,385,484	5.8%	(2,651,804)	(15,165,612)	(54,650,136)
7/1/2035-6/30/2036	0	0	5.0%	0	0	300,000,000	5.24%	15,728,912	1,179,610	256,415	0	16,604,549	13,920,903	5.9%	(3,601,704)	(16,962,219)	(71,612,356)
7/1/2036-6/30/2037	0	0	5.0%	0	0	325,000,000	5.24%	17,039,655	1,277,911	256,415	0	16,889,246	14,477,740	5.8%	(4,535,981)	(17,328,986)	(88,941,342)
7/1/2037-6/30/2038	0	0	5.0%	0	0	325,000,000	5.24%	17,039,655	1,277,911	256,415	0	17,168,296	15,056,849	5.7%	(5,418,883)	(19,070,048)	(108,011,390)

Notes:

- (1) Based on active loan information from Cal-Mortgage
- (2) From Section III, Appendix, Page 9 (based on a 6% 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) Administrative Expenses increase @ 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

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Estimate of Cal-Mortgage's Default Rate
As of 6/30/2008**

	Based on Industry Loss Experience	Cal-Mortgage	
		Including Triad	Excluding Triad
(1) Selected Hospitals Default Rate	1.10%		
(2) Cal-Mortgage's Hospitals In-Force Original Loan Amount	832,344,359		
(3) Selected Nursing Homes Default Rate	13.00%		
(4) Cal-Mortgage's Nursing Homes In-Force Original Loan Amount	749,920,000		
(5) Combined Cal-Mortgage's Hospitals and Nursing Homes Default Rate	6.74%	5.58%	2.14%
(6) Prior Oliver Wyman 2006 Selected Default Rate	6.00%		
(7) New Selected Default Rate	6.75%		
(8) Original Loan Amount Default as of 6/30/2008 - Expected vs. Actual	288,572,913	295,630,000	113,400,000

Notes:

- (1) From Section III, Exhibit 2, Page 2, Row (6)
- (2) Provided by Cal-Mortgage
- (3) From Section III, Exhibit 2, Page 5, Row (6)
- (4) Provided by Cal-Mortgage
- (5) = [(1) x (2) + (3) x (4)] / [(2) + (4)]

*Hospitals: ADC-DD, ADHC, BB, CDC: DD, CDRF, CLINIC: MULTI, CLINIC-AIDS, CLINIC-MH, CLINIC-PC, HOSP, HOSP-DIST.

**Nursing Homes: GH-DD, GH-DD/MD, GH-MD, HOSPICE, MULTI-CCRC, MULTI-OTH, ICF-DD, SNF.

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Hospitals
Selection of Ultimate Default Rate
As of 6/30/2008

Issue Year	Exposure Base	Actual Original Loan Balance Default Rate	Development Method	Bornhuetter-Ferguson Method	Selected Ultimate Default Rate
	(1)	(2)	(3)	(4)	(5)
1981	4,606,300	1.96%	1.96%	1.96%	1.96%
1982	8,153,200	1.38%	1.38%	1.38%	1.38%
1983	8,817,100	0.31%	0.31%	0.31%	0.31%
1984	7,589,500	0.29%	0.29%	0.29%	0.29%
1985	23,821,200	0.98%	0.98%	0.98%	0.98%
1986	7,184,300	1.63%	1.63%	1.63%	1.63%
1987	11,121,100	0.92%	0.92%	0.92%	0.92%
1988	10,757,500	0.49%	0.49%	0.49%	0.49%
1989	13,397,300	0.65%	0.65%	0.65%	0.65%
1990	12,003,000	0.82%	0.82%	0.82%	0.82%
1991	15,968,000	2.61%	2.62%	2.61%	2.62%
1992	20,414,100	2.19%	2.21%	2.20%	2.20%
1993	29,001,500	1.05%	1.06%	1.06%	1.06%
1994	13,536,700	0.99%	1.01%	1.01%	1.01%
1995	11,442,100	0.48%	0.49%	0.51%	0.50%
1996	16,356,200	3.03%	3.17%	3.08%	3.13%
1997	22,036,200	0.53%	0.57%	0.61%	0.59%
1998	33,648,000	0.31%	0.35%	0.44%	0.39%
1999	21,655,600	0.08%	0.10%	0.27%	0.19%
2000	14,139,900			0.25%	0.25%
2001	20,231,700	0.02%	0.03%	0.36%	0.36%
2002	21,961,100			0.44%	0.44%
2003	25,167,800	0.83%	1.60%	1.38%	1.38%
2004	25,796,500			0.69%	0.69%
2005	34,510,100	0.03%	0.14%	0.95%	0.95%
2006	32,900,600			1.07%	1.07%
2007	40,890,800			1.13%	1.13%

Weighted Average All Years	0.99%
Weighted Average 1981-2002	0.96%
Weighted Average All Years excluding high and low	0.91%
Arithmetic Average All Years	1.02%
Arithmetic Average 1981-2002	1.01%
Arithmetic Average All Years excluding high and low	0.96%
Prior Selection	1.00%

(6) Selected Default Rate 1.10%

Notes:

- (1) From Thomson Financial Services
- (2) Section III, Exhibit 2, Page 3, Column (2) / (1)
- (3) From Section III, Exhibit 2, Page 3, Column (5)
- (4) From Section III, Exhibit 2, Page 4, Column (9)
- (5) Selected
- (6) Selected

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Hospitals
Loss Development Method
As of 6/30/2008**

Issue Year	Age	Exposure Base	Default Original Loan Balance To date	Cumulative Reported Development Factor	Estimated Ultimate	Indicated Default Rate
		(1)	(2)	(3)	(4)	(5)
1981	324	4,606,300	90,265	1.000	90,265	1.96%
1982	312	8,153,200	112,630	1.000	112,630	1.38%
1983	300	8,817,100	27,695	1.000	27,695	0.31%
1984	288	7,589,500	22,080	1.000	22,080	0.29%
1985	276	23,821,200	232,930	1.000	232,930	0.98%
1986	264	7,184,300	117,182	1.000	117,182	1.63%
1987	252	11,121,100	102,350	1.000	102,350	0.92%
1988	240	10,757,500	52,767	1.000	52,767	0.49%
1989	228	13,397,300	87,235	1.000	87,235	0.65%
1990	216	12,003,000	98,575	1.001	98,674	0.82%
1991	204	15,968,000	416,995	1.003	418,247	2.62%
1992	192	20,414,100	447,919	1.006	450,611	2.21%
1993	180	29,001,500	305,005	1.011	308,373	1.06%
1994	168	13,536,700	134,215	1.019	136,782	1.01%
1995	156	11,442,100	54,535	1.031	56,245	0.49%
1996	144	16,356,200	495,405	1.047	518,604	3.17%
1997	132	22,036,200	115,960	1.078	125,032	0.57%
1998	120	33,648,000	103,160	1.132	116,792	0.35%
1999	108	21,655,600	17,600	1.200	21,121	0.10%
2000	96	14,139,900	0	1.278		
2001	84	20,231,700	5,035	1.406	7,079	0.03%
2002	72	21,961,100	0	1.617		
2003	60	25,167,800	207,905	1.940	403,362	1.60%
2004	48	25,796,500	0	2.522		
2005	36	34,510,100	9,800	5.044	49,434	0.14%
2006	24	32,900,600	0	15.133		
2007	12	40,890,800	0	75.665		

Weighted Average 1981-2006	0.96%
Weighted Average 1981-2002	1.00%
Weighted Average 1981-1998	1.14%
Arithmetic Average 1981-2004	1.08%
Arithmetic Average 1981-2002	1.05%
Arithmetic Average 1981-1998	1.16%
Prior Selected	1.15%

(6) Selected A Priori Default Rate 1.15%

Notes:

- (1) From Thomson Financial Services
- (2) From Income Securities Advisors
- (3) Based on the selected development factors
- (4) = (2) x (3)
- (5) = (4) / (1)
- (6) Selected

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Hospitals
Bornhuetter-Ferguson Method
As of 6/30/2008

Issue Year	Exposure Base	A Priori Default Rate	A Priori Defaulting Loan Balance	Expected % Unreported	Expected Unreported Defaulted Loan Balance	Expected Reported Defaulted Loan Balance	Default Original Loan Balance To date	Estimated Ultimate	Indicated Default Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1981	4,606,300	1.15%	52,972	0.0%	0	52,972	90,265	90,265	1.96%
1982	8,153,200	1.15%	93,762	0.0%	0	93,762	112,630	112,630	1.38%
1983	8,817,100	1.15%	101,397	0.0%	0	101,397	27,695	27,695	0.31%
1984	7,589,500	1.15%	87,279	0.0%	0	87,279	22,080	22,080	0.29%
1985	23,821,200	1.15%	273,944	0.0%	0	273,944	232,930	232,930	0.98%
1986	7,184,300	1.15%	82,619	0.0%	0	82,619	117,182	117,182	1.63%
1987	11,121,100	1.15%	127,893	0.0%	0	127,893	102,350	102,350	0.92%
1988	10,757,500	1.15%	123,711	0.0%	0	123,711	52,767	52,767	0.49%
1989	13,397,300	1.15%	154,069	0.0%	0	154,069	87,235	87,235	0.65%
1990	12,003,000	1.15%	138,035	0.1%	138	137,897	98,575	98,713	0.82%
1991	15,968,000	1.15%	183,632	0.3%	550	183,082	416,995	417,545	2.61%
1992	20,414,100	1.15%	234,762	0.6%	1,403	233,359	447,919	449,322	2.20%
1993	29,001,500	1.15%	333,517	1.1%	3,642	329,875	305,005	308,647	1.06%
1994	13,536,700	1.15%	155,672	1.9%	2,922	152,750	134,215	137,137	1.01%
1995	11,442,100	1.15%	131,584	3.0%	4,001	127,583	54,535	58,536	0.51%
1996	16,356,200	1.15%	188,096	4.5%	8,414	179,682	495,405	503,819	3.08%
1997	22,036,200	1.15%	253,416	7.3%	18,387	235,029	115,960	134,347	0.61%
1998	33,648,000	1.15%	386,952	11.7%	45,166	341,786	103,160	148,326	0.44%
1999	21,655,600	1.15%	249,039	16.7%	41,519	207,520	17,600	59,119	0.27%
2000	14,139,900	1.15%	162,609	21.8%	35,380	127,229	0	35,380	0.25%
2001	20,231,700	1.15%	232,665	28.9%	67,172	165,493	5,035	72,207	0.36%
2002	21,961,100	1.15%	252,553	38.1%	96,345	156,208	0	96,345	0.44%
2003	25,167,800	1.15%	289,430	48.5%	140,249	149,181	207,905	348,154	1.38%
2004	25,796,500	1.15%	296,660	60.4%	179,039	117,621	0	179,039	0.69%
2005	34,510,100	1.15%	396,866	80.2%	318,190	78,676	9,800	327,990	0.95%
2006	32,900,600	1.15%	378,357	93.4%	353,355	25,002	0	353,355	1.07%
2007	40,890,800	1.15%	470,244	98.7%	464,029	6,215	0	464,029	1.13%
Total	507,107,400		5,831,735		1,779,900	4,051,835	3,257,243	5,037,143	0.99%

Notes:

- (1) From Thomson Financial Services
- (2) Section III, Exhibit 2, Page 3, Row (6)
- (3) = (1) x (2)
- (4) Based on the selected development factors
- (5) = (3) x (4)
- (6) = (3) - (5)
- (7) From Income Security Advisors
- (8) = (5) + (7)
- (9) = (8) / (1)

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Nursing Homes
Selection of Ultimate Default Rate
As of 6/30/2008**

Issue Year	Exposure Base (1)	Actual Original Loan Balance Default Rate (2)	Development Method (3)	Bornhuetter-Ferguson Method (4)	Selected Ultimate Default Rate (5)
1981	392,300	34.87%	34.87%	34.87%	34.87%
1982	838,700	40.79%	40.79%	40.79%	40.79%
1983	795,000	58.47%	58.47%	58.47%	58.47%
1984	739,700	34.55%	34.55%	34.55%	34.55%
1985	1,160,300	27.78%	27.78%	27.78%	27.78%
1986	772,800	23.60%	23.60%	23.60%	23.60%
1987	914,300	13.06%	13.06%	13.06%	13.06%
1988	1,451,700	7.45%	7.45%	7.45%	7.45%
1989	1,561,600	7.52%	7.52%	7.52%	7.52%
1990	1,678,600	10.60%	10.61%	10.61%	10.61%
1991	1,538,500	2.93%	2.94%	2.96%	2.95%
1992	2,429,300	4.56%	4.59%	4.64%	4.62%
1993	2,515,600	9.44%	9.54%	9.57%	9.56%
1994	2,427,400	9.59%	9.78%	9.83%	9.80%
1995	1,986,300	15.98%	16.48%	16.36%	16.42%
1996	3,040,500	10.24%	10.72%	10.80%	10.76%
1997	3,523,600	7.94%	8.56%	8.84%	8.70%
1998	5,076,600	8.99%	10.17%	10.45%	10.31%
1999	4,986,100	6.09%	7.31%	8.18%	7.74%
2000	2,876,400	5.42%	6.93%	8.14%	7.84%
2001	2,939,300	5.37%	7.56%	8.98%	8.63%
2002	3,764,800	0.23%	0.37%	5.00%	5.00%
2003	3,216,100	0.21%	0.41%	6.27%	6.27%
2004	3,112,800	1.84%	4.65%	9.39%	9.39%
2005	4,138,100			10.02%	10.02%
2006	6,010,800			11.67%	11.67%
2007	7,859,400			12.33%	12.33%

Weighted Average 1981-2006	10.97%
Weighted Average 1981-2004	10.97%
Weighted Average 1981-2006 excluding high and low	11.12%
Arithmetic Average 1981-2006	15.21%
Arithmetic Average 1981-2004	15.70%
Arithmetic Average 1981-2006 excluding high and low	14.04%
Prior Selection	12.50%

(6) Selected Default Rate

Notes:

- (1) From Thomson Financial Services
- (2) Section III, Exhibit 2, Page 6, Column (2) / (1)
- (3) From Section III, Exhibit 2, Page 6, Column (5)
- (4) From Section III, Exhibit 2, Page 7, Column (9)
- (5) Selected
- (6) Selected

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Nursing Homes
Loss Development Method
As of 6/30/2008**

Issue Year	Age	Exposure Base (1)	Default Original Loan Balance To date (2)	Cumulative Reported Development Factor (3)	Estimated Ultimate (4)	Indicated Default Rate (5)
1981	324	392,300	136,785	1.000	136,785	34.87%
1982	312	838,700	342,130	1.000	342,130	40.79%
1983	300	795,000	464,865	1.000	464,865	58.47%
1984	288	739,700	255,600	1.000	255,600	34.55%
1985	276	1,160,300	322,355	1.000	322,355	27.78%
1986	264	772,800	182,380	1.000	182,380	23.60%
1987	252	914,300	119,405	1.000	119,405	13.06%
1988	240	1,451,700	108,175	1.000	108,175	7.45%
1989	228	1,561,600	117,495	1.000	117,495	7.52%
1990	216	1,678,600	177,945	1.001	178,123	10.61%
1991	204	1,538,500	45,030	1.003	45,165	2.94%
1992	192	2,429,300	110,895	1.006	111,562	4.59%
1993	180	2,515,600	237,381	1.011	240,002	9.54%
1994	168	2,427,400	232,850	1.019	237,304	9.78%
1995	156	1,986,300	317,325	1.031	327,276	16.48%
1996	144	3,040,500	311,354	1.047	325,934	10.72%
1997	132	3,523,600	279,690	1.078	301,571	8.56%
1998	120	5,076,600	456,241	1.132	516,531	10.17%
1999	108	4,986,100	303,805	1.200	364,589	7.31%
2000	96	2,876,400	155,980	1.278	199,355	6.93%
2001	84	2,939,300	157,970	1.406	222,088	7.56%
2002	72	3,764,800	8,715	1.617	14,090	0.37%
2003	60	3,216,100	6,865	1.940	13,319	0.41%
2004	48	3,112,800	57,360	2.522	144,671	4.65%
2005	36	4,138,100	0	5.044		
2006	24	6,010,800	0	15.133		
2007	12	7,859,400	0	75.665		

Weighted Average 1981-2002	10.83%
Weighted Average 1981-1999	12.42%
Weighted Average 1988-2004	7.38%
Arithmetic Average 1981-2002	16.08%
Arithmetic Average 1981-1999	17.83%
Arithmetic Average 1988-2004	7.57%
Prior Selected	13.00%

Notes:

- (1) From Thomson Financial Services
- (2) From Income Securities Advisors
- (3) Based on the selected development factors
- (4) = (2) x (3)
- (5) = (4) / (1)
- (6) Selected

(6) Selected A Priori Default Rate 12.50%

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Nursing Homes
Bornhuetter-Ferguson Method
As of 6/30/2008

Issue Year	Exposure Base	A Priori Default Rate	A Priori Defaulting Loan Balance	Expected % Unreported	Expected Unreported Defaulted Loan Balance	Expected Reported Defaulted Loan Balance	Default Original Loan Balance To date	Estimated Ultimate	Indicated Default Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1981	392,300	12.50%	49,038	0.0%	0	49,038	136,785	136,785	34.87%
1982	838,700	12.50%	104,838	0.0%	0	104,838	342,130	342,130	40.79%
1983	795,000	12.50%	99,375	0.0%	0	99,375	464,865	464,865	58.47%
1984	739,700	12.50%	92,463	0.0%	0	92,463	255,600	255,600	34.55%
1985	1,160,300	12.50%	145,038	0.0%	0	145,038	322,355	322,355	27.78%
1986	772,800	12.50%	96,600	0.0%	0	96,600	182,380	182,380	23.60%
1987	914,300	12.50%	114,288	0.0%	0	114,288	119,405	119,405	13.06%
1988	1,451,700	12.50%	181,463	0.0%	0	181,463	108,175	108,175	7.45%
1989	1,561,600	12.50%	195,200	0.0%	0	195,200	117,495	117,495	7.52%
1990	1,678,600	12.50%	209,825	0.1%	210	209,615	177,945	178,155	10.61%
1991	1,538,500	12.50%	192,313	0.3%	576	191,737	45,030	45,606	2.96%
1992	2,429,300	12.50%	303,663	0.6%	1,814	301,848	110,895	112,709	4.64%
1993	2,515,600	12.50%	314,450	1.1%	3,434	311,016	237,381	240,815	9.57%
1994	2,427,400	12.50%	303,425	1.9%	5,695	297,730	232,850	238,545	9.83%
1995	1,986,300	12.50%	248,288	3.0%	7,549	240,738	317,325	324,874	16.36%
1996	3,040,500	12.50%	380,063	4.5%	17,002	363,061	311,354	328,356	10.80%
1997	3,523,600	12.50%	440,450	7.3%	31,958	408,492	279,690	311,648	8.84%
1998	5,076,600	12.50%	634,575	11.7%	74,069	560,506	456,241	530,310	10.45%
1999	4,986,100	12.50%	623,263	16.7%	103,909	519,353	303,805	407,714	8.18%
2000	2,876,400	12.50%	359,550	21.8%	78,229	281,321	155,980	234,209	8.14%
2001	2,939,300	12.50%	367,413	28.9%	106,074	261,338	157,970	264,044	8.98%
2002	3,764,800	12.50%	470,600	38.1%	179,526	291,074	8,715	188,241	5.00%
2003	3,216,100	12.50%	402,013	48.5%	194,803	207,210	6,865	201,668	6.27%
2004	3,112,800	12.50%	389,100	60.4%	234,828	154,272	57,360	292,188	9.39%
2005	4,138,100	12.50%	517,263	80.2%	414,719	102,543	0	414,719	10.02%
2006	6,010,800	12.50%	751,350	93.4%	701,700	49,650	0	701,700	11.67%
2007	7,859,400	12.50%	982,425	98.7%	969,441	12,984	0	969,441	12.33%
Total	71,746,600		8,968,325		3,125,536	5,842,789	4,908,596	8,034,132	11.20%

Notes:

- (1) From Thomson Financial Services
- (2) From Section III, Exhibit 2, Page 6, Row (6)
- (3) = (1) x (2)
- (4) Based on the selected development factors
- (5) = (3) x (4)
- (6) = (3) - (5)
- (7) From Income Security Advisors
- (8) = (5) + (7)
- (9) = (8) / (1)

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Hospital and Nursing Homes Combined
Analysis of Default Pattern Based on Original Loan Balance
As of 12/31/2007

Issue Year	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	276	288	300	312
1983	0	72,890	144,895	309,710	389,570	439,355	439,355	459,990	465,365	476,510	482,060	482,060	485,760	492,560	492,560	492,560	492,560	492,560	492,560	492,560	492,560	492,560	492,560	492,560	492,560	492,560
1984	0	22,500	129,080	205,270	236,905	249,925	249,925	246,915	251,665	263,795	277,680	277,680	277,680	277,680	277,680	277,680	277,680	277,680	277,680	277,680	277,680	277,680	277,680	277,680	277,680	277,680
1985	0	37,355	169,080	302,460	438,325	452,310	488,035	512,035	516,935	540,045	540,045	540,045	540,045	540,045	540,045	540,045	540,045	540,045	540,045	540,045	540,045	540,045	540,045	540,045	540,045	540,045
1986	0	16,785	70,920	104,185	109,525	114,325	120,325	130,275	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947	248,947
1987	0	22,270	36,770	48,120	71,895	129,400	140,900	184,215	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755	221,755
1988	6,815	19,385	66,805	102,330	115,330	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497	156,497
1989	0	0	79,615	95,575	98,470	98,470	116,530	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430	160,430
1990	0	29,805	50,605	142,590	153,670	203,385	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730	217,730
1991	0	0	0	21,360	116,125	163,625	163,625	337,565	380,715	380,715	460,525	460,525	460,525	460,525	460,525	460,525	460,525	460,525	460,525	460,525	460,525	460,525	460,525	460,525	460,525	460,525
1992	0	167,354	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734	183,734
1993	2,200	2,200	5,600	20,862	287,277	475,737	506,147	518,566	533,861	537,736	537,736	537,736	537,736	537,736	537,736	537,736	537,736	537,736	537,736	537,736	537,736	537,736	537,736	537,736	537,736	537,736
1994	6,250	6,250	6,250	6,250	6,250	23,085	242,885	250,885	330,885	341,385	352,605	352,605	352,605	352,605	352,605	352,605	352,605	352,605	352,605	352,605	352,605	352,605	352,605	352,605	352,605	352,605
1995	3,405	7,905	31,690	76,370	108,415	159,015	178,815	285,115	315,835	365,080	371,860	371,860	371,860	371,860	371,860	371,860	371,860	371,860	371,860	371,860	371,860	371,860	371,860	371,860	371,860	371,860
1996	0	7,795	326,495	482,984	504,964	598,384	639,529	802,434	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759	806,759
1997	0	38,145	155,520	256,995	306,730	307,660	316,985	340,625	348,825	370,240	395,650	395,650	395,650	395,650	395,650	395,650	395,650	395,650	395,650	395,650	395,650	395,650	395,650	395,650	395,650	395,650
1998	102,385	139,700	258,996	396,466	446,321	490,671	511,981	522,386	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401	559,401
1999	0	62,600	93,415	176,135	242,760	273,615	275,685	318,840	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405	321,405
2000	0	0	7,745	114,810	134,310	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980	155,980
2001	0	0	11,535	70,545	93,850	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005	163,005
2002	0	0	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715
2003	0	156,700	156,700	163,565	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770	214,770
2004	0	0	0	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360	57,360
2005	0	0	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800
2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Issue Year	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-Ult
1983	1.988	2.137	1.258	1.128	1.000	1.047	1.012	1.024	1.012	1.000	1.008	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1984	5.737	1.588	1.149	1.000	1.017	1.025	1.000	1.019	1.048	1.053	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1985	4.526	1.789	1.449	1.032	1.079	1.049	1.010	1.045	1.000	1.000	1.000	1.018	1.000	1.018	1.000	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1986	4.225	1.469	1.051	1.044	1.052	1.047	1.034	1.911	1.000	1.017	1.169	1.000	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1987	1.651	1.309	1.494	1.800	1.089	1.307	1.204	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1988	2.844	3.446	1.532	1.127	1.357	1.000	1.000	1.000	1.000	1.000	1.028	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1989	1.098	1.200	1.030	1.000	1.183	1.377	1.000	1.000	1.242	1.027	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1990	1.698	2.818	1.078	1.324	1.071	1.000	1.000	1.162	1.000	1.093	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1991	1.098	1.098	1.000	1.000	1.079	1.000	1.804	1.033	1.035	1.082	1.327	1.018	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992	1.000	2.545	1.000	3.725	13.770	1.462	1.133	1.064	1.025	1.029	1.007	1.000	1.000	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993	1.000	1.000	1.000	1.000	3.694	10.521	1.033	1.319	1.032	1.033	1.000	1.000	1.041	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994	2.322	4.009	2.410	1.420	1.467	1.125	1.594	1.108	1.156	1.017	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	41.885	1.479	1.046	1.185	1.069	1.255	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	4.077	1.652	1.194	1.003	1.030	1.075	1.024	1.061	1.069	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	1.364	1.854	1.531	1.125																						

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Estimate of Cal-Mortgage's Loss Severity
As of 6/30/2008**

Facility Type	Income Securities		Actual	Actual	Selected
	Advisors Data	Moody's	Cal-Mortgage Experience (Including Triad)	Cal-Mortgage Experience (Excluding Triad)	
	(1)	(2)	(3)	(4)	(5)
Hospitals	58.80%	N/A	N/A	N/A	N/A
Nursing Home	68.40%	N/A	N/A	N/A	N/A
Total	64.10%	60.50%	61.81%	47.82%	60.0%

**Cal-Mortgage Loan Insurance Division
 California Health Facility Construction Loan Insurance Program**

**Estimate of Cal-Mortgage's Cumulative Loss Payment Pattern
 As of 6/30/2008**

Years From Default	Income Securities Advisors Data	Previous Selection	Selected
0	30.2%	25.0%	30.0%
1	60.5%	60.0%	60.0%
2	72.6%	75.0%	75.0%
3	83.5%	85.0%	85.0%
4	91.8%	95.0%	95.0%
5	96.4%	100.0%	100.0%

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

Historical Termination Rate

Fiscal Year End	Outstanding Balance	Including Refinanced Loans		Excluding Refinanced Loans	
		Terminated Loans	Termination Rate	Terminated Loans	Termination Rate
2000		159,346,000		no data	
2001		95,220,043		no data	
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%
Combined	8,763,129,953	902,858,514	7.4%	432,894,925	5.7%

Estimated Termination Rate

Fiscal Year	Termination Rate	Termination Rate
7/1/2008-6/30/2009	7.0%	5.0%
7/1/2009-6/30/2010 and subsequent	5.0%	4.5%

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

Estimated Premium Rate

Risk Category	Weight	Premium Rate
Below Investment Grade	60.0%	3.00%
Investment Grade	40.0%	1.85%
Combined		2.54%
Ratio of Principal & Interest to Principal for a 30-year Loan @ 5.5%		2.064
Effective Premium Rate as % of Principal		5.24%

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Estimated Amount of Loan Default by Fiscal Year at 6.75% Default Rate - New Loans Insured
As of 6/30/08

Issue Year	Total Loan Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by FY
7/1/1983-6/30/1984	159,700,000	6.75%	10,779,750	300	100%	7/1/2008-6/30/2009	8,395,828
7/1/1984-6/30/1985	151,784,000	6.75%	10,245,420	288	100%	7/1/2009-6/30/2010	9,833,158
7/1/1985-6/30/1986	210,620,000	6.75%	14,216,850	276	100%	7/1/2010-6/30/2011	12,689,734
7/1/1986-6/30/1987	287,629,000	6.75%	19,414,958	264	100%	7/1/2011-6/30/2012	13,142,801
7/1/1987-6/30/1988	164,845,000	6.75%	11,127,038	252	100%	7/1/2012-6/30/2013	12,554,399
7/1/1988-6/30/1989	291,840,000	6.75%	19,699,200	240	100%	7/1/2013-6/30/2014	12,883,571
7/1/1989-6/30/1990	285,070,000	6.75%	19,242,225	228	100%	7/1/2014-6/30/2015	13,140,503
7/1/1990-6/30/1991	502,627,148	6.75%	33,927,332	216	100%	7/1/2015-6/30/2016	13,042,175
7/1/1991-6/30/1992	340,350,000	6.75%	22,973,625	204	100%	7/1/2016-6/30/2017	13,273,748
7/1/1992-6/30/1993	425,234,203	6.75%	28,703,309	192	99%	7/1/2017-6/30/2018	13,741,059
7/1/1993-6/30/1994	269,577,356	6.75%	18,196,472	180	99%	7/1/2018-6/30/2019	14,025,766
7/1/1994-6/30/1995	86,855,000	6.75%	5,862,713	168	98%	7/1/2019-6/30/2020	14,175,917
7/1/1995-6/30/1996	122,845,000	6.75%	8,292,038	156	97%	7/1/2020-6/30/2021	14,338,134
7/1/1996-6/30/1997	96,845,000	6.75%	6,537,038	144	96%	7/1/2021-6/30/2022	14,586,247
7/1/1997-6/30/1998	288,615,000	6.75%	19,481,513	132	93%	7/1/2022-6/30/2023	14,834,450
7/1/1998-6/30/1999	30,100,000	6.75%	2,031,750	120	88%	7/1/2023-6/30/2024	15,170,077
7/1/1999-6/30/2000	135,160,000	6.75%	9,123,300	108	83%	7/1/2024-6/30/2025	15,592,119
7/1/2000-6/30/2001	153,995,000	6.75%	10,394,663	96	78%	7/1/2025-6/30/2026	15,877,513
7/1/2001-6/30/2002	183,335,000	6.75%	12,375,113	84	71%	7/1/2026-6/30/2027	16,133,539
7/1/2002-6/30/2003	157,890,000	6.75%	10,657,575	72	62%	7/1/2027-6/30/2028	16,418,781
7/1/2003-6/30/2004	198,201,000	6.75%	13,378,568	60	52%	7/1/2028-6/30/2029	16,789,380
7/1/2004-6/30/2005	47,200,000	6.75%	3,186,000	48	40%	7/1/2029-6/30/2030	17,231,056
7/1/2005-6/30/2006	68,565,000	6.75%	4,628,138	36	20%	7/1/2030-6/30/2031	17,529,393
7/1/2006-6/30/2007	26,224,359	6.75%	1,770,144	24	7%	7/1/2031-6/30/2032	17,808,526
7/1/2007-6/30/2008	332,810,000	6.75%	22,464,675	12	1%	7/1/2032-6/30/2033	18,106,281
7/1/2008-6/30/2009	360,575,000	6.75%	24,338,813	0	0%	7/1/2033-6/30/2034	18,476,880
7/1/2009-6/30/2010	175,000,000	6.75%	11,812,500		0%	7/1/2034-6/30/2035	18,918,556
7/1/2010-6/30/2011	175,000,000	6.75%	11,812,500		0%	7/1/2035-6/30/2036	19,216,893
7/1/2011-6/30/2012	200,000,000	6.75%	13,500,000		0%	7/1/2036-6/30/2037	19,496,026
7/1/2012-6/30/2013	200,000,000	6.75%	13,500,000		0%	7/1/2037-6/30/2038	19,793,781
7/1/2013-6/30/2014	200,000,000	6.75%	13,500,000		0%		
7/1/2014-6/30/2015	200,000,000	6.75%	13,500,000		0%		
7/1/2015-6/30/2016	200,000,000	6.75%	13,500,000		0%		
7/1/2016-6/30/2017	225,000,000	6.75%	15,187,500		0%		
7/1/2017-6/30/2018	225,000,000	6.75%	15,187,500		0%		
7/1/2018-6/30/2019	225,000,000	6.75%	15,187,500		0%		
7/1/2019-6/30/2020	225,000,000	6.75%	15,187,500		0%		
7/1/2020-6/30/2021	225,000,000	6.75%	15,187,500		0%		
7/1/2021-6/30/2022	250,000,000	6.75%	16,875,000		0%		
7/1/2022-6/30/2023	250,000,000	6.75%	16,875,000		0%		
7/1/2023-6/30/2024	250,000,000	6.75%	16,875,000		0%		
7/1/2024-6/30/2025	250,000,000	6.75%	16,875,000		0%		
7/1/2025-6/30/2026	250,000,000	6.75%	16,875,000		0%		
7/1/2026-6/30/2027	275,000,000	6.75%	18,562,500		0%		
7/1/2027-6/30/2028	275,000,000	6.75%	18,562,500		0%		
7/1/2028-6/30/2029	275,000,000	6.75%	18,562,500		0%		
7/1/2029-6/30/2030	275,000,000	6.75%	18,562,500		0%		
7/1/2030-6/30/2031	275,000,000	6.75%	18,562,500		0%		
7/1/2031-6/30/2032	300,000,000	6.75%	20,250,000		0%		
7/1/2032-6/30/2033	300,000,000	6.75%	20,250,000		0%		
7/1/2033-6/30/2034	300,000,000	6.75%	20,250,000		0%		
7/1/2034-6/30/2035	300,000,000	6.75%	20,250,000		0%		
7/1/2035-6/30/2036	300,000,000	6.75%	20,250,000		0%		
7/1/2036-6/30/2037	325,000,000	6.75%	21,937,500		0%		
7/1/2037-6/30/2038	325,000,000	6.75%	21,937,500		0%		

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Estimated Loss Payment for Future Default by Fiscal Year - New Loans Insured
At 6.75% Default Rate
As of 6/30/08**

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2008-6/30/2009	8,395,828	60.0%	5,037,497	1,511,249
7/1/2009-6/30/2010	9,833,158	60.0%	5,899,895	3,281,217
7/1/2010-6/30/2011	12,689,734	60.0%	7,613,840	4,809,745
7/1/2011-6/30/2012	13,142,801	60.0%	7,885,681	6,038,590
7/1/2012-6/30/2013	12,554,399	60.0%	7,532,640	6,861,311
7/1/2013-6/30/2014	12,883,571	60.0%	7,730,142	7,364,935
7/1/2014-6/30/2015	13,140,503	60.0%	7,884,302	7,659,176
7/1/2015-6/30/2016	13,042,175	60.0%	7,825,305	7,794,928
7/1/2016-6/30/2017	13,273,748	60.0%	7,964,249	7,840,074
7/1/2017-6/30/2018	13,741,059	60.0%	8,244,635	7,974,537
7/1/2018-6/30/2019	14,025,766	60.0%	8,415,460	8,150,134
7/1/2019-6/30/2020	14,175,917	60.0%	8,505,550	8,286,169
7/1/2020-6/30/2021	14,338,134	60.0%	8,602,881	8,407,002
7/1/2021-6/30/2022	14,586,247	60.0%	8,751,748	8,546,443
7/1/2022-6/30/2023	14,834,450	60.0%	8,900,670	8,690,490
7/1/2023-6/30/2024	15,170,077	60.0%	9,102,046	8,845,193
7/1/2024-6/30/2025	15,592,119	60.0%	9,355,271	9,033,036
7/1/2025-6/30/2026	15,877,513	60.0%	9,526,508	9,225,226
7/1/2026-6/30/2027	16,133,539	60.0%	9,680,124	9,403,139
7/1/2027-6/30/2028	16,418,781	60.0%	9,851,268	9,579,159
7/1/2028-6/30/2029	16,789,380	60.0%	10,073,628	9,772,768
7/1/2029-6/30/2030	17,231,056	60.0%	10,338,634	9,989,795
7/1/2030-6/30/2031	17,529,393	60.0%	10,517,636	10,197,390
7/1/2031-6/30/2032	17,808,526	60.0%	10,685,115	10,388,116
7/1/2032-6/30/2033	18,106,281	60.0%	10,863,768	10,576,100
7/1/2033-6/30/2034	18,476,880	60.0%	11,086,128	10,777,045
7/1/2034-6/30/2035	18,918,556	60.0%	11,351,134	10,997,951
7/1/2035-6/30/2036	19,216,893	60.0%	11,530,136	11,208,070
7/1/2036-6/30/2037	19,496,026	60.0%	11,697,615	11,400,241
7/1/2037-6/30/2038	19,793,781	60.0%	11,876,268	11,588,600

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Estimated Amount of Loan Default by Fiscal Year at 6.75% Default Rate - No New Loans Insured
As of 6/30/08**

Issue Year	Total Loan Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by FY
7/1/1983-6/30/1984	159,700,000	6.75%	10,779,750	300	100%	7/1/2008-6/30/2009	8,074,162
7/1/1984-6/30/1985	151,784,000	6.75%	10,245,420	288	100%	7/1/2009-6/30/2010	8,390,378
7/1/1985-6/30/1986	210,620,000	6.75%	14,216,850	276	100%	7/1/2010-6/30/2011	8,692,494
7/1/1986-6/30/1987	287,629,000	6.75%	19,414,958	264	100%	7/1/2011-6/30/2012	5,953,769
7/1/1987-6/30/1988	164,845,000	6.75%	11,127,038	252	100%	7/1/2012-6/30/2013	4,864,412
7/1/1988-6/30/1989	291,840,000	6.75%	19,699,200	240	100%	7/1/2013-6/30/2014	3,951,515
7/1/1989-6/30/1990	285,070,000	6.75%	19,242,225	228	100%	7/1/2014-6/30/2015	2,907,108
7/1/1990-6/30/1991	502,627,148	6.75%	33,927,332	216	100%	7/1/2015-6/30/2016	2,039,013
7/1/1991-6/30/1992	340,350,000	6.75%	22,973,625	204	100%	7/1/2016-6/30/2017	1,727,503
7/1/1992-6/30/1993	425,234,203	6.75%	28,703,309	192	99%	7/1/2017-6/30/2018	1,369,236
7/1/1993-6/30/1994	269,577,356	6.75%	18,196,472	180	99%	7/1/2018-6/30/2019	862,268
7/1/1994-6/30/1995	86,855,000	6.75%	5,862,713	168	98%	7/1/2019-6/30/2020	468,088
7/1/1995-6/30/1996	122,845,000	6.75%	8,292,038	156	97%	7/1/2020-6/30/2021	344,988
7/1/1996-6/30/1997	96,845,000	6.75%	6,537,038	144	96%	7/1/2021-6/30/2022	218,618
7/1/1997-6/30/1998	288,615,000	6.75%	19,481,513	132	93%	7/1/2022-6/30/2023	128,787
7/1/1998-6/30/1999	30,100,000	6.75%	2,031,750	120	88%	7/1/2023-6/30/2024	75,145
7/1/1999-6/30/2000	135,160,000	6.75%	9,123,300	108	83%	7/1/2024-6/30/2025	46,563
7/1/2000-6/30/2001	153,995,000	6.75%	10,394,663	96	78%	7/1/2025-6/30/2026	22,442
7/1/2001-6/30/2002	183,335,000	6.75%	12,375,113	84	71%	7/1/2026-6/30/2027	0
7/1/2002-6/30/2003	157,890,000	6.75%	10,657,575	72	62%	7/1/2027-6/30/2028	0
7/1/2003-6/30/2004	198,201,000	6.75%	13,378,568	60	52%	7/1/2028-6/30/2029	0
7/1/2004-6/30/2005	47,200,000	6.75%	3,186,000	48	40%	7/1/2029-6/30/2030	0
7/1/2005-6/30/2006	68,565,000	6.75%	4,628,138	36	20%	7/1/2030-6/30/2031	0
7/1/2006-6/30/2007	26,224,359	6.75%	1,770,144	24	7%	7/1/2031-6/30/2032	0
7/1/2007-6/30/2008	332,810,000	6.75%	22,464,675	12	1%	7/1/2032-6/30/2033	0
						7/1/2033-6/30/2034	0
						7/1/2034-6/30/2035	0
						7/1/2035-6/30/2036	0
						7/1/2036-6/30/2037	0
						7/1/2037-6/30/2038	0

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Estimated Loss Payment for Future Default by Fiscal Year - No New Loans Insured
At 6.75% Default Rate
As of 6/30/08**

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2008-6/30/2009	8,074,162	60.0%	4,844,497	1,453,349
7/1/2009-6/30/2010	8,390,378	60.0%	5,034,227	2,963,617
7/1/2010-6/30/2011	8,692,494	60.0%	5,215,496	3,801,591
7/1/2011-6/30/2012	5,953,769	60.0%	3,572,261	3,875,911
7/1/2012-6/30/2013	4,864,412	60.0%	2,918,647	3,717,469
7/1/2013-6/30/2014	3,951,515	60.0%	2,370,909	3,389,903
7/1/2014-6/30/2015	2,907,108	60.0%	1,744,265	2,802,836
7/1/2015-6/30/2016	2,039,013	60.0%	1,223,408	2,155,804
7/1/2016-6/30/2017	1,727,503	60.0%	1,036,502	1,647,181
7/1/2017-6/30/2018	1,369,236	60.0%	821,541	1,298,374
7/1/2018-6/30/2019	862,268	60.0%	517,361	972,459
7/1/2019-6/30/2020	468,088	60.0%	280,853	675,900
7/1/2020-6/30/2021	344,988	60.0%	206,993	470,932
7/1/2021-6/30/2022	218,618	60.0%	131,171	329,292
7/1/2022-6/30/2023	128,787	60.0%	77,272	214,480
7/1/2023-6/30/2024	75,145	60.0%	45,087	131,036
7/1/2024-6/30/2025	46,563	60.0%	27,938	81,357
7/1/2025-6/30/2026	22,442	60.0%	13,465	50,378
7/1/2026-6/30/2027	0	60.0%	0	27,025
7/1/2027-6/30/2028	0	60.0%	0	13,186
7/1/2028-6/30/2029	0	60.0%	0	6,395
7/1/2029-6/30/2030	0	60.0%	0	2,743
7/1/2030-6/30/2031	0	60.0%	0	673
7/1/2031-6/30/2032	0	60.0%	0	0
7/1/2032-6/30/2033	0	60.0%	0	0
7/1/2033-6/30/2034	0	60.0%	0	0
7/1/2034-6/30/2035	0	60.0%	0	0
7/1/2035-6/30/2036	0	60.0%	0	0
7/1/2036-6/30/2037	0	60.0%	0	0
7/1/2037-6/30/2038	0	60.0%	0	0

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Estimated Amount of Loan Default by Fiscal Year at 8.00% Default Rate - New Loans Insured
At 8.00% Default Rate

Issue Year	Total Loan Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by FY
7/1/1983-6/30/1984	159,700,000	8.00%	12,776,000	300	100%	7/1/2008-6/30/2009	9,950,611
7/1/1984-6/30/1985	151,784,000	8.00%	12,142,720	288	100%	7/1/2009-6/30/2010	11,654,113
7/1/1985-6/30/1986	210,620,000	8.00%	16,849,600	276	100%	7/1/2010-6/30/2011	15,039,685
7/1/1986-6/30/1987	287,629,000	8.00%	23,010,320	264	100%	7/1/2011-6/30/2012	15,576,653
7/1/1987-6/30/1988	164,845,000	8.00%	13,187,600	252	100%	7/1/2012-6/30/2013	14,879,288
7/1/1988-6/30/1989	291,840,000	8.00%	23,347,200	240	100%	7/1/2013-6/30/2014	15,269,417
7/1/1989-6/30/1990	285,070,000	8.00%	22,805,600	228	100%	7/1/2014-6/30/2015	15,573,930
7/1/1990-6/30/1991	502,627,148	8.00%	40,210,172	216	100%	7/1/2015-6/30/2016	15,457,393
7/1/1991-6/30/1992	340,350,000	8.00%	27,228,000	204	100%	7/1/2016-6/30/2017	15,731,850
7/1/1992-6/30/1993	425,234,203	8.00%	34,018,736	192	99%	7/1/2017-6/30/2018	16,285,699
7/1/1993-6/30/1994	269,577,356	8.00%	21,566,188	180	99%	7/1/2018-6/30/2019	16,623,130
7/1/1994-6/30/1995	86,855,000	8.00%	6,948,400	168	98%	7/1/2019-6/30/2020	16,801,086
7/1/1995-6/30/1996	122,845,000	8.00%	9,827,600	156	97%	7/1/2020-6/30/2021	16,993,344
7/1/1996-6/30/1997	96,845,000	8.00%	7,747,600	144	96%	7/1/2021-6/30/2022	17,287,404
7/1/1997-6/30/1998	288,615,000	8.00%	23,089,200	132	93%	7/1/2022-6/30/2023	17,581,570
7/1/1998-6/30/1999	30,100,000	8.00%	2,408,000	120	88%	7/1/2023-6/30/2024	17,979,350
7/1/1999-6/30/2000	135,160,000	8.00%	10,812,800	108	83%	7/1/2024-6/30/2025	18,479,548
7/1/2000-6/30/2001	153,995,000	8.00%	12,319,600	96	78%	7/1/2025-6/30/2026	18,817,793
7/1/2001-6/30/2002	183,335,000	8.00%	14,666,800	84	71%	7/1/2026-6/30/2027	19,121,232
7/1/2002-6/30/2003	157,890,000	8.00%	12,631,200	72	62%	7/1/2027-6/30/2028	19,459,296
7/1/2003-6/30/2004	198,201,000	8.00%	15,856,080	60	52%	7/1/2028-6/30/2029	19,898,524
7/1/2004-6/30/2005	47,200,000	8.00%	3,776,000	48	40%	7/1/2029-6/30/2030	20,421,993
7/1/2005-6/30/2006	68,565,000	8.00%	5,485,200	36	20%	7/1/2030-6/30/2031	20,775,577
7/1/2006-6/30/2007	26,224,359	8.00%	2,097,949	24	7%	7/1/2031-6/30/2032	21,106,401
7/1/2007-6/30/2008	332,810,000	8.00%	26,624,800	12	1%	7/1/2032-6/30/2033	21,459,296
7/1/2008-6/30/2009	360,575,000	8.00%	28,846,000	0	0%	7/1/2033-6/30/2034	21,898,524
7/1/2009-6/30/2010	175,000,000	8.00%	14,000,000	0	0%	7/1/2034-6/30/2035	22,421,993
7/1/2010-6/30/2011	175,000,000	8.00%	14,000,000	0	0%	7/1/2035-6/30/2036	22,775,577
7/1/2011-6/30/2012	200,000,000	8.00%	16,000,000	0	0%	7/1/2036-6/30/2037	23,106,401
7/1/2012-6/30/2013	200,000,000	8.00%	16,000,000	0	0%	7/1/2037-6/30/2038	23,459,296
7/1/2013-6/30/2014	200,000,000	8.00%	16,000,000	0	0%		
7/1/2014-6/30/2015	200,000,000	8.00%	16,000,000	0	0%		
7/1/2015-6/30/2016	200,000,000	8.00%	16,000,000	0	0%		
7/1/2016-6/30/2017	225,000,000	8.00%	18,000,000	0	0%		
7/1/2017-6/30/2018	225,000,000	8.00%	18,000,000	0	0%		
7/1/2018-6/30/2019	225,000,000	8.00%	18,000,000	0	0%		
7/1/2019-6/30/2020	225,000,000	8.00%	18,000,000	0	0%		
7/1/2020-6/30/2021	225,000,000	8.00%	18,000,000	0	0%		
7/1/2021-6/30/2022	250,000,000	8.00%	20,000,000	0	0%		
7/1/2022-6/30/2023	250,000,000	8.00%	20,000,000	0	0%		
7/1/2023-6/30/2024	250,000,000	8.00%	20,000,000	0	0%		
7/1/2024-6/30/2025	250,000,000	8.00%	20,000,000	0	0%		
7/1/2025-6/30/2026	250,000,000	8.00%	20,000,000	0	0%		
7/1/2026-6/30/2027	275,000,000	8.00%	22,000,000	0	0%		
7/1/2027-6/30/2028	275,000,000	8.00%	22,000,000	0	0%		
7/1/2028-6/30/2029	275,000,000	8.00%	22,000,000	0	0%		
7/1/2029-6/30/2030	275,000,000	8.00%	22,000,000	0	0%		
7/1/2030-6/30/2031	275,000,000	8.00%	22,000,000	0	0%		
7/1/2031-6/30/2032	300,000,000	8.00%	24,000,000	0	0%		
7/1/2032-6/30/2033	300,000,000	8.00%	24,000,000	0	0%		
7/1/2033-6/30/2034	300,000,000	8.00%	24,000,000	0	0%		
7/1/2034-6/30/2035	300,000,000	8.00%	24,000,000	0	0%		
7/1/2035-6/30/2036	300,000,000	8.00%	24,000,000	0	0%		
7/1/2036-6/30/2037	325,000,000	8.00%	26,000,000	0	0%		
7/1/2037-6/30/2038	325,000,000	8.00%	26,000,000	0	0%		

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Estimated Loss Payment for Future Default by Fiscal Year - New Loans Insured
At 8.00% Default Rate
As of 6/30/08**

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2008-6/30/2009	9,950,611	60.0%	5,970,366	1,791,110
7/1/2009-6/30/2010	11,654,113	60.0%	6,992,468	3,888,850
7/1/2010-6/30/2011	15,039,685	60.0%	9,023,811	5,700,439
7/1/2011-6/30/2012	15,576,653	60.0%	9,345,992	7,156,848
7/1/2012-6/30/2013	14,879,288	60.0%	8,927,573	8,131,925
7/1/2013-6/30/2014	15,269,417	60.0%	9,161,650	8,728,812
7/1/2014-6/30/2015	15,573,930	60.0%	9,344,358	9,077,542
7/1/2015-6/30/2016	15,457,393	60.0%	9,274,436	9,238,433
7/1/2016-6/30/2017	15,731,850	60.0%	9,439,110	9,291,939
7/1/2017-6/30/2018	16,285,699	60.0%	9,771,420	9,451,304
7/1/2018-6/30/2019	16,623,130	60.0%	9,973,878	9,659,418
7/1/2019-6/30/2020	16,801,086	60.0%	10,080,652	9,820,644
7/1/2020-6/30/2021	16,993,344	60.0%	10,196,007	9,963,854
7/1/2021-6/30/2022	17,287,404	60.0%	10,372,442	10,129,118
7/1/2022-6/30/2023	17,581,570	60.0%	10,548,942	10,299,840
7/1/2023-6/30/2024	17,979,350	60.0%	10,787,610	10,483,192
7/1/2024-6/30/2025	18,479,548	60.0%	11,087,729	10,705,821
7/1/2025-6/30/2026	18,817,793	60.0%	11,290,676	10,933,602
7/1/2026-6/30/2027	19,121,232	60.0%	11,472,739	11,144,461
7/1/2027-6/30/2028	19,459,296	60.0%	11,675,577	11,353,077
7/1/2028-6/30/2029	19,898,524	60.0%	11,939,114	11,582,539
7/1/2029-6/30/2030	20,421,993	60.0%	12,253,196	11,839,758
7/1/2030-6/30/2031	20,775,577	60.0%	12,465,346	12,085,795
7/1/2031-6/30/2032	21,106,401	60.0%	12,663,840	12,311,842
7/1/2032-6/30/2033	21,459,296	60.0%	12,875,577	12,534,637
7/1/2033-6/30/2034	21,898,524	60.0%	13,139,114	12,772,794
7/1/2034-6/30/2035	22,421,993	60.0%	13,453,196	13,034,608
7/1/2035-6/30/2036	22,775,577	60.0%	13,665,346	13,283,639
7/1/2036-6/30/2037	23,106,401	60.0%	13,863,840	13,511,397
7/1/2037-6/30/2038	23,459,296	60.0%	14,075,577	13,734,637

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Estimated Amount of Loan Default by Fiscal Year at 10.00% Default Rate - New Loans Insured
As of 6/30/08

Issue Year	Total Loan Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by FY
7/1/1983-6/30/1984	159,700,000	10.00%	15,970,000	300	100%	7/1/2008-6/30/2009	12,438,263
7/1/1984-6/30/1985	151,784,000	10.00%	15,178,400	288	100%	7/1/2009-6/30/2010	14,567,641
7/1/1985-6/30/1986	210,620,000	10.00%	21,062,000	276	100%	7/1/2010-6/30/2011	18,799,606
7/1/1986-6/30/1987	287,629,000	10.00%	28,762,900	264	100%	7/1/2011-6/30/2012	19,470,817
7/1/1987-6/30/1988	164,845,000	10.00%	16,484,500	252	100%	7/1/2012-6/30/2013	18,599,110
7/1/1988-6/30/1989	291,840,000	10.00%	29,184,000	240	100%	7/1/2013-6/30/2014	19,086,771
7/1/1989-6/30/1990	285,070,000	10.00%	28,507,000	228	100%	7/1/2014-6/30/2015	19,467,413
7/1/1990-6/30/1991	502,627,148	10.00%	50,262,715	216	100%	7/1/2015-6/30/2016	19,321,741
7/1/1991-6/30/1992	340,350,000	10.00%	34,035,000	204	100%	7/1/2016-6/30/2017	19,664,812
7/1/1992-6/30/1993	425,234,203	10.00%	42,523,420	192	99%	7/1/2017-6/30/2018	20,357,124
7/1/1993-6/30/1994	269,577,356	10.00%	26,957,736	180	99%	7/1/2018-6/30/2019	20,778,913
7/1/1994-6/30/1995	86,855,000	10.00%	8,685,500	168	98%	7/1/2019-6/30/2020	21,001,358
7/1/1995-6/30/1996	122,845,000	10.00%	12,284,500	156	97%	7/1/2020-6/30/2021	21,241,680
7/1/1996-6/30/1997	96,845,000	10.00%	9,684,500	144	96%	7/1/2021-6/30/2022	21,609,255
7/1/1997-6/30/1998	288,615,000	10.00%	28,861,500	132	93%	7/1/2022-6/30/2023	21,976,962
7/1/1998-6/30/1999	30,100,000	10.00%	3,010,000	120	88%	7/1/2023-6/30/2024	22,474,188
7/1/1999-6/30/2000	135,160,000	10.00%	13,516,000	108	83%	7/1/2024-6/30/2025	23,099,436
7/1/2000-6/30/2001	153,995,000	10.00%	15,399,500	96	78%	7/1/2025-6/30/2026	23,522,241
7/1/2001-6/30/2002	183,335,000	10.00%	18,333,500	84	71%	7/1/2026-6/30/2027	23,901,540
7/1/2002-6/30/2003	157,890,000	10.00%	15,789,000	72	62%	7/1/2027-6/30/2028	24,324,120
7/1/2003-6/30/2004	198,201,000	10.00%	19,820,100	60	52%	7/1/2028-6/30/2029	24,873,155
7/1/2004-6/30/2005	47,200,000	10.00%	4,720,000	48	40%	7/1/2029-6/30/2030	25,527,491
7/1/2005-6/30/2006	68,565,000	10.00%	6,856,500	36	20%	7/1/2030-6/30/2031	25,969,472
7/1/2006-6/30/2007	26,224,359	10.00%	2,622,436	24	7%	7/1/2031-6/30/2032	26,383,001
7/1/2007-6/30/2008	332,810,000	10.00%	33,281,000	12	1%	7/1/2032-6/30/2033	26,824,120
7/1/2008-6/30/2009	360,575,000	10.00%	36,057,500	0	0%	7/1/2033-6/30/2034	27,373,155
7/1/2009-6/30/2010	175,000,000	10.00%	17,500,000		0%	7/1/2034-6/30/2035	28,027,491
7/1/2010-6/30/2011	175,000,000	10.00%	17,500,000		0%	7/1/2035-6/30/2036	28,469,472
7/1/2011-6/30/2012	200,000,000	10.00%	20,000,000		0%	7/1/2036-6/30/2037	28,883,001
7/1/2012-6/30/2013	200,000,000	10.00%	20,000,000		0%	7/1/2037-6/30/2038	29,324,120
7/1/2013-6/30/2014	200,000,000	10.00%	20,000,000		0%		
7/1/2014-6/30/2015	200,000,000	10.00%	20,000,000		0%		
7/1/2015-6/30/2016	200,000,000	10.00%	20,000,000		0%		
7/1/2016-6/30/2017	225,000,000	10.00%	22,500,000		0%		
7/1/2017-6/30/2018	225,000,000	10.00%	22,500,000		0%		
7/1/2018-6/30/2019	225,000,000	10.00%	22,500,000		0%		
7/1/2019-6/30/2020	225,000,000	10.00%	22,500,000		0%		
7/1/2020-6/30/2021	225,000,000	10.00%	22,500,000		0%		
7/1/2021-6/30/2022	250,000,000	10.00%	25,000,000		0%		
7/1/2022-6/30/2023	250,000,000	10.00%	25,000,000		0%		
7/1/2023-6/30/2024	250,000,000	10.00%	25,000,000		0%		
7/1/2024-6/30/2025	250,000,000	10.00%	25,000,000		0%		
7/1/2025-6/30/2026	250,000,000	10.00%	25,000,000		0%		
7/1/2026-6/30/2027	275,000,000	10.00%	27,500,000		0%		
7/1/2027-6/30/2028	275,000,000	10.00%	27,500,000		0%		
7/1/2028-6/30/2029	275,000,000	10.00%	27,500,000		0%		
7/1/2029-6/30/2030	275,000,000	10.00%	27,500,000		0%		
7/1/2030-6/30/2031	275,000,000	10.00%	27,500,000		0%		
7/1/2031-6/30/2032	300,000,000	10.00%	30,000,000		0%		
7/1/2032-6/30/2033	300,000,000	10.00%	30,000,000		0%		
7/1/2033-6/30/2034	300,000,000	10.00%	30,000,000		0%		
7/1/2034-6/30/2035	300,000,000	10.00%	30,000,000		0%		
7/1/2035-6/30/2036	300,000,000	10.00%	30,000,000		0%		
7/1/2036-6/30/2037	325,000,000	10.00%	32,500,000		0%		
7/1/2037-6/30/2038	325,000,000	10.00%	32,500,000		0%		

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Estimated Loss Payment for Future Default by Fiscal Year - New Loans Insured
At 10.00% Default Rate
As of 6/30/08**

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2008-6/30/2009	12,438,263	60.0%	7,462,958	2,238,887
7/1/2009-6/30/2010	14,567,641	60.0%	8,740,585	4,861,063
7/1/2010-6/30/2011	18,799,606	60.0%	11,279,764	7,125,548
7/1/2011-6/30/2012	19,470,817	60.0%	11,682,490	8,946,060
7/1/2012-6/30/2013	18,599,110	60.0%	11,159,466	10,164,906
7/1/2013-6/30/2014	19,086,771	60.0%	11,452,063	10,911,015
7/1/2014-6/30/2015	19,467,413	60.0%	11,680,448	11,346,928
7/1/2015-6/30/2016	19,321,741	60.0%	11,593,045	11,548,041
7/1/2016-6/30/2017	19,664,812	60.0%	11,798,887	11,614,924
7/1/2017-6/30/2018	20,357,124	60.0%	12,214,275	11,814,130
7/1/2018-6/30/2019	20,778,913	60.0%	12,467,348	12,074,272
7/1/2019-6/30/2020	21,001,358	60.0%	12,600,815	12,275,805
7/1/2020-6/30/2021	21,241,680	60.0%	12,745,008	12,454,817
7/1/2021-6/30/2022	21,609,255	60.0%	12,965,553	12,661,397
7/1/2022-6/30/2023	21,976,962	60.0%	13,186,177	12,874,800
7/1/2023-6/30/2024	22,474,188	60.0%	13,484,513	13,103,990
7/1/2024-6/30/2025	23,099,436	60.0%	13,859,661	13,382,276
7/1/2025-6/30/2026	23,522,241	60.0%	14,113,344	13,667,002
7/1/2026-6/30/2027	23,901,540	60.0%	14,340,924	13,930,576
7/1/2027-6/30/2028	24,324,120	60.0%	14,594,472	14,191,347
7/1/2028-6/30/2029	24,873,155	60.0%	14,923,893	14,478,174
7/1/2029-6/30/2030	25,527,491	60.0%	15,316,495	14,799,697
7/1/2030-6/30/2031	25,969,472	60.0%	15,581,683	15,107,244
7/1/2031-6/30/2032	26,383,001	60.0%	15,829,800	15,389,802
7/1/2032-6/30/2033	26,824,120	60.0%	16,094,472	15,668,296
7/1/2033-6/30/2034	27,373,155	60.0%	16,423,893	15,965,992
7/1/2034-6/30/2035	28,027,491	60.0%	16,816,495	16,293,260
7/1/2035-6/30/2036	28,469,472	60.0%	17,081,683	16,604,549
7/1/2036-6/30/2037	28,883,001	60.0%	17,329,800	16,889,246
7/1/2037-6/30/2038	29,324,120	60.0%	17,594,472	17,168,296

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Estimated Amount of Loan Default by Fiscal Year at 6.75% Default Rate - Annual-Premium Loans Only
As of 6/30/08**

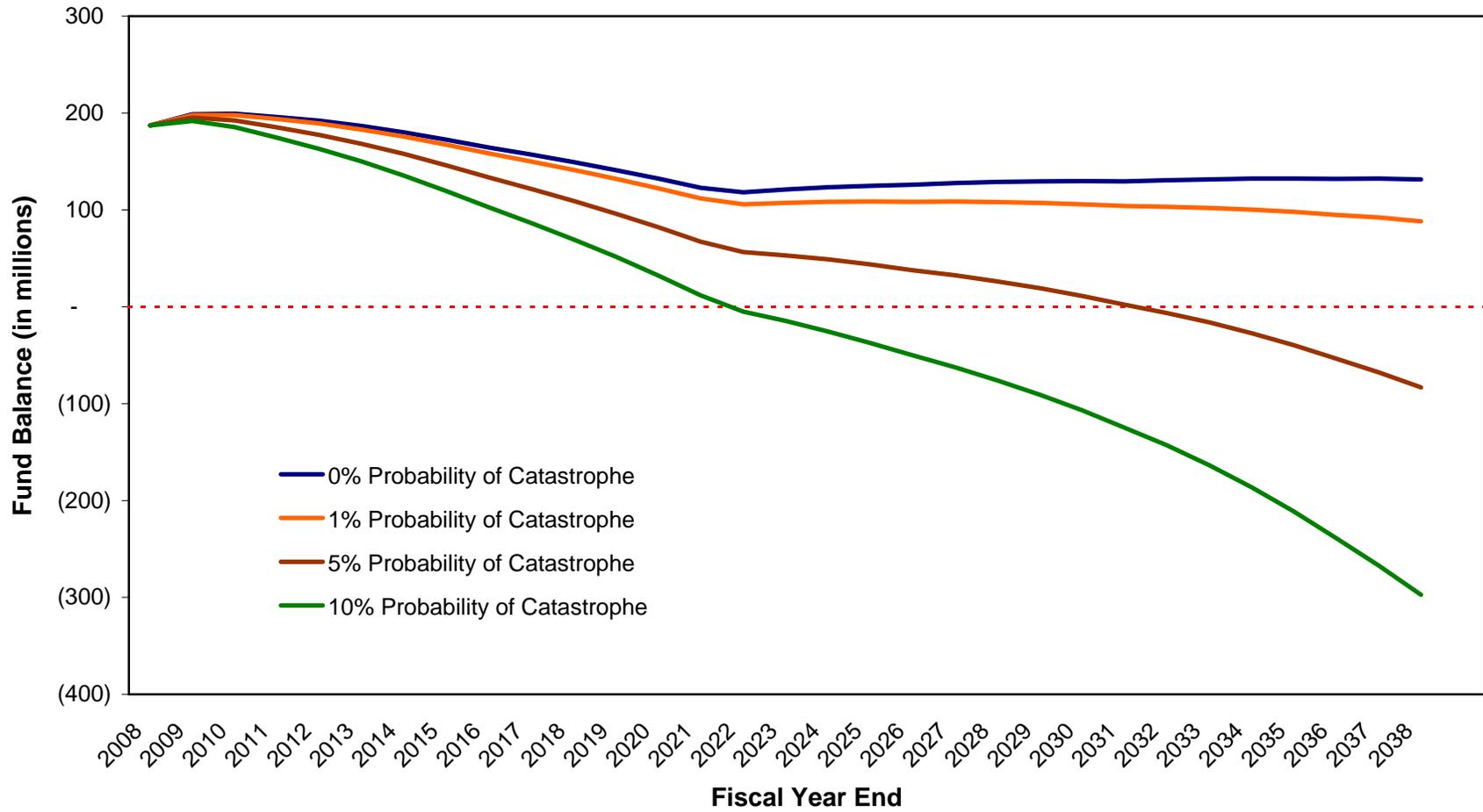
Issue Year	Total Annual Premium Loans Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by FY
7/1/1983-6/30/1984	159,700,000	6.75%	10,779,750	300	100%	7/1/2008-6/30/2009	1,701,711
7/1/1984-6/30/1985	151,784,000	6.75%	10,245,420	288	100%	7/1/2009-6/30/2010	1,163,471
7/1/1985-6/30/1986	210,620,000	6.75%	14,216,850	276	100%	7/1/2010-6/30/2011	790,632
7/1/1986-6/30/1987	287,629,000	6.75%	19,414,958	264	100%	7/1/2011-6/30/2012	461,153
7/1/1987-6/30/1988	164,845,000	6.75%	11,127,038	252	100%	7/1/2012-6/30/2013	294,800
7/1/1988-6/30/1989	291,840,000	6.75%	19,699,200	240	100%	7/1/2013-6/30/2014	189,069
7/1/1989-6/30/1990	285,070,000	6.75%	19,242,225	228	100%	7/1/2014-6/30/2015	115,438
7/1/1990-6/30/1991	502,627,148	6.75%	33,927,332	216	100%	7/1/2015-6/30/2016	62,617
7/1/1991-6/30/1992	340,350,000	6.75%	22,973,625	204	100%	7/1/2016-6/30/2017	27,396
7/1/1992-6/30/1993	425,234,203	6.75%	28,703,309	192	99%	7/1/2017-6/30/2018	13,911
7/1/1993-6/30/1994	269,577,356	6.75%	18,196,472	180	99%	7/1/2018-6/30/2019	2,403
7/1/1994-6/30/1995	86,855,000	6.75%	5,862,713	168	98%	7/1/2019-6/30/2020	0
7/1/1995-6/30/1996	122,845,000	6.75%	8,292,038	156	97%	7/1/2020-6/30/2021	0
7/1/1996-6/30/1997	96,845,000	6.75%	6,537,038	144	96%	7/1/2021-6/30/2022	0
7/1/1997-6/30/1998	288,615,000	6.75%	19,481,513	132	93%	7/1/2022-6/30/2023	0
7/1/1998-6/30/1999	30,100,000	6.75%	2,031,750	120	88%	7/1/2023-6/30/2024	0
7/1/1999-6/30/2000	135,160,000	6.75%	9,123,300	108	83%	7/1/2024-6/30/2025	0
7/1/2000-6/30/2001	35,640,000	6.75%	2,405,700	96	78%	7/1/2025-6/30/2026	0
						7/1/2026-6/30/2027	0
						7/1/2027-6/30/2028	0

**Cal-Mortgage Loan Insurance Division
 California Health Facility Construction Loan Insurance Program**

Projected Fiscal Year End Fund 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
7/1/2007-6/30/2008	187,183,615	187,183,615	187,183,615	187,183,615
7/1/2008-6/30/2009	198,669,894	197,995,059	195,233,404	191,816,565
7/1/2009-6/30/2010	199,313,531	197,941,869	192,296,067	185,352,742
7/1/2010-6/30/2011	195,823,984	193,713,702	185,102,009	174,462,208
7/1/2011-6/30/2012	191,981,636	189,101,815	177,433,257	163,026,930
7/1/2012-6/30/2013	186,633,293	182,962,506	168,198,723	149,831,610
7/1/2013-6/30/2014	180,095,081	175,598,708	157,609,171	135,233,496
7/1/2014-6/30/2015	172,590,715	167,249,749	145,988,858	119,472,355
7/1/2015-6/30/2016	164,379,468	158,206,121	133,475,847	102,737,950
7/1/2016-6/30/2017	157,078,616	150,015,499	121,758,868	86,571,899
7/1/2017-6/30/2018	149,322,933	141,319,949	109,368,823	69,546,883
7/1/2018-6/30/2019	141,014,247	132,033,814	96,108,912	51,440,680
7/1/2019-6/30/2020	132,246,480	122,205,670	82,066,542	32,134,208
7/1/2020-6/30/2021	122,933,923	111,774,117	67,155,083	11,642,468
7/1/2021-6/30/2022	118,215,093	105,877,939	56,504,890	(4,939,083)
7/1/2022-6/30/2023	120,983,517	107,381,549	53,090,569	(14,649,600)
7/1/2023-6/30/2024	123,285,174	108,356,221	48,841,833	(25,332,586)
7/1/2024-6/30/2025	124,981,703	108,674,876	43,771,189	(37,185,315)
7/1/2025-6/30/2026	125,971,087	108,281,178	37,835,219	(49,981,685)
7/1/2026-6/30/2027	127,701,748	108,570,298	32,444,431	(62,469,314)
7/1/2027-6/30/2028	128,825,746	108,239,477	26,284,899	(76,029,671)
7/1/2028-6/30/2029	129,444,184	107,314,295	19,248,536	(90,711,746)
7/1/2029-6/30/2030	129,635,226	105,883,801	11,247,590	(106,870,353)
7/1/2030-6/30/2031	129,537,587	103,989,533	2,295,546	(124,629,962)
7/1/2031-6/30/2032	130,648,440	103,141,162	(6,338,503)	(142,909,317)
7/1/2032-6/30/2033	131,589,052	101,935,467	(16,076,398)	(163,338,159)
7/1/2033-6/30/2034	132,257,327	100,252,765	(27,111,142)	(186,066,948)
7/1/2034-6/30/2035	132,498,153	97,975,642	(39,571,828)	(211,175,553)
7/1/2035-6/30/2036	132,083,108	94,833,747	(53,573,667)	(238,671,099)
7/1/2036-6/30/2037	132,246,650	92,110,844	(67,687,699)	(266,938,288)
7/1/2037-6/30/2038	131,420,323	88,331,255	(83,265,517)	(297,254,252)

**Cal-Mortgage Loan Insurance Division
 California Health Facility Construction Loan Insurance Program
 Estimated Fiscal Year End Fund Balance**



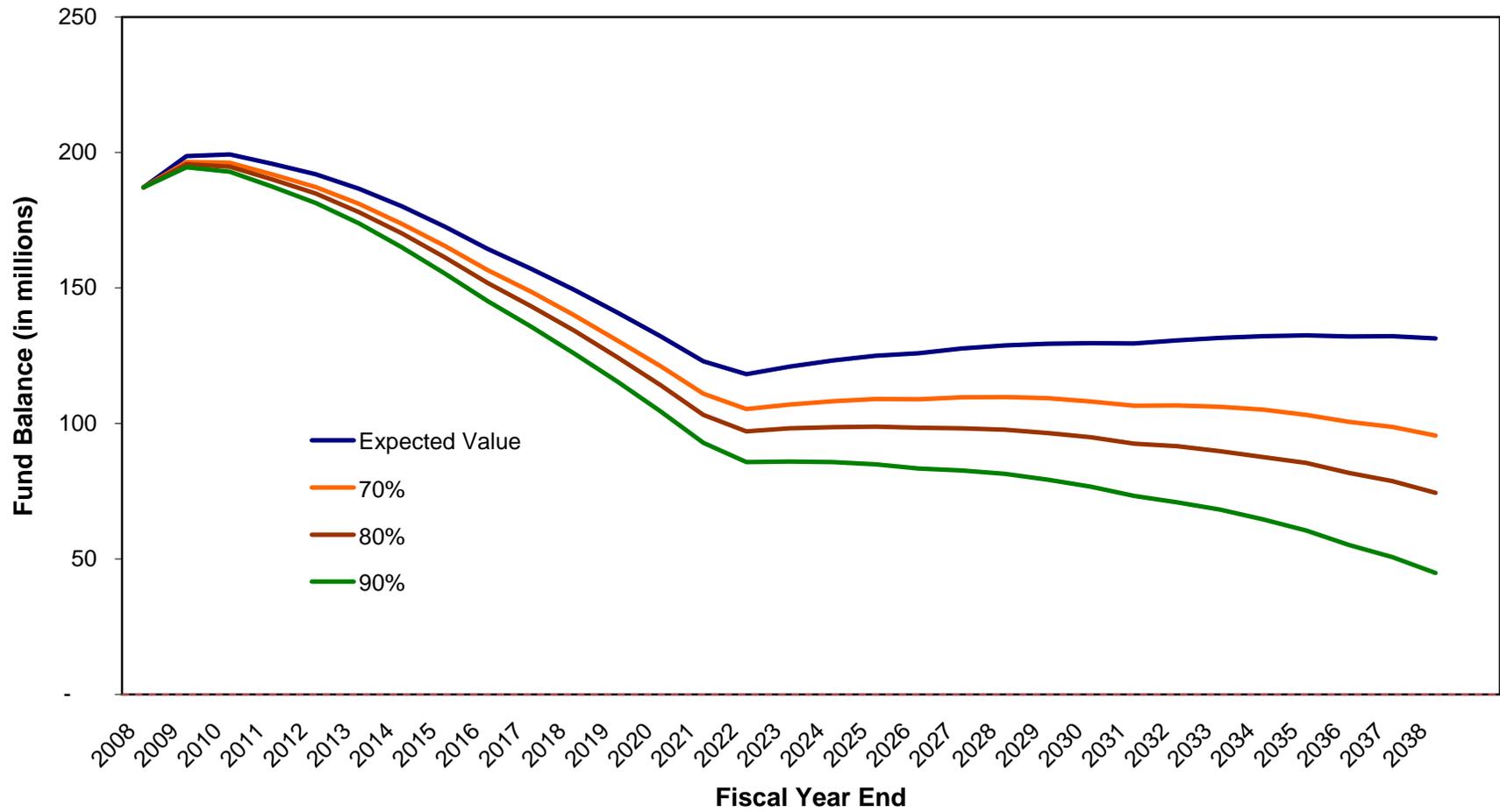
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

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

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2007-6/30/2008	187,183,615	187,183,615	187,183,615	187,183,615
7/1/2008-6/30/2009	198,669,894	196,542,725	195,676,141	194,551,083
7/1/2009-6/30/2010	199,313,531	196,223,670	194,774,390	192,864,701
7/1/2010-6/30/2011	195,823,984	191,842,334	189,987,635	187,318,976
7/1/2011-6/30/2012	191,981,636	187,198,136	184,835,622	181,419,594
7/1/2012-6/30/2013	186,633,293	181,014,734	177,961,651	173,828,504
7/1/2013-6/30/2014	180,095,081	173,680,048	170,126,371	165,012,181
7/1/2014-6/30/2015	172,590,715	165,453,610	161,293,206	155,297,918
7/1/2015-6/30/2016	164,379,468	156,575,669	151,799,187	145,091,138
7/1/2016-6/30/2017	157,078,616	148,606,416	143,206,275	135,681,507
7/1/2017-6/30/2018	149,322,933	139,927,595	134,226,995	125,815,925
7/1/2018-6/30/2019	141,014,247	130,708,913	124,502,245	115,528,914
7/1/2019-6/30/2020	132,246,480	121,176,892	114,135,821	104,489,279
7/1/2020-6/30/2021	122,933,923	110,939,854	103,185,179	92,869,350
7/1/2021-6/30/2022	118,215,093	105,271,978	97,069,776	85,771,130
7/1/2022-6/30/2023	120,983,517	106,939,836	98,231,886	85,985,146
7/1/2023-6/30/2024	123,285,174	108,180,360	98,627,678	85,717,786
7/1/2024-6/30/2025	124,981,703	109,007,613	98,839,931	84,905,930
7/1/2025-6/30/2026	125,971,087	108,965,561	98,410,714	83,332,346
7/1/2026-6/30/2027	127,701,748	109,597,577	98,208,405	82,647,519
7/1/2027-6/30/2028	128,825,746	109,731,293	97,736,712	81,431,067
7/1/2028-6/30/2029	129,444,184	109,300,912	96,491,794	79,256,902
7/1/2029-6/30/2030	129,635,226	108,052,365	94,885,859	76,618,810
7/1/2030-6/30/2031	129,537,587	106,504,546	92,549,941	73,234,914
7/1/2031-6/30/2032	130,648,440	106,608,672	91,654,755	70,915,970
7/1/2032-6/30/2033	131,589,052	106,117,822	89,710,597	68,185,822
7/1/2033-6/30/2034	132,257,327	105,144,904	87,633,165	64,639,155
7/1/2034-6/30/2035	132,498,153	103,148,906	85,413,550	60,468,610
7/1/2035-6/30/2036	132,083,108	100,560,160	81,765,690	55,086,378
7/1/2036-6/30/2037	132,246,650	98,713,073	78,724,979	50,737,145
7/1/2037-6/30/2038	131,420,323	95,507,775	74,439,429	44,862,414

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Estimated Fiscal Year End Fund Balance**

0% Probability of Catastrophe



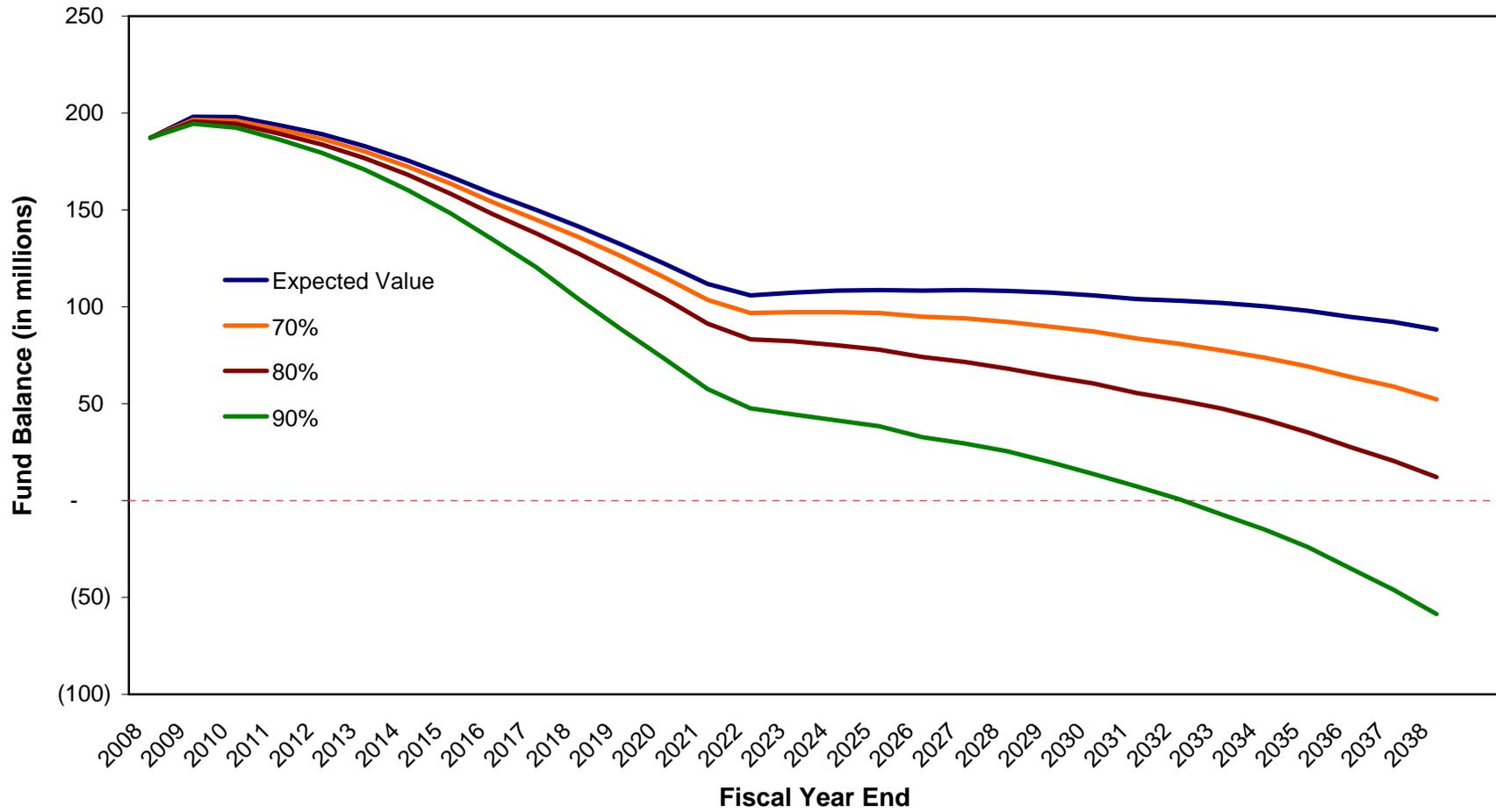
Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Projected Fiscal Year End Fund Balance
1% Probability of Catastrophe

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2007-6/30/2008	187,183,615	187,183,615	187,183,615	187,183,615
7/1/2008-6/30/2009	197,995,059	196,505,467	195,620,605	194,448,056
7/1/2009-6/30/2010	197,941,869	195,983,536	194,512,720	192,504,195
7/1/2010-6/30/2011	193,713,702	191,550,637	189,454,186	186,361,179
7/1/2011-6/30/2012	189,101,815	186,598,898	183,844,141	179,423,272
7/1/2012-6/30/2013	182,962,506	180,143,122	176,656,726	170,859,682
7/1/2013-6/30/2014	175,598,708	172,330,339	168,152,502	160,322,653
7/1/2014-6/30/2015	167,249,749	163,564,915	158,422,330	148,223,074
7/1/2015-6/30/2016	158,206,121	153,914,866	147,742,454	134,556,638
7/1/2016-6/30/2017	150,015,499	145,011,555	137,843,978	120,471,253
7/1/2017-6/30/2018	141,319,949	135,929,702	127,415,235	103,818,393
7/1/2018-6/30/2019	132,033,814	125,869,190	116,044,534	88,071,857
7/1/2019-6/30/2020	122,205,670	115,158,812	104,224,746	73,068,517
7/1/2020-6/30/2021	111,774,117	103,556,107	91,269,722	57,589,256
7/1/2021-6/30/2022	105,877,939	96,739,910	83,161,272	47,644,108
7/1/2022-6/30/2023	107,381,549	97,213,911	82,225,234	44,355,782
7/1/2023-6/30/2024	108,356,221	97,241,665	80,256,406	41,345,866
7/1/2024-6/30/2025	108,674,876	96,759,563	77,858,637	38,357,076
7/1/2025-6/30/2026	108,281,178	94,904,573	74,062,515	32,759,251
7/1/2026-6/30/2027	108,570,298	94,094,686	71,541,973	29,479,858
7/1/2027-6/30/2028	108,239,477	92,106,547	68,027,394	25,330,696
7/1/2028-6/30/2029	107,314,295	89,781,302	63,986,639	19,789,472
7/1/2029-6/30/2030	105,883,801	87,260,942	60,386,982	13,649,338
7/1/2030-6/30/2031	103,989,533	83,717,828	55,492,460	7,356,247
7/1/2031-6/30/2032	103,141,162	80,971,517	51,737,982	648,508
7/1/2032-6/30/2033	101,935,467	77,387,144	47,481,421	(7,262,493)
7/1/2033-6/30/2034	100,252,765	73,675,959	41,830,978	(15,058,233)
7/1/2034-6/30/2035	97,975,642	69,240,594	35,238,186	(23,911,372)
7/1/2035-6/30/2036	94,833,747	63,747,228	27,480,118	(35,071,982)
7/1/2036-6/30/2037	92,110,844	58,832,258	20,513,982	(46,101,591)
7/1/2037-6/30/2038	88,331,255	52,151,812	12,102,776	(58,659,276)

**Cal-Mortgage Loan Insurance Division
 California Health Facility Construction Loan Insurance Program
 Estimated Fiscal Year End Fund Balance**

1% Probability of Catastrophe



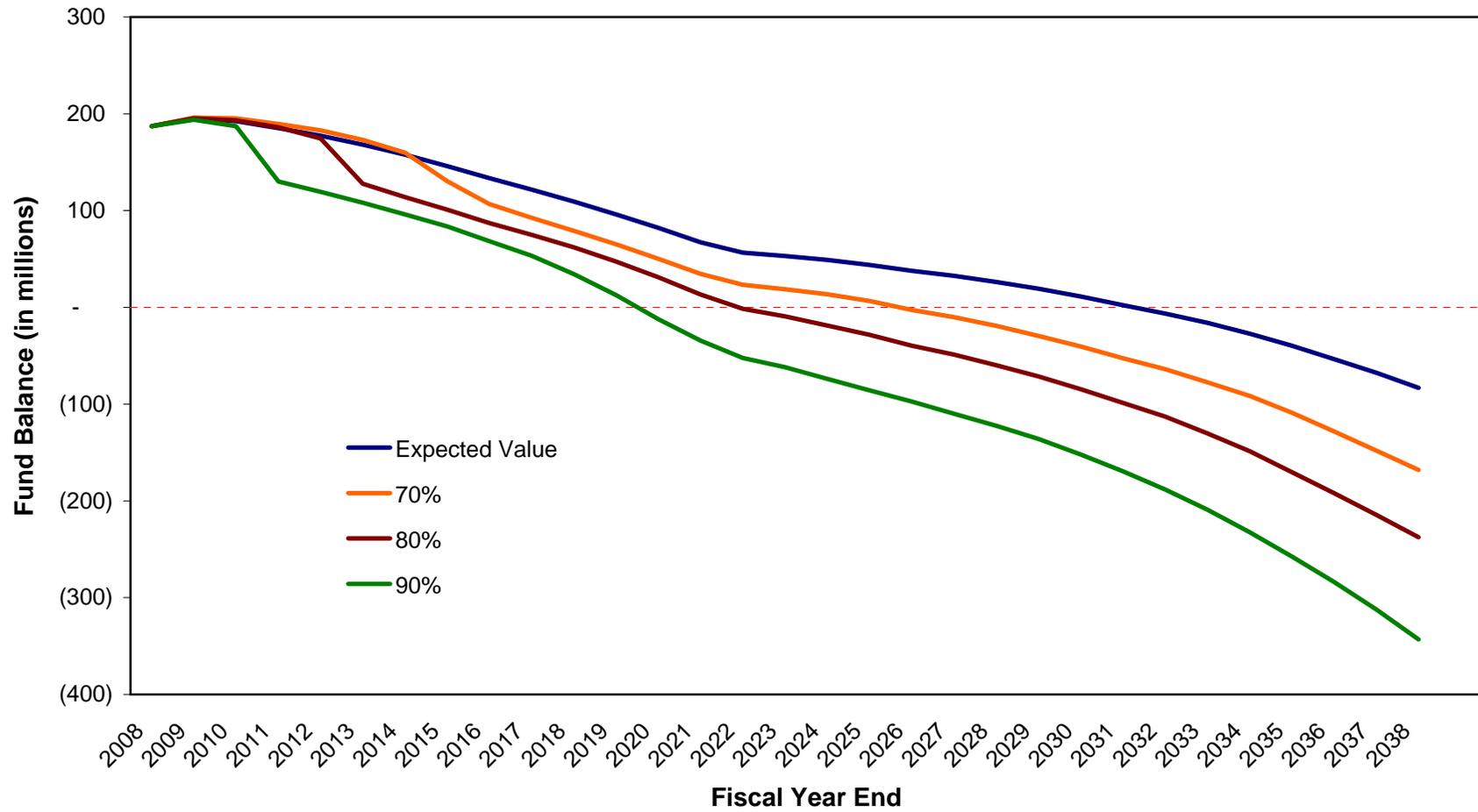
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Projected Fiscal Year End Fund Balance
5% Probability of Catastrophe**

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2007-6/30/2008	187,183,615	187,183,615	187,183,615	187,183,615
7/1/2008-6/30/2009	195,233,404	196,263,342	195,232,515	193,769,320
7/1/2009-6/30/2010	192,296,067	195,131,392	193,168,739	187,153,912
7/1/2010-6/30/2011	185,102,009	189,629,062	186,110,477	130,099,592
7/1/2011-6/30/2012	177,433,257	182,879,603	174,620,234	119,314,107
7/1/2012-6/30/2013	168,198,723	173,137,110	127,740,782	108,062,886
7/1/2013-6/30/2014	157,609,171	159,864,974	113,906,638	96,076,585
7/1/2014-6/30/2015	145,988,858	130,207,941	100,890,194	83,549,258
7/1/2015-6/30/2016	133,475,847	106,546,525	87,169,758	68,344,162
7/1/2016-6/30/2017	121,758,868	92,545,769	75,070,312	53,186,959
7/1/2017-6/30/2018	109,368,823	78,873,635	61,870,575	34,381,200
7/1/2018-6/30/2019	96,108,912	65,097,829	47,142,880	12,676,187
7/1/2019-6/30/2020	82,066,542	50,158,798	30,984,990	(12,147,744)
7/1/2020-6/30/2021	67,155,083	34,415,402	13,134,612	(34,294,582)
7/1/2021-6/30/2022	56,504,890	23,238,216	(1,520,322)	(52,339,790)
7/1/2022-6/30/2023	53,090,569	18,684,658	(9,257,808)	(61,937,870)
7/1/2023-6/30/2024	48,841,833	13,417,925	(18,905,919)	(74,081,528)
7/1/2024-6/30/2025	43,771,189	6,593,597	(28,450,988)	(85,728,819)
7/1/2025-6/30/2026	37,835,219	(2,740,217)	(39,575,517)	(97,226,982)
7/1/2026-6/30/2027	32,444,431	(10,087,136)	(48,890,357)	(109,884,677)
7/1/2027-6/30/2028	26,284,899	(19,025,056)	(59,800,902)	(122,534,945)
7/1/2028-6/30/2029	19,248,536	(29,526,156)	(71,417,776)	(135,991,883)
7/1/2029-6/30/2030	11,247,590	(40,418,008)	(84,655,354)	(152,226,027)
7/1/2030-6/30/2031	2,295,546	(52,646,592)	(98,724,978)	(169,364,131)
7/1/2031-6/30/2032	(6,338,503)	(63,747,913)	(112,810,453)	(188,177,274)
7/1/2032-6/30/2033	(16,076,398)	(77,360,446)	(130,161,848)	(209,057,338)
7/1/2033-6/30/2034	(27,111,142)	(91,494,688)	(148,648,768)	(232,342,613)
7/1/2034-6/30/2035	(39,571,828)	(108,725,474)	(170,184,246)	(257,568,739)
7/1/2035-6/30/2036	(53,573,667)	(128,093,705)	(191,884,845)	(283,659,338)
7/1/2036-6/30/2037	(67,687,699)	(148,086,251)	(214,432,266)	(312,275,037)
7/1/2037-6/30/2038	(83,265,517)	(167,923,248)	(237,565,286)	(343,239,910)

**Cal-Mortgage Loan Insurance Division
 California Health Facility Construction Loan Insurance Program
 Estimated Fiscal Year End Fund Balance**

5% Probability of Catastrophe



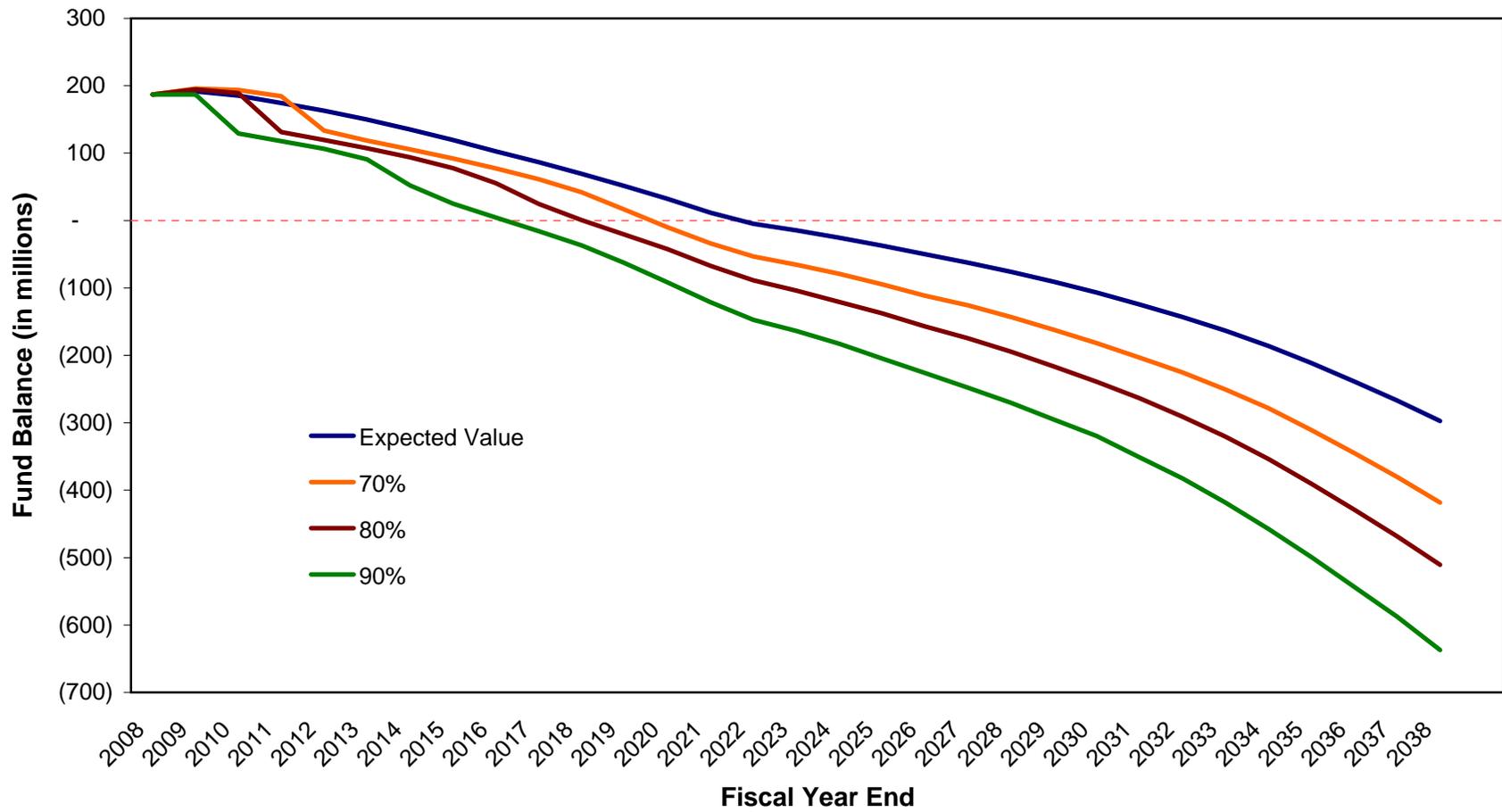
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Projected Fiscal Year End Fund Balance
10% Probability of Catastrophe**

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2007-6/30/2008	187,183,615	187,183,615	187,183,615	187,183,615
7/1/2008-6/30/2009	191,816,565	195,859,784	194,635,213	187,126,710
7/1/2009-6/30/2010	185,352,742	193,746,643	189,290,877	129,313,000
7/1/2010-6/30/2011	174,462,208	184,648,763	131,348,131	117,908,892
7/1/2011-6/30/2012	163,026,930	133,425,738	119,737,528	106,322,010
7/1/2012-6/30/2013	149,831,610	118,898,517	107,360,062	90,766,094
7/1/2013-6/30/2014	135,233,496	105,712,214	93,796,880	52,110,958
7/1/2014-6/30/2015	119,472,355	92,300,143	77,758,269	25,308,435
7/1/2015-6/30/2016	102,737,950	77,414,692	55,342,768	4,563,664
7/1/2016-6/30/2017	86,571,899	61,524,186	24,692,301	(15,562,692)
7/1/2017-6/30/2018	69,546,883	41,869,322	503,861	(36,856,552)
7/1/2018-6/30/2019	51,440,680	16,333,422	(21,007,246)	(62,990,416)
7/1/2019-6/30/2020	32,134,208	(10,050,650)	(42,512,505)	(91,673,850)
7/1/2020-6/30/2021	11,642,468	(33,915,503)	(67,215,096)	(121,100,344)
7/1/2021-6/30/2022	(4,939,083)	(53,158,808)	(88,665,602)	(147,162,046)
7/1/2022-6/30/2023	(14,649,600)	(65,317,756)	(103,959,645)	(163,899,546)
7/1/2023-6/30/2024	(25,332,586)	(79,078,626)	(120,674,139)	(182,834,754)
7/1/2024-6/30/2025	(37,185,315)	(94,755,569)	(137,732,272)	(204,463,909)
7/1/2025-6/30/2026	(49,981,685)	(111,354,702)	(157,031,504)	(226,216,194)
7/1/2026-6/30/2027	(62,469,314)	(125,848,998)	(174,509,187)	(248,130,157)
7/1/2027-6/30/2028	(76,029,671)	(143,273,798)	(194,700,822)	(270,505,770)
7/1/2028-6/30/2029	(90,711,746)	(161,932,024)	(216,484,794)	(295,137,002)
7/1/2029-6/30/2030	(106,870,353)	(182,049,054)	(239,119,165)	(319,791,334)
7/1/2030-6/30/2031	(124,629,962)	(203,298,026)	(263,850,035)	(351,479,946)
7/1/2031-6/30/2032	(142,909,317)	(225,275,566)	(291,101,747)	(382,714,067)
7/1/2032-6/30/2033	(163,338,159)	(250,537,032)	(320,575,629)	(418,304,838)
7/1/2033-6/30/2034	(186,066,948)	(278,318,422)	(353,716,237)	(457,397,274)
7/1/2034-6/30/2035	(211,175,553)	(310,805,747)	(390,506,003)	(499,413,248)
7/1/2035-6/30/2036	(238,671,099)	(344,860,394)	(428,914,938)	(543,626,163)
7/1/2036-6/30/2037	(266,938,288)	(380,625,840)	(468,658,227)	(587,934,438)
7/1/2037-6/30/2038	(297,254,252)	(418,256,371)	(510,544,358)	(637,357,901)

**Cal-Mortgage Loan Insurance Division
 California Health Facility Construction Loan Insurance Program
 Estimated Fiscal Year End Fund Balance**

10% Probability of Catastrophe



Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Hospitals
Parameters for Monte Carlo Simulation
As of 6/30/2008

Issue Year	Hospitals		Nursing Homes		Combined	
	Exposure Base	Loan Balance Default Rate	Exposure Base	Loan Balance Default Rate	Exposure Base	Loan Balance Default Rate
	(1)	(2)	(3)	(4)	(5)	(6)
1981	4,606,300	1.96%	392,300	34.87%	4,998,600	4.54%
1982	8,153,200	1.38%	838,700	40.79%	8,991,900	5.06%
1983	8,817,100	0.31%	795,000	58.47%	9,612,100	5.12%
1984	7,589,500	0.29%	739,700	34.55%	8,329,200	3.33%
1985	23,821,200	0.98%	1,160,300	27.78%	24,981,500	2.22%
1986	7,184,300	1.63%	772,800	23.60%	7,957,100	3.76%
1987	11,121,100	0.92%	914,300	13.06%	12,035,400	1.84%
1988	10,757,500	0.49%	1,451,700	7.45%	12,209,200	1.32%
1989	13,397,300	0.65%	1,561,600	7.52%	14,958,900	1.37%
1990	12,003,000	0.82%	1,678,600	10.61%	13,681,600	2.02%
1991	15,968,000	2.62%	1,538,500	2.95%	17,506,500	2.65%
1992	20,414,100	2.20%	2,429,300	4.62%	22,843,400	2.46%
1993	29,001,500	1.06%	2,515,600	9.56%	31,517,100	1.74%
1994	13,536,700	1.01%	2,427,400	9.80%	15,964,100	2.35%
1995	11,442,100	0.50%	1,986,300	16.42%	13,428,400	2.86%
1996	16,356,200	3.13%	3,040,500	10.76%	19,396,700	4.32%
1997	22,036,200	0.59%	3,523,600	8.70%	25,559,800	1.71%
1998	33,648,000	0.39%	5,076,600	10.31%	38,724,600	1.69%
1999	21,655,600	0.19%	4,986,100	7.74%	26,641,700	1.60%
2000	14,139,900	0.25%	2,876,400	7.84%	17,016,300	1.53%
2001	20,231,700	0.36%	2,939,300	8.63%	23,171,000	1.41%
2002	21,961,100	0.44%	3,764,800	5.00%	25,725,900	1.11%
2003	25,167,800	1.38%	3,216,100	6.27%	28,383,900	1.94%
2004	25,796,500	0.69%	3,112,800	9.39%	28,909,300	1.63%
2005	34,510,100	0.95%	4,138,100	10.02%	38,648,200	1.92%
2006	32,900,600	1.07%	6,010,800	11.67%	38,911,400	2.71%
2007	40,890,800	1.13%	7,859,400	12.33%	48,750,200	2.94%

Indicated CV	
1981 - 1994	0.461
1981 - 1999	0.459
1981 - 2007	0.468
Prior	0.500
(6) Selected	0.450

Notes:

- (1) From Thomson Financial Services
- (2) From Section III, Exhibit 2, Page 2, Column (5)
- (3) From Thomson Financial Services
- (4) From Section III, Exhibit 2, Page 5, Column (5)
- (5) = (1) + (3)
- (6) = [(1) x (2) + (3) x (4)] / (5)

**Cal-Mortgage Loan Insurance Division
 California Health Facility Construction Loan Insurance Program**

**Parameters for Monte Carlo Simulation
 As of 6/30/2008**

	Distribution	Expected	Selected CV	Low	High
Default Rate	Truncated Lognormal	6.75%	45.00%	2.70%	16.88%
Loss Severity	Triangle	60.00%		20.00%	100.00%
Loss Severity - CAT	Triangle	75.00%		50.00%	100.00%
New Insured Loan	Uniform			Expected - \$50M	Expected + \$50M
Termination Rate	Uniform			50% of Expected	150% of Expected
Investment Yield	Lognormal	4.27%	1.75%		

**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program**

**Ten Largest Borrowers Based on Original Insured Amount
As of 6/30/2008**

Borrower	Original Insured Amount	Current Principal Balance
#1	162,570,000	154,380,000
#2	139,595,000	137,545,000
#3	136,895,000	127,376,663
#4	133,495,000	120,410,000
#5	98,005,000	79,915,000
#6	90,000,000	82,855,000
#7	65,880,000	59,100,000
#8	39,300,000	34,000,000
#9	37,700,000	29,760,000
#10	35,445,000	30,900,000
Average	93,888,500	
Average Excluding High & Low	92,608,750	
Selected Catastrophic Loss	90,000,000	

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