

January 25, 2012

Actuarial Study of Health
Facility Construction Loan
Insurance Fund as of
June 30, 2010
Office of Statewide Health Planning
and Development

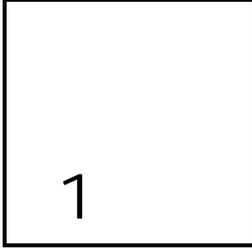
Cal-Mortgage Loan Insurance
Division

California Health Facility Construction
Loan Insurance Program

OLIVER WYMAN

Contents

1. Executive Summary	1
2. Introduction and Scope	3
3. Background	4
▪ Program	4
▪ Premiums and Fees	5
▪ Financial Status of the Program	5
4. Results and Methodology	7
▪ Section I - Reserve Sufficiency of HFCLIF	7
▪ Section II - Debt Service Coverage Ratios	11
▪ Section III - Cash Flow Projections	14
▪ Section IV - Risk to State's General Fund	19
5. Data	22
6. Distribution and Use	24
7. Considerations and Limitations	25
8. Acknowledgment of Qualifications	27
9. Exhibits	28



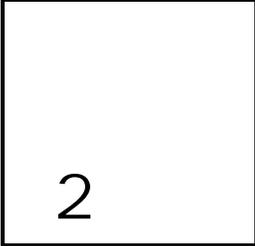
Executive Summary

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

Under the administration of OSHPD, the Program insures loans to nonprofit and public health facilities for construction projects that improve access to needed health care. The sources of revenue for the Program are premiums and fees used to pay all default and administrative expenses. As of June 30, 2010, OSHPD insured 139 projects with an original insured amount totaling \$2,017,064,359.

The HFCLIF reserve level was analyzed by comparison to the reserve level, which would be required under the standards of the Department of Insurance (DOI) if the Program were a private insurance company. The Program is not subject to DOI standards; it is important to note that the DOI standards require that private insurers have front-end capitalization of at least \$75 million before they can be licensed to do business in California. The Legislature did not capitalize the Program, but the payment of principal and interest on the loans are fully and unconditionally guaranteed by the State of California. All of the HFCLIF reserves, \$189.75 million as of June 30, 2010, have been derived from Program “earnings” over the past 35-plus years. Nonetheless, if the DOI standards were applied to the Program, the reserve requirement would total \$268.02 million as of June 30, 2010. Thus, under the DOI standards, there is a \$78.28 million shortfall in the HFCLIF.

The financial strength of the HFCLIF was evaluated by conducting a cash flow projection analysis, which estimates cash in-flows, out-flows and year-end balances over the next 30 years. The projections under the Expected Scenario indicate a positive expected fund balance through Fiscal Year 2039/40.

2

Introduction and Scope

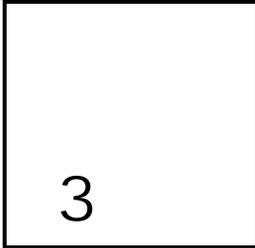
Health and Safety Code, Section 129330 requires the Office of Statewide Health Planning and Development (OSHPD) to contract for an actuarial study in each even numbered year to determine the reserve sufficiency of the funds held in the Health Facility Construction Loan Insurance Fund (HFCLIF). Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman) has been asked by OSHPD, Cal-Mortgage Loan Insurance Division (Cal-Mortgage) to conduct an actuarial analysis of the HFCLIF and the Health Facility Construction Loan Insurance Program (Program). Specifically, the analysis includes:

- A determination of the reserve sufficiency of funds in the HFCLIF as of June 30, 2010 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 Program's insured portfolio evaluated as of June 30, 2010. The reserve sufficiency of the HFCLIF was analyzed by application of the capital and reserve standards of the California Department of Insurance. The reserve sufficiency of the HFCLIF, as well as the risk to the General Fund, was also assessed based on a 30-year projected cash flow analysis of the Program.

As detailed in Section 3 Results and Methodology, the following analyses were performed to meet the abovementioned objectives:

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



Background

Program

The Program was authorized by California Constitution Article XIII, Section 21.5 (now Article XVI, Section 4), approved by the voters in 1968. Modeled after federal home mortgage programs, the Program makes it possible for nonprofit health care 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 health care. 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.

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

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

Premiums and Fees

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

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

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

Financial Status of the Program

As of June 30, 2010, OSHPD insured 139 projects with an original amount insured totaling \$2,017,064,359. Pursuant to Health and Safety Code Section 129210, the total amount of insured loans may not exceed \$3 billion.

Most insured loans have a debt service reserve fund of one year’s debt service under the control of a trustee and the Office. 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.

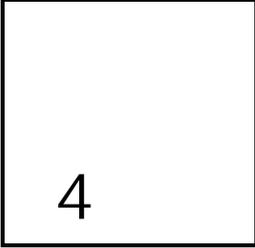
- The HFCLIF is held and invested by the State Treasurer; the HFCLIF’s cash balance as of June 30, 2010 was \$189,745,143

- HFCLIF annual net revenues (insurance premiums plus recoveries from previously defaulted projects, less administrative expenses) for Fiscal Year 2008/09 were \$10,522,091 and for Fiscal Year 2009/10 were \$2,607,816
- The recoveries from previously defaulted projects that are deposited in the HFCLIF are generated from enforcement by OSHPD of security interests in the real and personal property of borrowers evidenced by deeds of trust, fixture filings, UCC-1s and Deposit Account Control Agreements

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

The current Standard & Poor's 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, 2010 and additional information provided through May 23, 2011.

4

Results and Methodology

Section I - Reserve Sufficiency of HFCLIF

Cal-Mortgage's sources of funds available to pay claims include the sale of assets over which Cal-Mortgage holds a security interest and the HFCLIF cash balance. The HFCLIF cash balance of \$189.75 million, as of June 30, 2010, was analyzed against the California Department of Insurance reserve and capital requirements standard.

California Insurance Code Sections 12100 through 12122 outline the statutory requirements for private financial guaranty insurers licensed in California. Although Cal-Mortgage is not subject to these requirements, the required reserve and capital funds needed by Cal-Mortgage have been estimated based on the statutory requirements.

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

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

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

A. Minimum Capital and Surplus Requirement

California Insurance Code Section 12107 specifies the minimal capital and surplus levels. If Cal-Mortgage were subject to the provisions of Insurance Code 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

B. Loss Reserves: Case Reserves, IBNR Reserves and Future Recoveries

Insurance Code Section 12109 of the California Insurance Code specifies the requirements for loss reserves, including case reserves, 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 \$114.61 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, scenarios, both with and without a provision for “pipeline IBNR reserves” have been included in the analysis. The term “pipeline IBNR reserves” is used to refer to reserves for projects that are anticipated to default in Fiscal Year 2010/11. Estimated losses from pipeline default projects are based on discussions with Cal-Mortgage regarding the probability of default and estimated loss amount by project. The

estimated pipeline IBNR reserve is \$8.23 million as of June 30, 2010. 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, the present value of recoveries from these resolved projects is estimated to be \$11.41 million. Section I, Exhibits 4 and 5 show the detailed calculation of the recoveries.

C. Contingency Reserves

Based on Section 12108 of the California Insurance Code, Oliver Wyman has calculated a fully funded contingency reserve provision for Cal-Mortgage of approximately \$13.88 million. Section I, Exhibit 6 shows the detailed calculation of contingency reserves.

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

D. Unearned Premium Reserves

The California Insurance Code specifying the unearned premium reserve requirement is contained in Section 12110. The unearned premium reserves are calculated 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 \$67.72 million as calculated on Section I, Exhibits 7 and 8.

Total Funds Required

The calculation of the total funds required as of June 30, 2010 is based on California statutory requirements. Section I, Exhibit 1 and Table 1 below summarize the estimates of the total funds required, with and without pipeline IBNR reserve.

Table 1

Cal-Mortgage Statutory Requirements				
Item	2008 Study		2010 Study	
	Without Pipeline IBNR Reserve	With Pipeline IBNR Reserve	Without Pipeline IBNR Reserve	With Pipeline IBNR Reserve
Capital and Surplus	75,000,000	75,000,000	75,000,000	75,000,000
Case Reserve (Current Default)	127,648,370	127,648,370	114,609,741	114,609,741
Pipeline IBNR Reserve	N/A	4,921,424	N/A	8,228,562
Recoveries (Resolved Loans)	(26,706,461)	(26,706,461)	(11,411,436)	(11,411,436)
Contingency Reserve	10,992,518	10,992,518	13,880,541	13,880,541
Unearned Premium Reserve	48,101,890	48,101,890	67,717,112	67,717,112
Total	235,036,317	239,957,741	259,795,958	268,024,519
HFCLIF Balance	187,183,615	187,183,615	189,745,143	189,745,143
Reserve Shortfall	47,852,702	52,774,126	70,050,815	78,279,376

As of June 30, 2010, the actual HFCLIF balance is \$189.75 million. Thus, under the standards of the California Insurance Code, there is a \$70.05 million shortfall without considering pipeline IBNR reserves. Including the pipeline IBNR reserves increases the shortfall to \$78.28 million. It is at Cal-Mortgage's discretion to include such reserves.

Comparison to Prior Reserves

Total required reserves increased by approximately \$28.07 million since the prior evaluation as of June 30, 2008. The reconciliation of prior to current loss reserve requirements is detailed below.

Table 2

Cal-Mortgage Statutory Requirements Comparison (in millions)			
Item	2008 Study	2010 Study	Change
Capital and Surplus	75.00	75.00	0.00
Case Reserve (net of recoveries)	100.94	103.20	2.26
Pipeline IBNR Reserve	4.92	8.23	3.31
Contingency Reserve	10.99	13.88	2.89
Unearned Premium Reserve	48.10	67.72	19.62
Total	239.96	268.02	28.07
HFCLIF Balance	187.18	189.75	2.56
Reserve Shortfall (Incl. IBNR)	52.77	78.28	25.51

The increase in the shortfall is predominantly due to the increase in unearned premium reserve (UEPR) of \$19.62 million from the 2008 study. The increase in UEPR is related to a few recently insured large projects, including Enloe Medical Center, St. Rose Hospital, and Casa de las Campanas. Also contributing to the increase is the fact that loans insured after January 1, 2001 are charged an upfront, nonrefundable premium, as opposed to an annual premium.

The small change in net case reserves of \$2.26 million is due to the default of Sequoia Community Health Foundation, which is partially offset by the sale of Burt Center, with no net loss to the HFCLIF. Additionally, Apple Valley Care Center has been resolved, with no further payments anticipated from the HFCLIF. Note that the 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 \$3.31 million from the 2008 report is driven by an increase in the number of borrowers that are anticipated to default.

Section II - Debt Service Coverage Ratios

Section II contains 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. The following two debt service ratios were calculated, for calendar years 2005 through 2009, 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. 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 2005 through 2009 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)
- Page 6 - Other Facilities

Other Facilities include 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 substantially increased since the prior report. These increases are mostly driven by a \$236 million insured loan for Enloe Medical Center on August 21, 2008.

The weighted average debt service ratios for Hospitals and Multilevels exhibit a substantial increase for 2006 followed by a significant decrease for 2007. 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 (Multilevel) experienced a similar increase in the current portion of long term debt, from \$0.3 million in 2006 to \$2.1 million in 2007. In addition, 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.

With respect to Clinics and Other Facilities, the debt service ratios on a weighted average basis have improved between 2005 and 2009. This appears to be due to the addition of insured projects for La Maestra Family Clinic and Southwest Community Health Center, both of which exhibit strong ratios.

The debt service ratios on a weighted average basis have been steadily declining since 2006 for Skilled Nursing Facilities. As there are only four facilities in this category, results can be quite variable.

The percentage of borrowers with total debt service ratios below 1.0 (Section II, Exhibit 1, Pages 3 and 4) has generally remained flat between 2006 and 2009. Specifically, the percentage of borrowers below the 1.0 cashflow debt service ratio in 2005 was 34% and

has since leveled off to an average of 23%. Similarly, the percentage of borrowers below the 1.0 income debt service ratio in 2005 was 53%, before decreasing to an average of 47%.

In summary, the data appear to show that borrowers' overall financial status has remained relatively stable with regard to the ability to service debt incurred over the last four years.

Section III - Cash Flow Projections

The financial strength of the HFCLIF was evaluated by conducting a cash flow projection analysis, which estimates cash in-flows, out-flows and year-end balances over the next 30 years. Section III, Exhibit 1, Pages 1 and 2 display cash flow projections with future insured loans (Expected Scenario) and without future insured loans (Run-off Scenario) at the selected default rates.

The cash flow projections under the Expected Scenario indicate a positive expected fund balance through Fiscal Year 2039/40, with an ending balance of \$198.60 million. This represents a substantial increase in ending balance as compared to the 2008 study, which projected a balance of \$131.37 million through Fiscal Year 2037/38. Table 3 below provides a comparison of assumptions between the 2008 and 2010 reports. Additionally, the following contribute to the change:

- \$2.56 million increase of the cash balance at June 30, 2010
- \$10.88 million increase in expected premium income from up-front premium loans
- \$25.97 million decrease in expected payments on current defaults over the next 30 years
- The positive impact on investment income due to the above items

Table 3
Cal-Mortgage Cash Flow Analysis Change in Assumptions

Item	OW 2008 Study	OW 2010 Study	Historical (excl. Triad)	Historical (incl. Triad)
Average Investment Yield	4.27%	4.16%		
Premium Rate	2.54%	2.56%		
C&I Fee as % of Loan Principle	0.40%	0.40%		
Projected Default Rate	6.75%	6.50%	2.05%	5.20%
Estimated Claim Severity	60.00%	60.00%	51.96%	59.29%
Estimated Payment Pattern (Paid Within)	6 years	7 years		
Administrative Expenses	4,828,000	4,673,140		
Trend on Administrative Expenses	4.00%	4.00%		

Although the study indicates that the expected fund balance will not be depleted until sometime after Fiscal Year 2039/40, the expected net cash flow is negative until Fiscal Year 2021/22 and then remains positive through Fiscal Year 2039/40.

In the 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 the HFCLIF's expected financial position under each of the modeled scenarios:

Scenario	Description	Positive Balance Until
Expected	New Loans Insured - 6.50% Default Rate	at least FY 2039/40
Run-Off	No New Loans Insured - 6.50% Default Rate	FY 2024/25
Adverse	New Loans Insured - 8.0% Default Rate	at least FY 2039/40
Adverse	New Loans Insured - 10.0% Default Rate	FY 2034/35

During the course of the analysis, the following assumptions were examined:

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

Projected Default Rate

The first step in the 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.

Two actuarial methodologies are applied: the loss development method and the Bornhuetter-Ferguson method. Both methods rely primarily on industry default experience due to Cal-Mortgage's limited experience. The industry data consists of OLB

by issue year and default information provided by Thomson Reuters 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 1.2% ultimate default rate. The second segment, countrywide nursing home experience (Section III, Exhibit 2, Page 5), indicates a 12.0% ultimate default rate.

Based on countrywide industry data, in conjunction with the Cal-Mortgage empirical loss experience including and excluding Sherman Oaks Health System (Triad), a combined ultimate default rate of 6.50% was selected (Section III, Exhibit 2, Page 1). The selected ultimate default rates for Hospitals and Nursing Homes from the prior actuarial study were 1.1% and 13.0%, respectively; and the combined selected ultimate default rate was 6.75%.

With respect to Cal-Mortgage insureds, Hospitals include 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 include: GH-DD, GH-DD/MD, GH-MD, HOSPICE, MULTI-CCRC, MULTI-OTH, ICF-DD, SNF. See Section 9 - Legend for legend of abbreviations.

Claim Severity

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

Claim severity on the default loan is estimated to be 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.

A claim severity of 60.0% was selected 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) as well as Cal-Mortgage's actual default experience with and without Triad.

Payment Pattern

The timing of loss payments after loan defaults was also projected, based on a selected seven-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, the HFCLIF will neither make payments on these loans after termination, nor will the HFCLIF receive premium income on these loans after termination. The selected termination rates including refinanced loans in Section III, Exhibit 5 are 6.5% for Fiscal Year 2010/11 and 5.5% 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 is set pursuant to statute (Health & Safety Code Section 129040) and regulation (22 California Code of Regulations Section 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, 2010 since one-time premiums were paid at the issuance of each loan.

Insured loans issued subsequent to June 30, 2010 are charged 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 discussions with Cal-Mortgage.

The standard premium rate is 300 basis points (i.e., 3.00%) times total debt service. However, borrowers rated CCC or higher by S&P, Moody's or Fitch may receive a discounted premium.

The selected premium rate 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 38.0% of the total future portfolio while non-investment grade loans are expected to comprise the remaining 62.0%. The resulting weighted average premium rate is 256 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, except loans refinanced within the Cal-Mortgage Program.

Administrative Expenses

Cal-Mortgage supplied projected Fiscal Year 2010/11 administrative expenses of \$4.67 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 30 years, average 4.16%. A Makridakis

type approach was used to forecast future investment yields. The method extracts trend, cycle, and error to make the estimates 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, a stochastic simulation model was developed to measure the volatility of cash flow by varying the projected parameters of the cash-flow model. In addition, a scenario analysis was included for the possibility of catastrophic loss.

The tables below summarize the results of the simulation model. Table 5 displays the year that the fund balance is expected to be depleted in each scenario. Table 6 shows the expected ending fund balance as of Fiscal Year 2039/40. Note that the size of the original loan amount for a catastrophic claim is assumed to be \$110.00 million.

Table 5

<i>Cal-Mortgage Year of Fund Balance Depletion¹</i>				
Confidence Level	Probability of Catastrophic Scenario			
	0%	1%	5%	10%
Expected	at least 2039/40	at least 2039/40	2034/35	2022/23
70%	at least 2039/40	at least 2039/40	2027/28	2020/21
80%	at least 2039/40	at least 2039/40	2023/24	2018/19
90%	at least 2039/40	2037/38	2020/21	2016/17

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

Table 6

<i>Cal-Mortgage Fiscal Year 2039/40 Ending Fund Balance</i>				
Confidence Level	Probability of Catastrophic Scenario			
	0%	1%	5%	10%
Expected	193,822,620	141,893,745	(65,500,845)	(325,828,989)
70%	161,106,516	111,113,812	(162,451,449)	(464,144,989)
80%	139,859,309	61,031,171	(247,440,687)	(575,709,102)
90%	110,025,980	(23,453,970)	(378,012,441)	(736,327,757)

For each catastrophic scenario, the mean year-end fund balance is forecasted for Fiscal Years 2010/11 through 2039/40 (Section IV, Exhibit 1). The greater the probability of a catastrophic default, the faster the fund balance is depleted.

To further analyze the risk, the year-end fund balance was estimated at various confidence levels. Confidence levels are a means to show the risk that results will vary 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 2020/21. 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. The 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 the selected ultimate default rate of 6.50%. 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

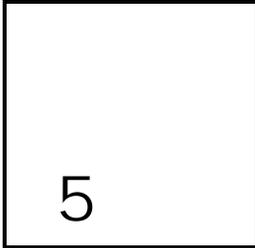
The termination rates of loans are independently simulated for each issue year under a uniform distribution with a minimum of 50.0% of the expected termination rate and a maximum of 150.0% of the expected termination rate.

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, subject to a maximum yield of 8.00%. The selected coefficient of variation is 1.70% 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. A catastrophe loss level of \$110.0 million was selected. 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.



Data

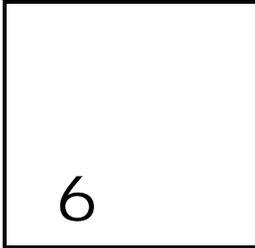
For this study, Oliver Wyman relied on the following information provided by Cal-Mortgage:

- 2009 State Plan – California Health Facility Construction Loan Insurance Program
- Problem Project Reports – June 2010 through December 2010
- Monthly Activity Report – December 31, 2009 and June 30, 2010
- 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 6/30/2010
- 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 6/30/2010
- Projected payments from the HFCLIF on currently defaulted projects or projects anticipated to default
- Information on resolved loans and expectations of future reimbursements to the HFCLIF
- Historical investment earnings of the Fund
- Up-front premium for loans issued since the last report as well as premium receipts by month for all annual-premium loans

- Information on historical and expected administrative expenses, application income, and certification & inspection fees
- Financial statements for each insured for two Fiscal Years ending during calendar years 2008 and 2009

The analysis 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 1997 to 2010 for nursing homes and hospitals prepared by Thomson Reuters

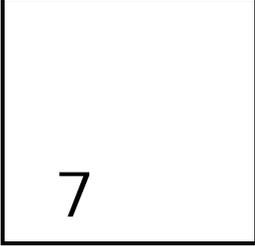


Distribution and Use

This report was prepared for the use of the management of OSHPD, Cal-Mortgage and the State of California. All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of Cal-Mortgage.

Distribution to other parties does not constitute advice by Oliver Wyman to those parties. The reliance of other parties on any aspects of Oliver Wyman's report is not authorized by Oliver Wyman 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 are 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.

7

Considerations and Limitations

For the analysis, Oliver Wyman relied on data and information provided by Cal-Mortgage without independent audit. Although the data was reviewed for reasonableness and consistency, the data has not been audited or otherwise verified. It should also be noted that review of data may not always reveal imperfections. The data was assumed to be both accurate and complete. The results of the analysis are dependent on this assumption. If the data or information is inaccurate or incomplete, the findings and conclusions of the analysis may need to be revised.

The scope of the project does not include the estimation of any costs other than those described herein. Such ancillary costs may include the costs of trustee, legal, administrative, risk management and actuarial services.

Additional uncertainty is introduced with discounting of reserves. In addition to the risk of underestimating or overestimating the overall amount of the nominal reserves, there is the additional risk that the timing of the future payment of those liabilities will differ from the expected payout, or that the future actual rate will differ from the assumed rate used for determining present value factors. Actual payments could occur materially more or less rapidly than projected, due to random variations. No specific provision has been included for this additional risk.

The conclusions are based on an analysis of Cal-Mortgage's data and on the estimation of the outcome of many contingent events. Future costs were developed from historical claim experience and covered exposures, with adjustments for anticipated changes. The estimates make no provision for extraordinary future emergence of new classes of losses

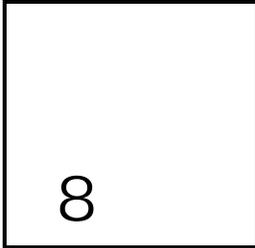
or types of losses not sufficiently represented in historical databases or which are not yet quantifiable.

The sources of uncertainty affecting the estimates are numerous and include factors internal and external to Cal-Mortgage. Internal factors include changes in the mix of exposures as well as changes in underwriting practices. Significant external influences include changes in the legal, social, or regulatory environment. Uncontrollable factors such as general economic conditions also contribute to the variability.

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, the analysis relied on reporting and payment patterns obtained wholly or partially from industry sources. Although these industry data 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 coverage implies greater volatility of possible outcomes.

The models may retain more digits than those displayed. In addition, the results of certain calculations may be presented in the exhibits with more or less digits than would be considered significant. As a result, it should be recognized that (i) there may be rounding differences between the results of calculations presented in the exhibits and replications of those calculations based on displayed underlying amounts, and (ii) calculation results may not have been adjusted to reflect the precision of the calculation.



Acknowledgment of Qualifications

The undersigned actuaries are Fellows of the Casualty Actuarial Society (FCAS) and Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to provide the actuarial analysis contained herein.

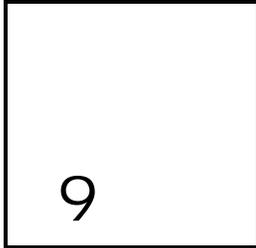
Oliver Wyman Actuarial Consulting, Inc.:

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Legend

ADC: DD	-	Adult Day Care: Developmentally Disabled
ADHC	-	Adult Day Health Care
BC	-	Birthing Center
BB	-	Blood Banks
CDRF	-	Chemical Dependency Recovery Facility
CDC: DD	-	Child Day Care: Developmentally Disabled
Clinic: AIDS	-	Clinic: A.I.D.S.
Clinic: D	-	Clinic: Dialysis
Clinic: MH	-	Clinic: Mental Health
Clinic: Multi	-	Clinic: Multi-Specialty and Diagnostic Services
Clinic: PC	-	Clinic: Primary Care
GH: DD	-	Group Home: Developmentally Disabled
GH: DD & MD/ED	-	Group Home: Developmentally Disabled and Mentally Disabled or Emotionally Disturbed
GH: MD/ED	-	Group Home: Mentally Disabled or Emotionally Disturbed
Hospice	-	Hospice
Hosp: CDR	-	Hospital: Chemical Dependency Recovery
Hosp: Dist	-	Hospital: District
Hosp: GAC	-	Hospital: General Acute Care
Hosp: PSY	-	Hospital: Psychiatric
ICF	-	Intermediate Care Facility
ICF: DD	-	Intermediate Care Facility: Developmentally Disabled
Multi: CCRC	-	Multi-level Facility: CCRC
Multi: Other	-	Multi-level Facility: Other (Month-to-Month)
O&TB	-	Organ & Tissue Bank
School Sp Needs	-	School for Special Needs
SNF	-	Skilled Nursing Facility: Stand Alone

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

**Summary of California Statutory Requirements
As of June 30, 2010**

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)	114,609,741	114,609,741
(3) Pipeline IBNR Reserve	N/A	8,228,562
(4) Recoveries (Resolved Loans)	(11,411,436)	(11,411,436)
(5) Contingency Reserve	13,880,541	13,880,541
(6) Unearned Premium Reserve	67,717,112	67,717,112
(7) Total	259,795,958	268,024,519

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 6/30/10
- (3) From Section I, Exhibit 2, Column (7) - Pipeline defaulted after 6/30/10
- (4) From Section I, Exhibit 4, Column (9)
- (5) From Section I, Exhibit 6, Row (3)
- (6) From Section I, Exhibit 7, Row (6)
- (7) Sum of Rows (1) through (6)

**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, 2010**

Loan ID (1)	Borrower (2)	Date of Default (3)	Original Loan Balance (4)	Loan Balance @Default (5)	Current Loan Principal Balances (6)	Estimated Discounted Case Reserve (7)
0720, 0829	Apple Valley Care Center	05/27/04	9,525,000	9,075,000	7,485,000	0
0695	Sherman Oaks Health System	07/26/95	182,230,000	182,230,000	104,330,000	114,609,741
**	Other Borrowers	Potential			41,347,727	8,228,562
Total					153,162,727	122,838,303
Total Defaulted as of 6/30/10			191,755,000	191,305,000	111,815,000	114,609,741
Pipeline Default After 6/30/10					41,347,727	8,228,562

Notes:

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

** HFCLIF payments expected for other 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, 2010**

Year	Apple Valley Care Center	Sherman Oaks Health System	Total
7/1/2010-6/30/2011	0	11,906,220	11,906,220
7/1/2011-6/30/2012	0	11,888,645	11,888,645
7/1/2012-6/30/2013	0	11,900,891	11,900,891
7/1/2013-6/30/2014	0	11,872,238	11,872,238
7/1/2014-6/30/2015	0	11,861,138	11,861,138
7/1/2015-6/30/2016	0	11,845,838	11,845,838
7/1/2016-6/30/2017	0	11,857,875	11,857,875
7/1/2017-6/30/2018	0	11,848,125	11,848,125
7/1/2018-6/30/2019	0	11,834,875	11,834,875
7/1/2019-6/30/2020	0	11,822,000	11,822,000
7/1/2020-6/30/2021	0	11,808,250	11,808,250
7/1/2021-6/30/2022	0	7,989,875	7,989,875
7/1/2022-6/30/2023	0	0	0
7/1/2023-6/30/2024	0	0	0
7/1/2024-6/30/2025	0	0	0
7/1/2025-6/30/2026	0	0	0
7/1/2026-6/30/2027	0	0	0
7/1/2027-6/30/2028	0	0	0
7/1/2028-6/30/2029	0	0	0
7/1/2029-6/30/2030	0	0	0
7/1/2030-6/30/2031	0	0	0
7/1/2031-6/30/2032	0	0	0
7/1/2032-6/30/2033	0	0	0
7/1/2033-6/30/2034	0	0	0
7/1/2034-6/30/2035	0	0	0
7/1/2035-6/30/2036	0	0	0
7/1/2036-6/30/2037	0	0	0
7/1/2037-6/30/2038	0	0	0
7/1/2038-6/30/2039	0	0	0
7/1/2039-6/30/2040	0	0	0
Total (Undiscounted)	0	138,435,969	138,435,969

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

**Summary of Resolved Loans
As of June 30, 2010**

Loan ID (1)	Borrower (2)	Original Loan Balance (3)	Date of Loan Default (4)	Loan Balance @Default (5)	Total Net Payment From HFCLIF (6)	Date Resolved (7)	Estimated Recoveries or Future Income (8)	Estimated Discounted Recovery (9)
0310, 0407	Kazi House	2,670,000	01/24/00	2,415,000	2,601,035	sale pending	2,100,000	1,997,278
0446, 0846	Hermandad Mexicana Nacional	4,585,000	12/29/98	4,095,000	6,487,334	sale pending	3,777,357	3,012,009
0516, 0719	Sequoia Community Health Foundation	4,335,000	06/24/08	1,775,000	836,771	10/15/08	900,000	850,727
0738, 0739, 0748	Los Medanos HealthCare District	11,080,000	08/28/95	9,161,896	2,302,671	06/18/07	1,000,000	849,959
0658, 0834	Sunset Haven	7,220,000	05/27/04	5,325,000	565,463	01/02/07	242,000	230,162
0742	Health Care Delivery Services	9,930,000	02/26/96	4,192,984	6,512,879	09/01/06	6,709,526	4,471,301
Total		39,820,000			19,306,153		14,728,883	11,411,436

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, 2010**

Year	Kazi House	Hermandad Mexicana Nacional	Sequoia Community Health Foundation	Los Medanos HealthCare District	Sunset Haven	Health Care Delivery Services	Total
7/1/2010-6/30/2011		1,757,600	270,000	100,000		256,415	2,384,015
7/1/2011-6/30/2012	2,100,000	57,600	270,000	100,000	242,000	256,415	3,026,015
7/1/2012-6/30/2013		72,897	270,000	100,000		256,415	699,312
7/1/2013-6/30/2014		72,897	90,000	100,000		256,415	519,312
7/1/2014-6/30/2015		72,897		100,000		256,415	429,312
7/1/2015-6/30/2016		72,897		100,000		256,415	429,312
7/1/2016-6/30/2017		72,897		100,000		256,415	429,312
7/1/2017-6/30/2018		72,897		100,000		256,415	429,312
7/1/2018-6/30/2019		72,897		100,000		256,415	429,312
7/1/2019-6/30/2020		72,897		100,000		256,415	429,312
7/1/2020-6/30/2021		72,897				256,415	329,312
7/1/2021-6/30/2022		72,897				256,415	329,312
7/1/2022-6/30/2023		72,897				256,415	329,312
7/1/2023-6/30/2024		72,897				256,415	329,312
7/1/2024-6/30/2025		72,897				256,415	329,312
7/1/2025-6/30/2026		72,897				256,415	329,312
7/1/2026-6/30/2027		72,897				256,415	329,312
7/1/2027-6/30/2028		72,897				256,415	329,312
7/1/2028-6/30/2029		72,897				256,415	329,312
7/1/2029-6/30/2030		72,897				256,415	329,312
7/1/2030-6/30/2031		72,897				256,415	329,312
7/1/2031-6/30/2032		72,897				256,415	329,312
7/1/2032-6/30/2033		72,897				256,415	329,312
7/1/2033-6/30/2034		72,897				256,415	329,312
7/1/2034-6/30/2035		72,897				256,415	329,312
7/1/2035-6/30/2036		72,897				256,415	329,312
7/1/2036-6/30/2037		72,897				42,736	115,633
7/1/2037-6/30/2038		72,897					72,897
7/1/2038-6/30/2039		66,823					66,823
7/1/2039-6/30/2040							-
Total	2,100,000	3,777,357	900,000	1,000,000	242,000	6,709,526	14,728,883
Discounted at 3.4%	1,997,278	3,012,009	850,727	849,959	230,162	4,471,301	11,411,436

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

**Contingency Reserves Calculation
As of June 30, 2010**

(1) Principal outstanding	1,735,067,632
(2) Contingency Factor	0.80%
(3) Contingency Reserves Requirement	13,880,541

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, 2010**

Month	Annual Premium (1)	Unearned Premium Reserve Factor (2)	Unearned Premium Reserves (3)
Jul-09	7,318	0.0417	305
Aug-09	136,466	0.1250	17,058
Sep-09	20,363	0.2083	4,242
Oct-09	412,836	0.2917	120,411
Nov-09	117,798	0.3750	44,174
Dec-09	46,503	0.4583	21,314
Jan-10	176,157	0.5417	95,418
Feb-10	0	0.6250	0
Mar-10	257,446	0.7083	182,358
Apr-10	81,772	0.7917	64,736
May-10	171,881	0.8750	150,396
Jun-10	188,180	0.9583	180,339
<hr/>			
(4) Subtotal (Annual Premium)	1,616,720		880,751
(5) Subtotal (One-time Premium)			66,836,360
(6) Total Unearned Premium Reserves			67,717,112

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, 2010

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	46,970,000	3,239,642	2,771,946
0728	DESERT AIDS PROJECT, INC.	DESERT AIDS PROJECT, INC.	CLINIC-AIDS	26-Apr-2001	3,570,000	2,725,000	191,714	146,336
0761	EL CENTRO REGIONAL MEDICAL CENTER	EL CENTRO REGIONAL MEDICAL CENTER	HOSP	26-Apr-2001	39,300,000	31,550,000	1,949,764	1,565,269
0720	APPLE VALLEY CHRISTIAN CENTERS	APPLE VALLEY RETIREMENT	SNF	24-May-2001	9,525,000	7,485,000	527,936	414,866
0775	SOUTHERN CALIFORNIA ALCOHOL & DRUG PROGRAM	SOUTHERN CALIFORNIA ALCOHOL & DRUG PROGRAMS, INC.	CDRF	30-May-2001	1,780,000	1,360,000	96,743	73,916
0777	PROTOTYPES	PROTOTYPES	CDRF	27-Jun-2001	4,195,000	2,690,000	228,529	146,542
0771	SOCIAL MODEL RECOVERY SYSTEMS, INC.	SOCIAL MODEL RECOVERY SYSTEMS, INC.	CDRF	27-Jun-2001	1,890,000	1,435,000	75,600	57,400
0776	CORCORAN DISTRICT HOSPITAL	CORCORAN DISTRICT HOSPITAL - L O C	HOSP-DIST	01-Aug-2001	800,000	558,490	5,760	0
0769	SAN FERNANDO COMMUNITY HOSPITAL - MISSION COMMUNITY	SAN FERNANDO COMMUNITY HOSPITAL - MISSION COMMUNITY	HOSP	11-Dec-2001	35,445,000	28,835,000	177,272	144,213
0715	THE EPISCOPAL HOME COMMUNITIES	EPISCOPAL HOMES - AMBAC	MULTI-CCRC	26-Feb-2002	90,000,000	79,110,000	3,457,450	3,039,099
0767	SANSUM CLINIC	SANSUM CLINIC	CLINIC- MULTI	01-May-2002	32,600,000	25,730,000	1,623,356	1,281,256
0798	HOPE SERVICES	HOPE SERVICES	ADC-DD	11-Jun-2002	5,845,000	4,065,000	270,566	187,706
0796	ALDERSLY, INC.	ALDERSLY, INC.	MULTI-CCRC	26-Sep-2002	7,125,000	6,130,000	382,597	329,168
0810	NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY	NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY	MULTI-CCRC	19-Dec-2002	49,755,000	39,805,000	1,626,752	1,301,434
0774	ODD FELLOWS HOME OF CALIFORNIA	SARATOGA RETIREMENT COMMUNITY	MULTI-CCRC	07-Jan-2003	80,000,000	73,795,000	4,919,266	4,537,716
0804	NORTH COUNTY SERENITY HOUSE	NORTH COUNTY SERENITY HOUSE	CDRF	28-Jan-2003	5,795,000	4,745,000	314,395	257,430
0802	CLARE FOUNDATION, INC.	CLARE FOUNDATION, INC.	CDRF	29-Apr-2003	1,750,000	1,295,000	78,958	58,429
0815	PRINCIPLES, INC.	PRINCIPLES, INC.	CDRF	29-Apr-2003	2,040,000	1,510,000	92,054	68,138
0829	APPLE VALLEY CHRISTIAN CENTERS	APPLE VALLEY RETIREMENT L O C	SNF	16-Jun-2003	350,000	64,250	2,775	0
0821	WEST OAKLAND HEALTH COUNCIL, INC.	WEST OAKLAND HEALTH COUNCIL, INC.	CLINIC-PC	21-Jul-2003	2,225,000	1,570,000	85,442	60,289
0830	KERN VALLEY HEALTHCARE DISTRICT	KERN VALLEY HEALTHCARE DISTRICT	HOSP-DIST	26-Sep-2003	17,770,000	13,605,000	821,553	639,594
0826	MOMENTUM FOR MENTAL HEALTH	MOMENTUM FOR MENTAL HEALTH - AMBAC	GH-MD	13-Nov-2003	10,500,000	7,825,000	462,698	344,820
0788	LOS ANGELES JEWISH HOME FOR THE AGING	LOS ANGELES JEWISH HOME FOR THE AGING	MULTI-OTH	17-Dec-2003	80,000,000	74,930,000	4,967,505	4,652,689
0824	DEL NORTE CLINICS, INC.	DEL NORTE CLINICS, INC. - Radian	CLINIC-PC	23-Dec-2003	8,795,000	7,370,000	45,610	38,220
0809	BECOMING INDEPENDENT	BECOMING INDEPENDENT - Radian	ADC-DD	21-Jan-2004	5,000,000	4,375,000	265,819	232,591
8334	MARSHALL MEDICAL CENTER	MARSHALL MEDICAL CENTER	HOSP	25-Mar-2004	30,000,000	23,700,000	1,843,759	1,924,321
8338	MARSHALL MEDICAL CENTER	MARSHALL MEDICAL CENTER - AMBAC	HOSP	25-Mar-2004	20,000,000	20,000,000	see above	see above
0789	ELDER CARE ALLIANCE OF UNION CITY	ELDER CARE ALLIANCE OF UNION CITY	MULTI-OTH	08-Jun-2004	15,685,000	15,110,000	993,960	957,522
0847	ALDERSLY, INC.	ALDERSLY, INC.	MULTI-CCRC	19-Jul-2004	1,200,000	903,468	52,947	39,863
0845	KEIRO NURSING HOME	KEIRO NURSING HOMES - F G I C	SNF	29-Sep-2004	8,665,000	5,715,000	337,071	223,315
0855	SOLHEIM LUTHERAN HOME	SOLHEIM LUTHERAN HOME F G I C	MULTI-CCRC	03-Dec-2004	6,415,000	4,210,000	211,961	139,105
0851	WALDEN HOUSE, INC.	WALDEN HOUSE, INC. RADIAN	CDRF	30-Dec-2004	7,475,000	5,715,000	316,354	241,868
0836	ADVENT GROUP MINISTRIES, INC.	ADVENT GROUP MINISTRIES, INC. - Insured HELP II Loan	GH-MD	27-Jan-2005	400,000	290,150	14,917	10,820
0866	ASIAN COMMUNITY SKILLED NURSING FACILITY	ASIAN COMMUNITY SKILLED NURSING FACILITY - F G I C	SNF	12-Apr-2005	2,070,000	1,155,000	75,465	42,107
0863	CALIFORNIA AUTISM FOUNDATION, INC.	CALIFORNIA AUTISM FOUNDATION, INC. - F G I C	GH-DDMD	12-Apr-2005	3,950,000	2,965,000	168,842	126,738
0865	CLINICAS DEL CAMINO REAL	CLINICAS DEL CAMINO REAL	CLINIC-PC	12-Apr-2005	9,440,000	7,690,000	433,047	352,768
0859	COMMUNITY MEDICAL CENTER, INC.	COMMUNITY MEDICAL CENTERS, INC. - F G I C	CLINIC-PC	12-Apr-2005	3,220,000	2,600,000	145,060	117,129
0861	SOCIAL MODEL RECOVERY SYSTEMS, INC.	SOCIAL MODEL RECOVERY SYSTEMS, INC. F G I C	CDRF	12-Apr-2005	955,000	740,000	41,881	32,452
0864	SOUTHERN CALIFORNIA ALCOHOL & DRUG PROGRAM	SOUTHERN CALIFORNIA ALCOHOL & DRUG PROGRAM - F G I C	CDRF	12-Apr-2005	1,885,000	1,520,000	84,445	68,094
0862	VERDUGO MENTAL HEALTH	VERDUGO MENTAL HEALTH - F G I C	CLINIC-MH	12-Apr-2005	1,025,000	810,000	45,145	35,676
0868	AIDS HEALTHCARE FOUNDATION	AIDS HEALTHCARE FOUNDATION - F G I C	HOSPICE	21-Jul-2005	7,250,000	5,610,000	291,191	225,222
0875	NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY	NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY - A M B A C	MULTI-CCRC	20-Dec-2005	16,125,000	11,325,000	666,887	468,372
0877	KINSHIP CENTER	KINSHIP CENTER	CLINIC- MULTI	14-Mar-2006	2,910,000	2,610,000	146,051	130,994
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
0867	VERDUGO MENTAL HEALTH	VERDUGO MENTAL HEALTH	CLINIC-MH	07-Mar-2007	5,505,000	5,220,000	319,303	302,772
0843	MAYERS MEMORIAL HOSPITAL DISTRICT	MAYERS MEMORIAL HOSPITAL DISTRICT	HOSP-DIST	28-Mar-2007	6,595,000	4,458,762	222,532	160,460
0886	LOS ANGELES CENTERS FOR ALCOHOL & DRUG ABUSE	LOS ANGELES CENTERS FOR ALCOHOL AND DRUG ABUSE	CDRF	30-May-2007	2,595,000	2,510,000	141,153	126,760
0885	OPTIONS FAMILY OF SERVICES	OPTIONS FAMILY OF SERVICES	GH-DD	30-May-2007	3,090,000	2,880,000	161,838	150,839
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	1,000,000	7,950	0
0896	VICTOR VALLEY COMMUNITY HOSPITAL	VICTOR VALLEY COMMUNITY HOSPITAL - L O C	HOSP	30-Jul-2007	4,900,000	4,458,762	28,041	0
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	19,050,000	1,052,203	1,032,954
0894	HILL COUNTRY COMMUNITY CLINIC	HILL COUNTRY COMMUNITY CLINIC	CLINIC-PC	30-Oct-2007	5,250,000	5,140,000	274,894	269,125
0863	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
0898	CLINICAS DE SALUD DEL PUEBLO	CLINICAS DE SALUD DEL PUEBLO	CLINIC-PC	11-Mar-2008	3,925,000	3,740,000	165,678	157,869
0897	VALLEY HEALTH TEAM, INC.	VALLEY HEALTH TEAM, INC.	CLINIC-PC	11-Mar-2008	2,325,000	2,250,000	112,760	109,123
0887	FAMILY HEALTH CARE NETWORK	FAMILY HEALTHCARE NETWORK, INC.	CLINIC-PC	15-Apr-2008	7,910,000	7,545,000	376,898	359,506
0902	WALDEN HOUSE, INC.	WALDEN HOUSE - L O C	CDRF	01-Jun-2008	4,500,000	4,200,000	10,800	0
903A	ENLOE MEDICAL CENTER	ENLOE MEDICAL CENTER	HOSP	21-Aug-2008	68,915,000	65,730,000	1,935,403	1,845,956
903B	ENLOE MEDICAL CENTER	ENLOE MEDICAL CENTER - REFUNDING BONDS	HOSP	21-Aug-2008	166,680,000	166,680,000	7,709,633	7,709,633
0784	INSTITUTE ON AGING	INSTITUTE ON AGING	MULTI-OTH	28-Aug-2008	41,405,000	41,380,000	2,614,628	2,613,049
0900	LA MAESTRA FAMILY CLINIC, INC.	LA MAESTRA FAMILY CLINIC, INC.	CLINIC-PC	04-Sep-2008	18,500,000	18,500,000	1,029,251	1,029,251
0908	OROVILLE HOSPITAL	OROVILLE HOSPITAL - L O C	HOSP	10-Sep-2008	2,500,000	0	13,501	0
0911	LOS ANGELES JEWISH HOME FOR THE AGING	LOS ANGELES JEWISH HOME FOR THE AGING - L O C	MULTI-OTH	20-Jan-2009	4,900,000	0	57,000	0
0923	NORTH COUNTY SERENITY HOUSE	NORTH COUNTY SERENITY HOUSE - L O C	CDRF	20-Mar-2009	300,000	0	765	0
0901	ST. ROSE HOSPITAL	ST. ROSE HOSPITAL	HOSP	28-May-2009	42,100,000	42,000,000	2,165,722	2,160,578
0932	ST. ROSE HOSPITAL	ST. ROSE HOSPITAL - L O C	HOSP	28-May-2009	7,500,000	3,000,000	42,175	0
0922	LOWMOC DISTRICT HOSPITAL	LOWMOC DISTRICT HOSPITAL	HOSP-DIST	28-May-2009	4,060,000	4,060,000	139,583	139,583
0908	PILGRIM PLACE IN CLAREMONT, INC.	PILGRIM PLACE IN CLAREMONT, INC.	MULTI-CCRC	19-Aug-2009	26,500,000	26,500,000	1,751,585	1,751,585
0929	MENDOCINO COAST HEALTH CARE DISTRICT	MENDOCINO COAST HOSPITAL	HOSP-DIST	14-Oct-2009	5,000,000	5,000,000	236,404	236,404
0935	ASIAN HEALTH SERVICES, INC.	ASIAN HEALTH SERVICES, INC.	CLINIC-PC	21-Oct-2009	4,005,000	4,005,000	151,573	151,573
0931	THE HELP GROUP	THE HELP GROUP	CLINIC-MH	19-Nov-2009	5,395,000	5,395,000	335,920	335,920
0925	CHILDREN'S INSTITUTE INTERNATIONAL	CHILDREN'S INSTITUTE INTERNATIONAL	GH-MD	03-Dec-2009	14,300,000	14,300,000	497,069	497,069
0940	CASA DE LAS CAMPANAS	CASA DE LAS CAMPANAS	MULTI-CCRC	28-Jan-2010	54,310,000	54,310,000	1,978,772	1,978,772
0936	SOUTHWEST COMMUNITY HEALTH CENTER	SOUTHWEST COMMUNITY HEALTH CENTER	CLINIC-PC	28-Feb-2010	13,270,000	13,270,000	824,867	824,867
0944	MENDOCINO COAST HEALTH CARE DISTRICT	MENDOCINO COAST HOSPITAL - L O C	HOSP-DIST	01-Mar-2010	1,000,000	0	2,400	0
0930	SALUD PARA LA GENTE	SALUD PARA LA GENTE	CLINIC-PC	17-Mar-2010	3,350,000	3,350,000	142,165	142,165
0938	VALLEY COMMUNITY CLINIC	VALLEY COMMUNITY CLINIC	CLINIC-PC	24-Mar-2010	2,040,000	2,040,000	131,139	131,139
0946	PETALUMA HEALTH CENTER	PETALUMA HEALTH CENTER	CLINIC-PC	02-Jun-2010	5,865,000	5,865,000	363,956	363,956
0764	KERN VALLEY HEALTHCARE DISTRICT	KERN VALLEY HEALTHCARE DISTRICT - L O C	HOSP-DIST	30-Jun-2010	1,500,000	833,133	6,075	0
Total					1,584,329,359	1,461,437,632	71,663,881	66,836,360

Notes:

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

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

* Under California Health Facility Construction Loan Insurance Law Section 129040, 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, 2010

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%
7/1/2008-9/30/2008	194,378,806	5,382,349	1,345,587	2.77%
10/1/2008-12/31/2008	195,400,914	4,949,505	1,237,376	2.53%
1/1/2009-3/31/2009	188,974,751	3,596,190	899,047	1.90%
4/1/2009-6/30/2009	192,557,629	2,911,471	727,868	1.51%
7/1/2009-9/30/2009	186,028,962	1,653,797	413,449	0.89%
10/1/2009-12/31/2009	188,170,252	1,117,731	279,433	0.59%
1/1/2010-3/31/2010	189,155,230	1,042,245	260,561	0.55%
4/1/2010-6/30/2010	189,745,143	1,001,854	250,464	0.53%
Total			78,112,686	
Weighted Average All Years				4.45%
Weighted Average 7/1/2003 to 6/30/2010				3.67%
Weighted Average 7/1/2007 to 6/30/2010				3.46%
Average 7/1/2005 to 6/30/2010				3.23%
Prior Selection				4.00%
Selected Discounting Interest Rate				3.40%
Standard Deviation All Years				1.79%
Standard Deviation 7/1/2003 to 6/30/2010				1.61%
Selected Standard Deviation				1.70%

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

**Distribution of Active Loans by Facility Type
As of 6/30/2010**

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	30	14	843,045,000	742,800,405	21.6%	14.0%	41.8%	42.8%
Multilevels	29	22	753,740,000	654,128,468	20.9%	22.0%	37.4%	37.7%
Clinics	37	32	213,549,359	180,059,359	26.6%	32.0%	10.6%	10.4%
SNF	6	4	56,370,000	47,289,250	4.3%	4.0%	2.8%	2.7%
Other	37	28	150,360,000	110,790,150	26.6%	28.0%	7.5%	6.4%
Total	139	100	2,017,064,359	1,735,067,632	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				
	2009	2008	2007	2006	2005	2009	2008	2007	2006	2005	2009	2008	2007	2006	2005
Hospitals	2.53	3.13	2.05	4.48	2.33	2.38	1.29	1.77	2.37	7.52	2.16	1.49	1.34	1.90	1.98
Multilevels	3.15	3.97	2.74	5.37	4.42	3.41	2.45	3.11	3.02	2.47	2.17	2.28	2.07	2.14	1.77
Clinics	4.56	9.34	2.97	2.87	2.51	2.89	2.58	2.91	2.83	1.89	2.35	2.09	2.13	2.28	2.19
SNF	2.15	2.31	2.62	3.36	1.33	2.11	2.17	2.41	2.12	1.44	2.18	1.76	2.84	3.47	1.74
Other	3.27	2.79	2.00	2.65	1.65	2.28	3.03	1.60	2.05	1.27	1.59	1.57	1.77	1.88	1.40
Total	3.02	4.05	2.45	4.45	3.10	3.18	2.29	2.86	2.88	3.76	2.05	1.80	1.93	2.00	1.75

Summary of Income Debt Service Ratios

Facility Type	Weighted Average					Average					Median				
	2009	2008	2007	2006	2005	2009	2008	2007	2006	2005	2009	2008	2007	2006	2005
Hospitals	1.39	1.50	1.17	3.10	1.13	1.36	0.58	0.92	1.32	4.54	0.92	0.67	0.71	1.00	0.89
Multilevels	1.94	2.59	1.50	3.51	3.19	1.82	1.23	1.87	1.88	1.41	1.21	1.28	1.16	1.34	0.85
Clinics	3.08	5.40	1.73	1.72	1.50	1.92	1.64	1.89	1.80	1.15	1.25	1.17	1.09	1.10	1.12
SNF	1.58	1.80	2.00	2.71	0.85	1.54	1.67	1.89	1.74	0.95	1.68	1.17	2.21	2.95	0.83
Other	2.43	2.03	1.38	1.96	0.88	1.46	2.29	1.16	1.52	0.68	0.96	0.86	1.25	1.22	0.88
Total	1.86	2.37	1.41	2.99	1.99	1.74	1.19	1.72	1.79	2.21	1.15	0.95	1.08	1.21	0.89

* 2005-2007 Averages for multilevels have changed from the 6/30/08 analysis due to restatement of financial information for Catholic Healthcare West
Weighted Averages and Medians are not impacted

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	2009			2008			2007			2006			2005		
	<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	21%	0%	79%	36%	0%	64%	23%	8%	69%	23%	0%	77%	19%	6%	75%
Multilevels	14%	18%	68%	14%	14%	73%	21%	0%	79%	21%	11%	68%	35%	0%	65%
Clinics	25%	0%	75%	25%	3%	72%	19%	3%	77%	29%	3%	68%	28%	3%	69%
SNF	0%	0%	100%	0%	25%	75%	0%	25%	75%	25%	0%	75%	50%	0%	50%
Other	29%	7%	64%	36%	11%	54%	24%	10%	66%	19%	6%	74%	42%	3%	55%
Total	22%	6%	72%	26%	8%	66%	21%	6%	73%	23%	5%	71%	34%	3%	64%

Income Debt Service Ratios

Facility Type	2009			2008			2007			2006			2005		
	<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	50%	7%	43%	71%	7%	21%	62%	8%	31%	46%	8%	46%	63%	6%	31%
Multilevels	41%	9%	50%	41%	5%	55%	42%	11%	47%	47%	0%	53%	60%	10%	30%
Clinics	44%	6%	50%	44%	9%	47%	45%	10%	45%	48%	6%	45%	41%	10%	48%
SNF	25%	0%	75%	50%	0%	50%	25%	0%	75%	25%	0%	75%	50%	0%	50%
Other	54%	4%	43%	61%	0%	39%	45%	3%	52%	35%	13%	52%	55%	8%	37%
Total	46%	6%	48%	52%	5%	43%	46%	7%	47%	43%	7%	50%	53%	8%	38%

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

Summary of Debt Service Ratios

Cash Flow Debt Service Ratios

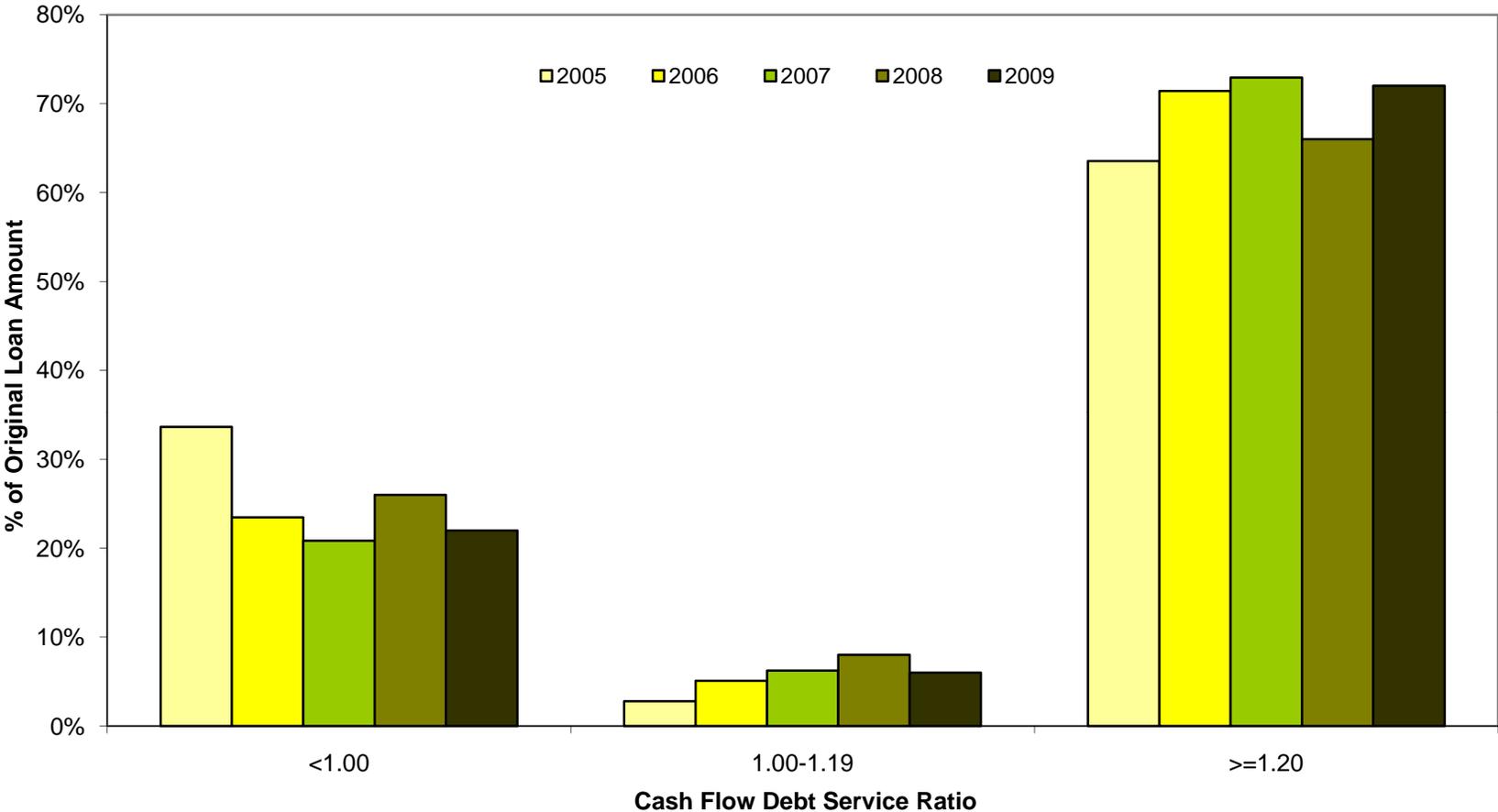
Year	Total			Hospitals			Multilevels			Clinics			SNF			Other		
	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20	<1.00	1.00-1.19	>=1.20
2005	34%	3%	64%	19%	6%	75%	35%	0%	65%	28%	3%	69%	50%	0%	50%	42%	3%	55%
2006	23%	5%	71%	23%	0%	77%	21%	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%
2008	26%	8%	66%	36%	0%	64%	14%	14%	73%	25%	3%	72%	0%	25%	75%	36%	11%	54%
2009	22%	6%	72%	21%	0%	79%	14%	18%	68%	25%	0%	75%	0%	0%	100%	29%	7%	64%

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
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%
2008	52%	5%	43%	71%	7%	21%	41%	5%	55%	44%	9%	47%	50%	0%	50%	61%	0%	39%
2009	46%	6%	48%	50%	7%	43%	41%	9%	50%	44%	6%	50%	25%	0%	75%	54%	4%	43%

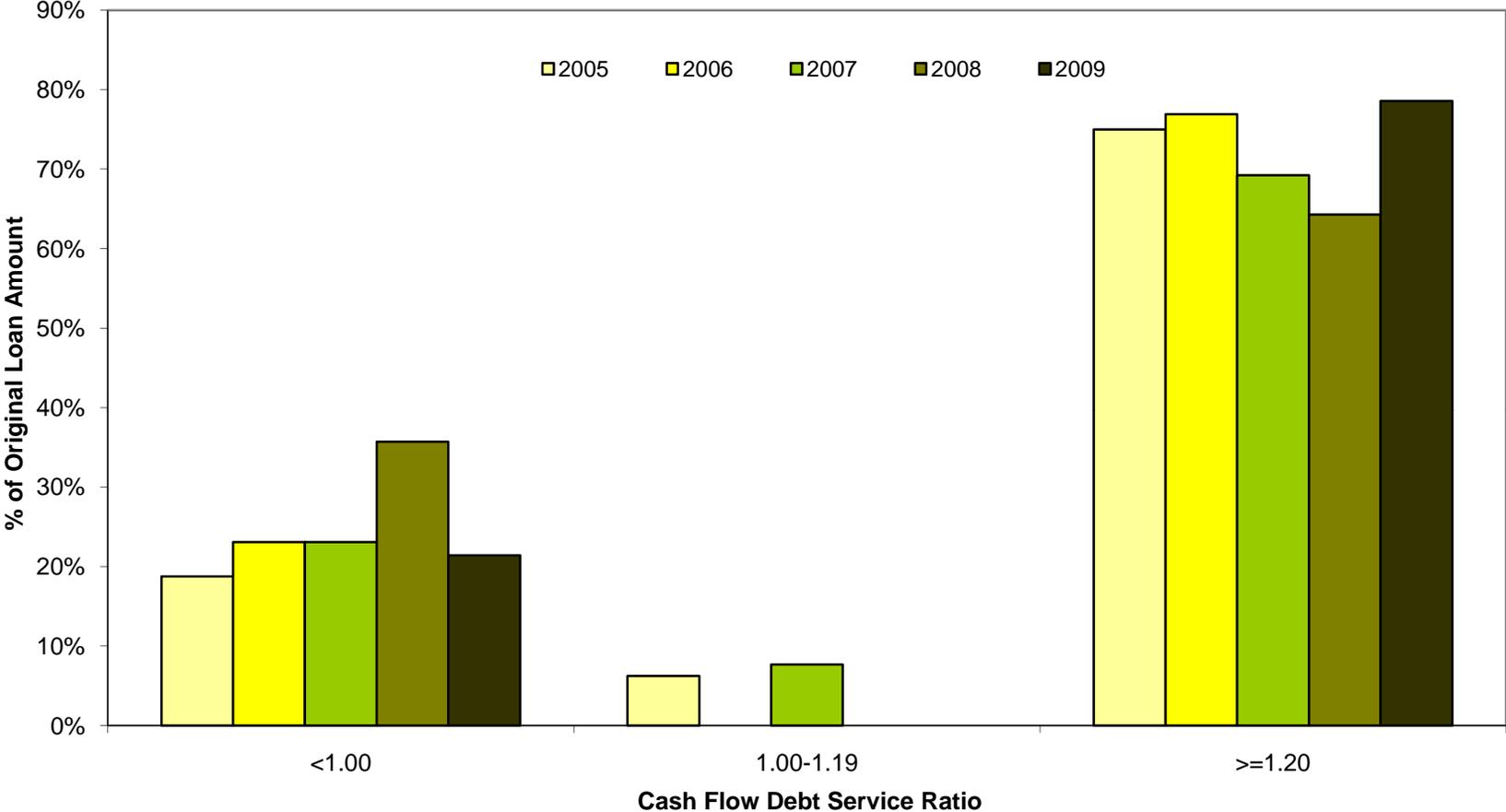
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

TOTAL



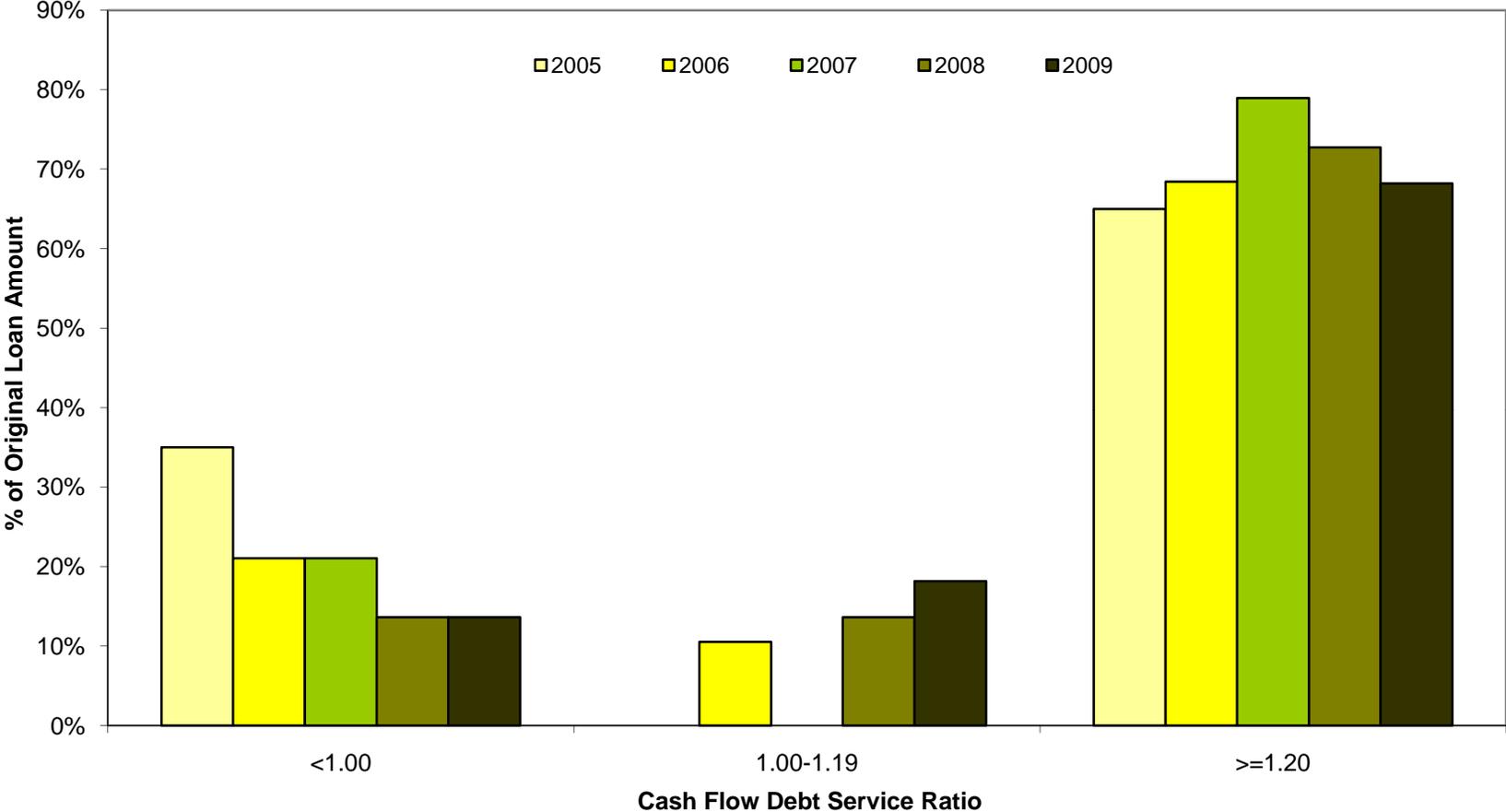
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

HOSPITALS



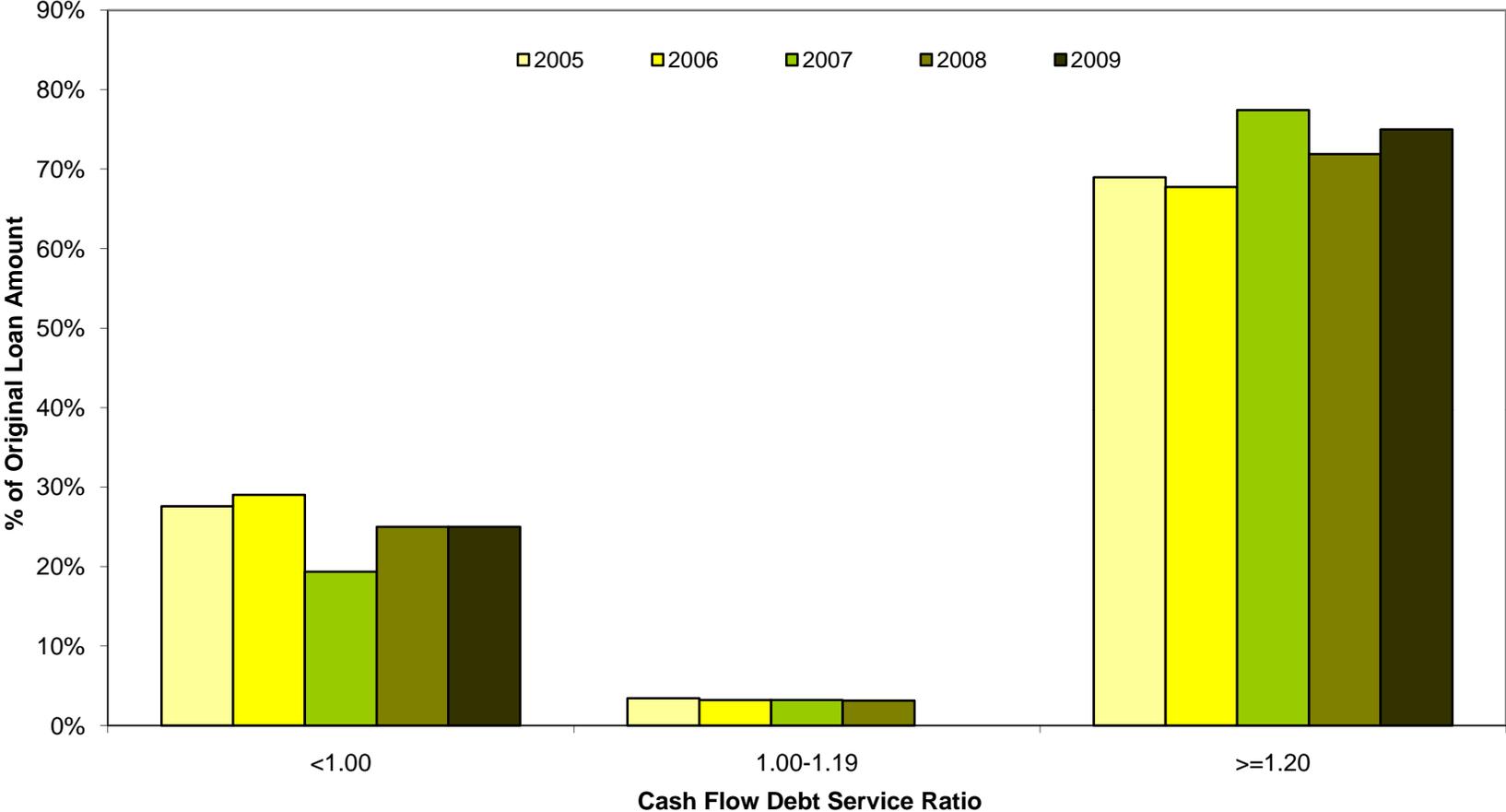
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

MULTILEVELS



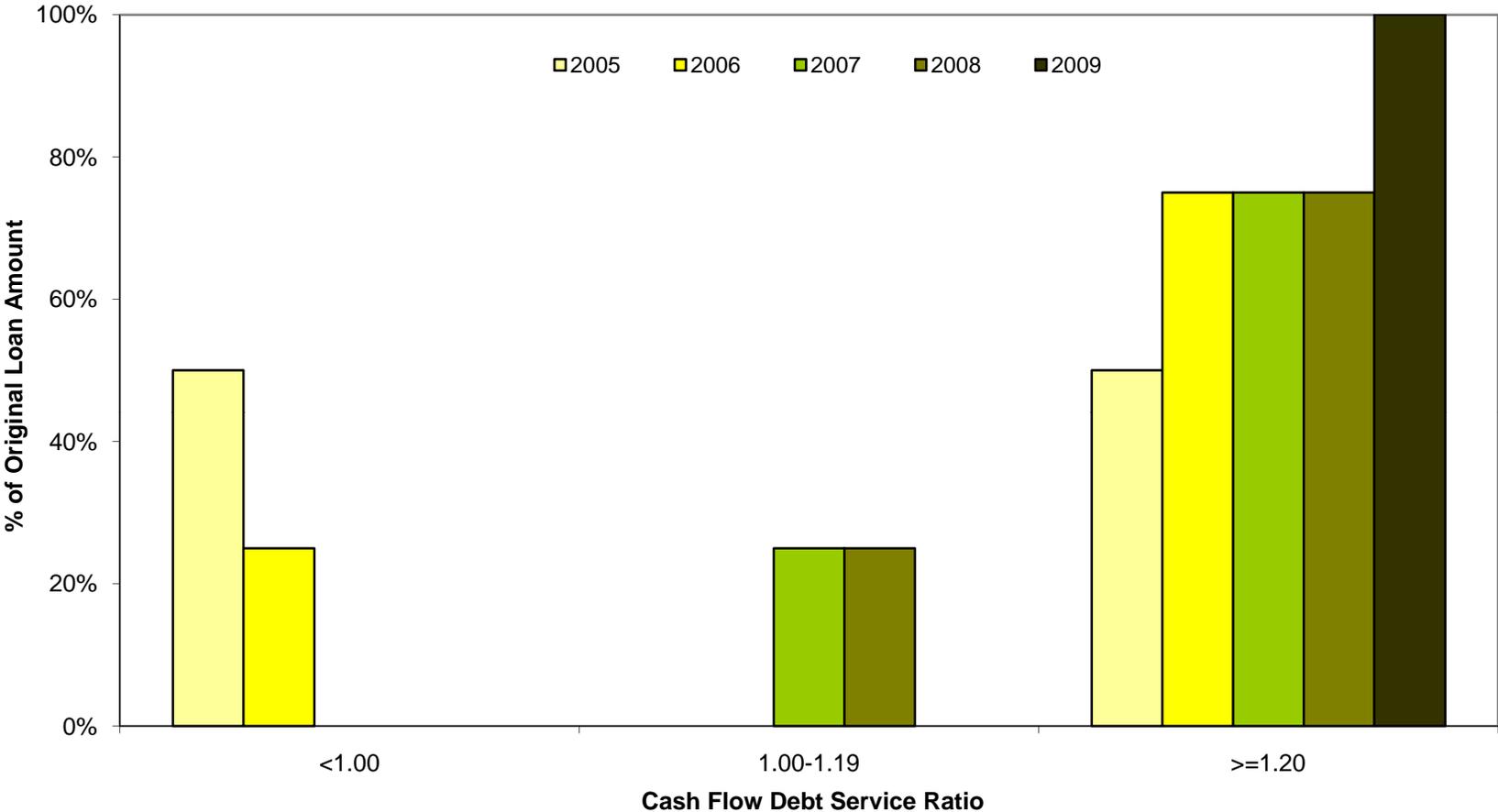
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

CLINICS



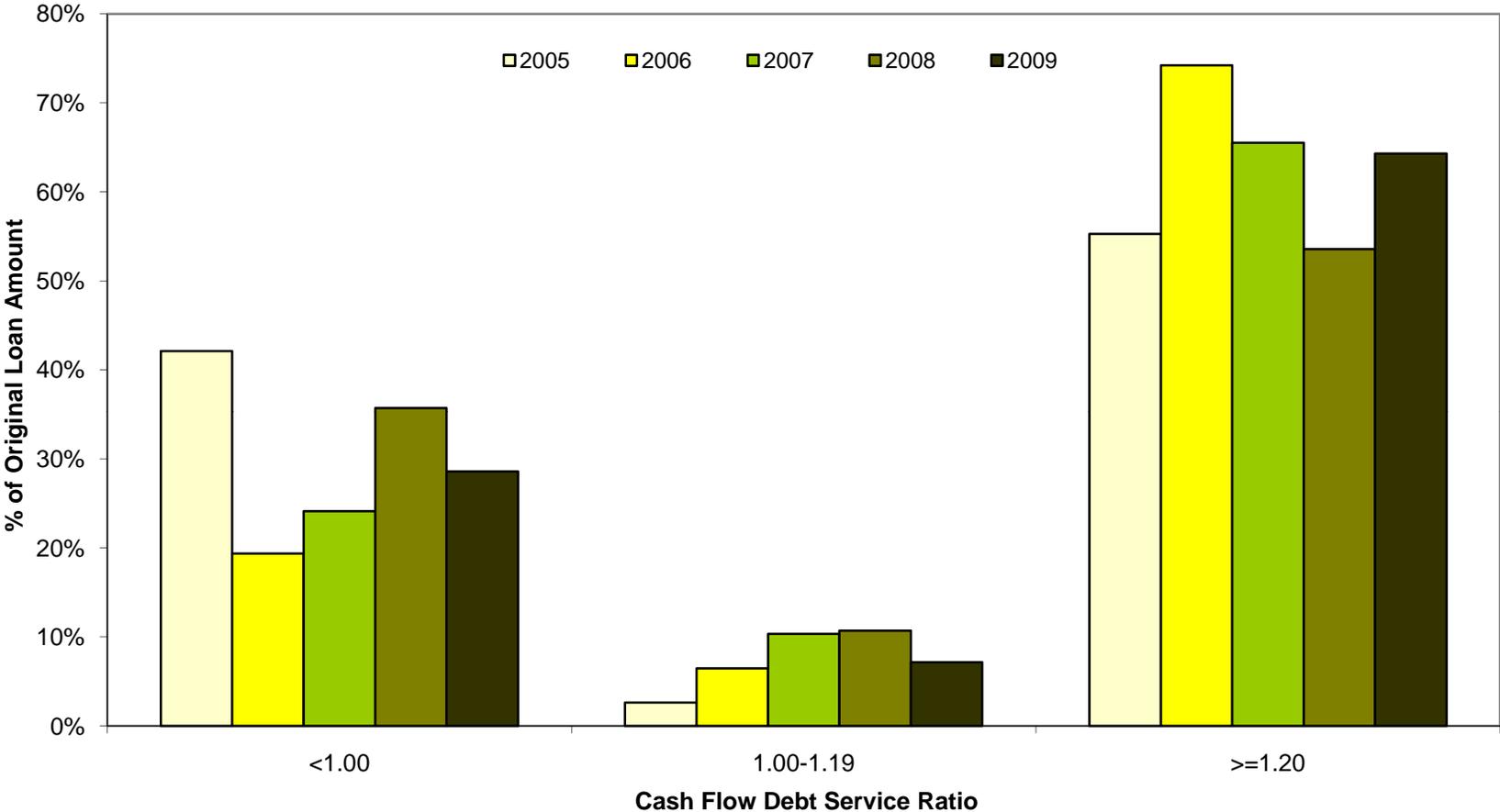
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

SKILLED NURSE FACILITY (SNF)



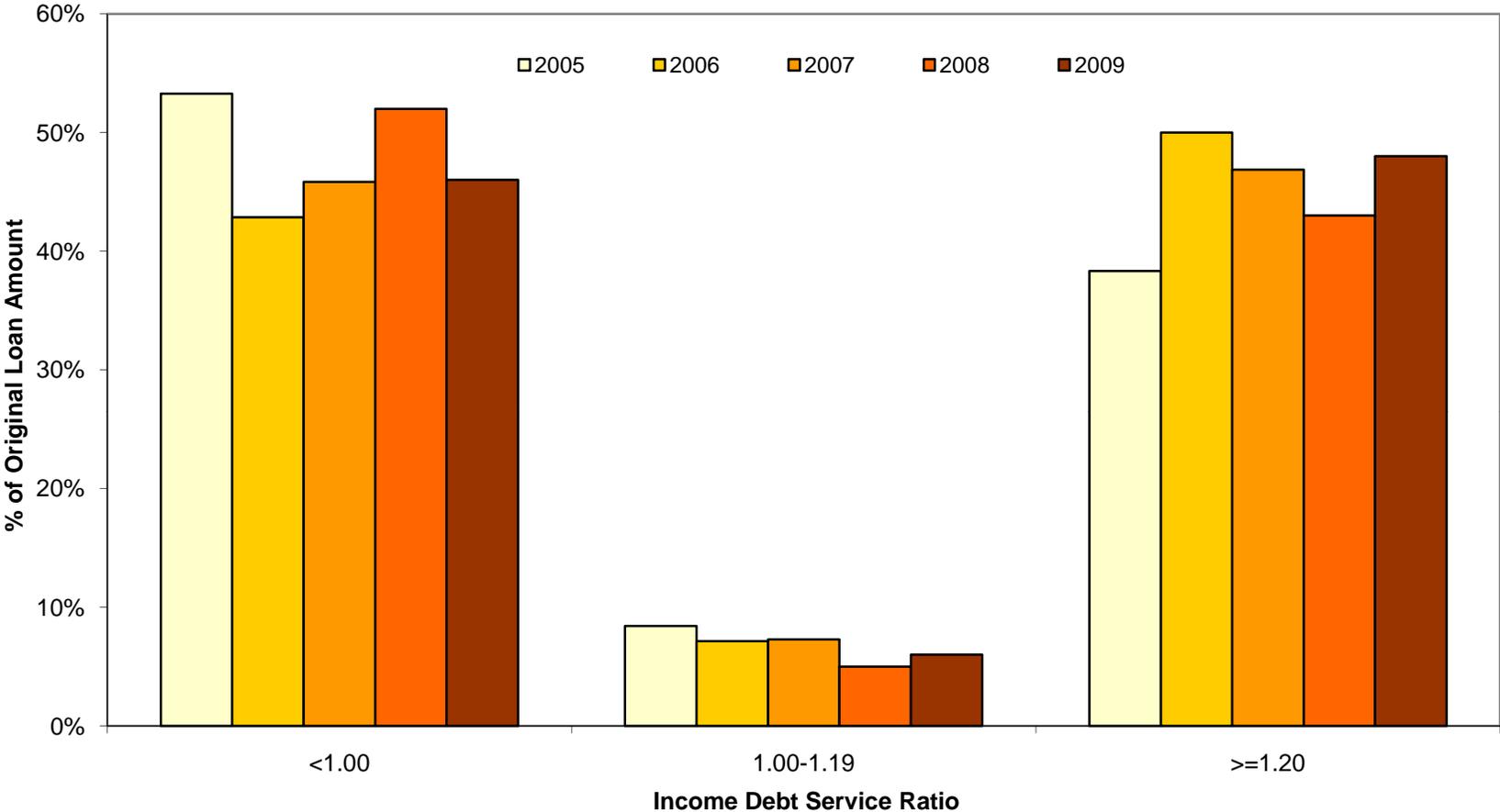
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Cash Flow Debt Service Ratios
Distribution by Original Loan Amount**

OTHER



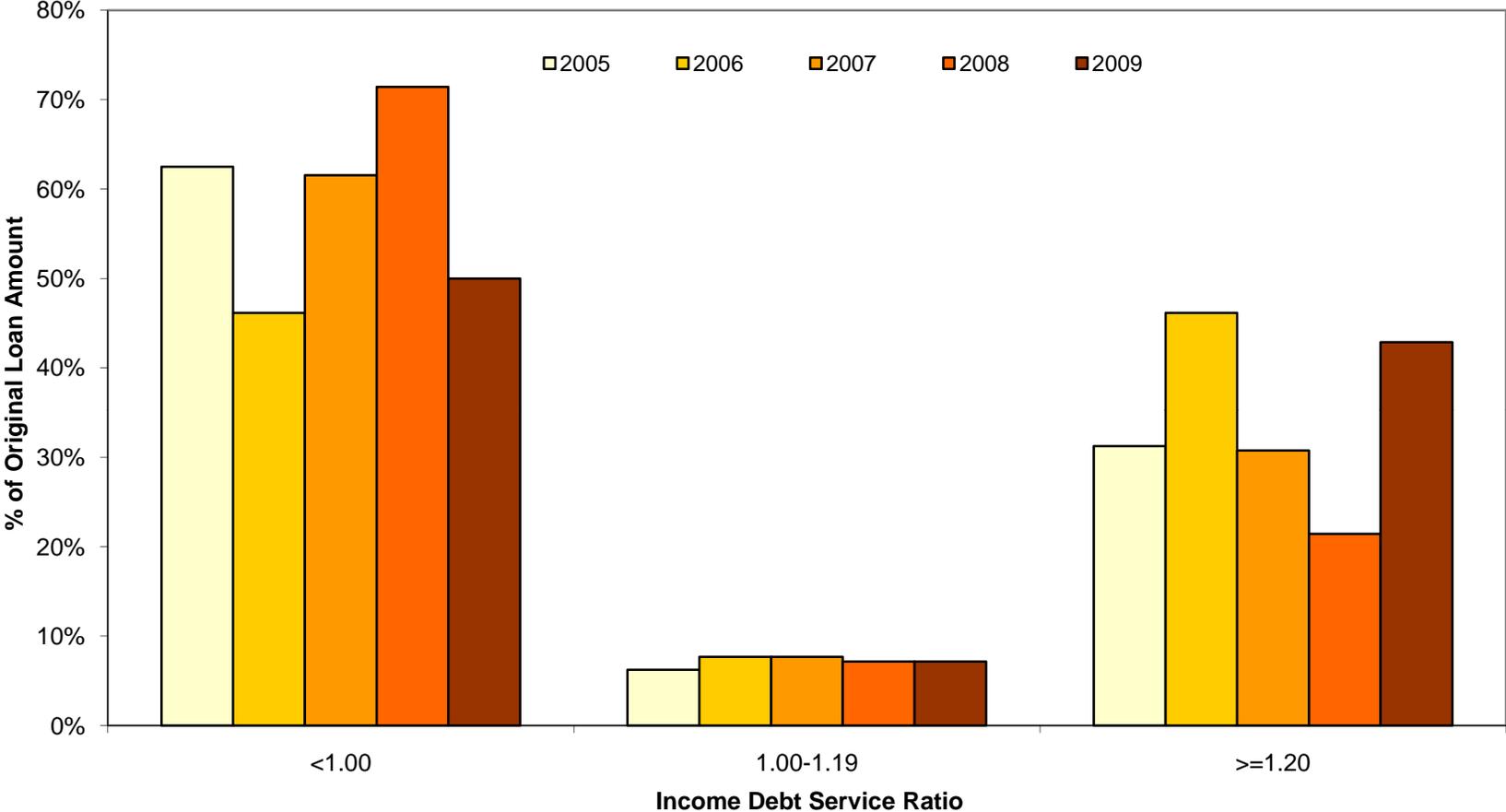
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

TOTAL



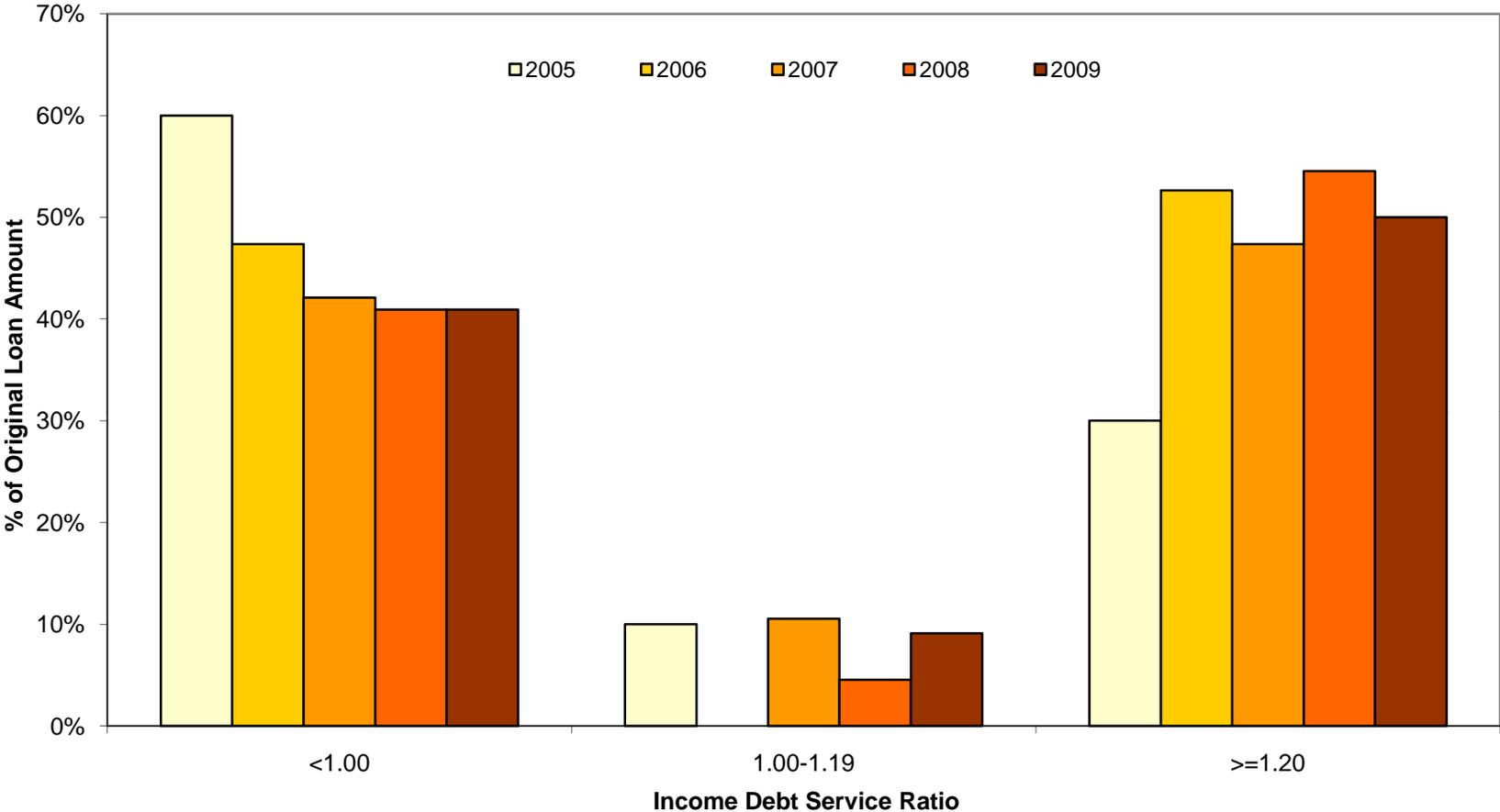
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

HOSPITALS



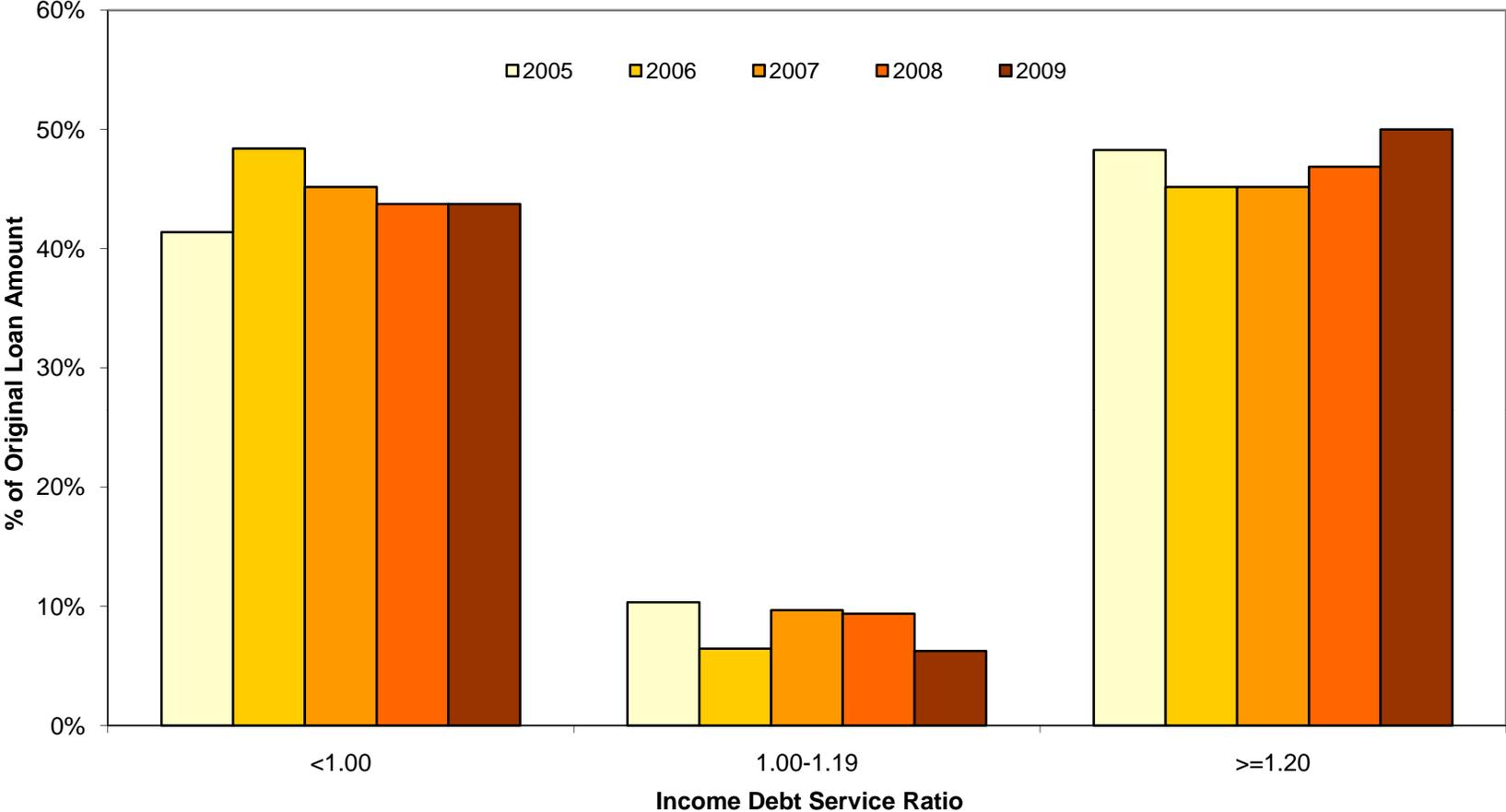
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

MULTILEVELS



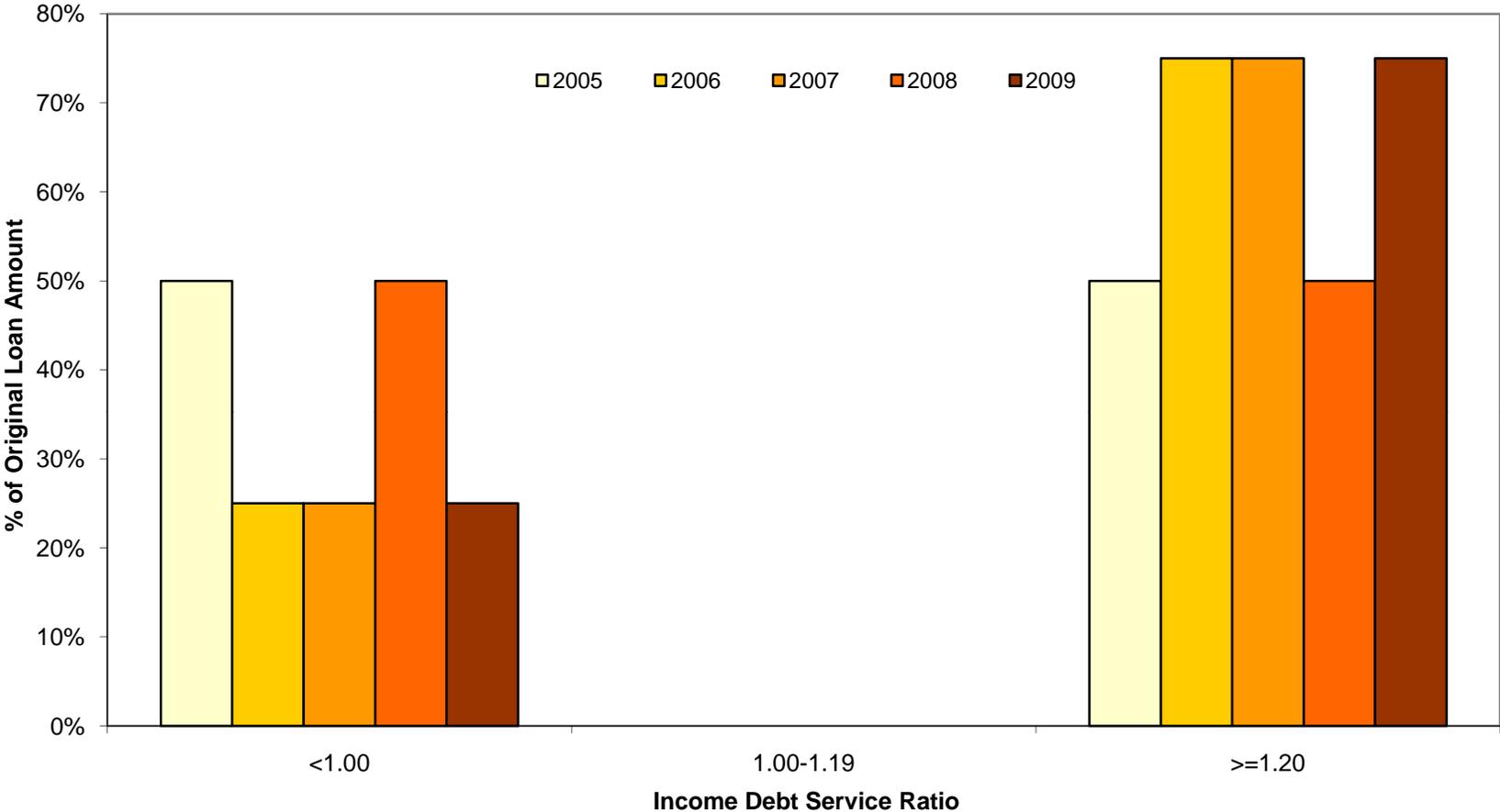
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

CLINICS



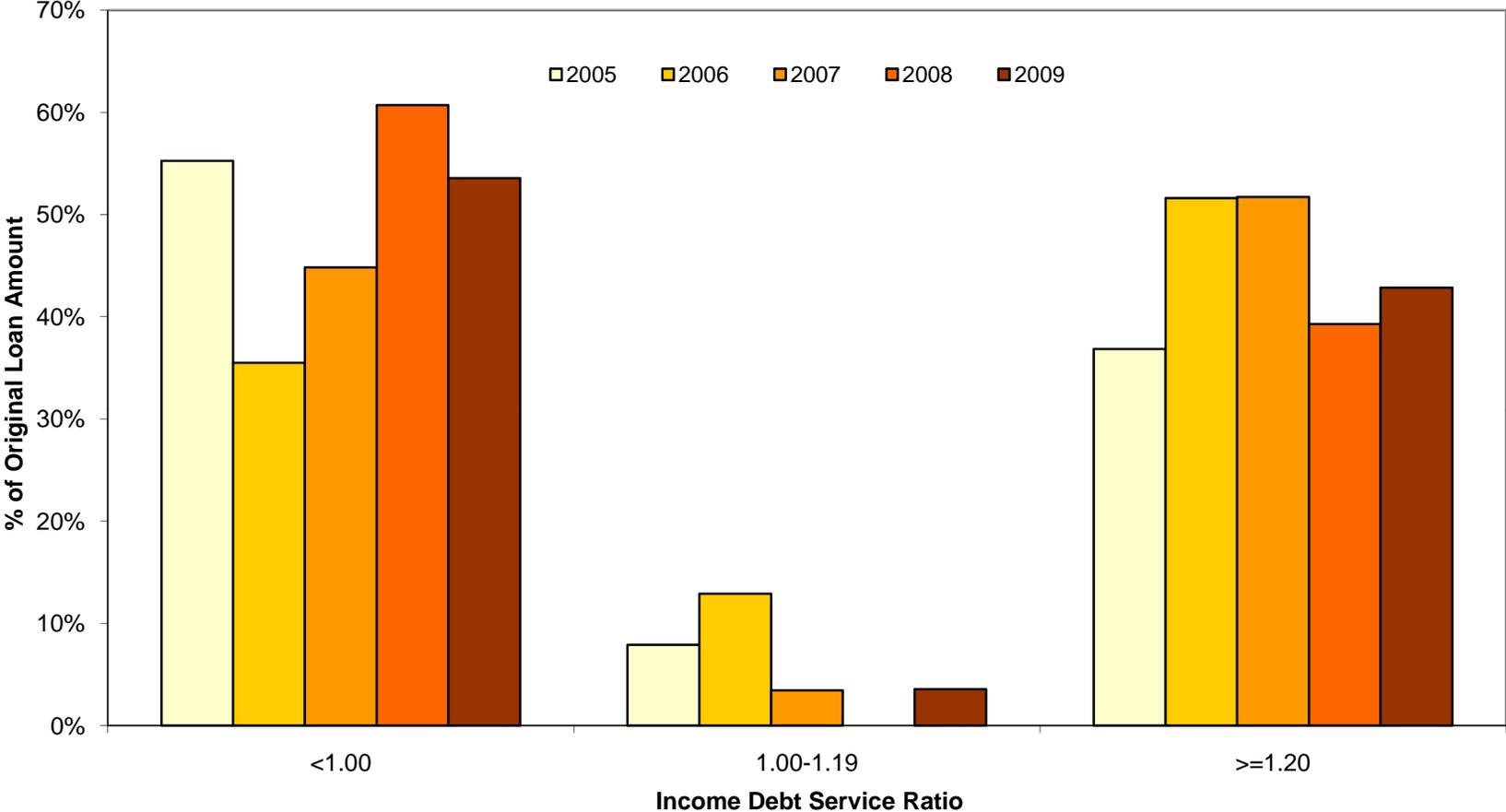
**Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Income Debt Service Ratios
Distribution by Original Loan Amount**

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 6.50% Default Rate - New Loans Insured
As of 6/30/2010

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)								
7/1/2009-6/30/2010				274,480,000	1,616,720	135,035,000		6,261,877	520,120								189,745,143
7/1/2010-6/30/2011	257,183,312	817,152	6.5%	239,702,360	1,285,456	198,000,000	5.29%	10,475,084	781,039	2,384,015	11,906,220	2,038,751	4,673,140	2.2%	4,108,993	416,477	190,161,620
7/1/2011-6/30/2012	240,471,596	553,509	5.5%	225,950,384	1,164,132	200,000,000	5.29%	10,580,893	788,928	3,026,015	11,888,645	4,131,295	4,860,066	2.4%	4,514,392	(805,646)	189,355,974
7/1/2012-6/30/2013	223,043,310	354,468	5.5%	209,145,682	1,087,740	200,000,000	5.29%	10,580,893	788,928	699,312	11,900,891	5,287,260	5,054,468	2.6%	4,822,113	(4,263,633)	185,092,341
7/1/2013-6/30/2014	205,608,725	236,623	5.5%	192,446,390	1,003,980	200,000,000	5.29%	10,580,893	788,928	519,312	11,872,238	6,153,611	5,256,647	3.0%	5,327,039	(5,062,342)	180,029,999
7/1/2014-6/30/2015	187,175,435	121,834	5.5%	174,911,798	918,395	200,000,000	5.29%	10,580,893	788,928	429,312	11,861,138	6,880,024	5,466,913	2.9%	5,087,146	(6,403,399)	173,626,600
7/1/2015-6/30/2016	168,270,994	61,247	5.5%	156,989,223	829,753	200,000,000	5.29%	10,580,893	788,928	429,312	11,845,838	7,265,421	5,685,589	3.1%	5,168,460	(6,999,501)	166,627,099
7/1/2016-6/30/2017	148,561,362	29,038	5.5%	138,336,180	738,314	225,000,000	5.29%	11,903,504	887,544	429,312	11,857,875	7,493,172	5,913,013	3.2%	5,132,936	(6,172,449)	160,454,650
7/1/2017-6/30/2018	127,889,577	4,624	5.5%	118,796,974	642,833	225,000,000	5.29%	11,903,504	887,544	429,312	11,848,125	7,603,621	6,149,533	3.4%	5,221,085	(6,517,001)	153,937,650
7/1/2018-6/30/2019	107,236,975	0	5.5%	99,280,265	545,193	225,000,000	5.29%	11,903,504	887,544	429,312	11,834,875	7,732,496	6,395,515	3.6%	5,360,087	(6,837,244)	147,100,406
7/1/2019-6/30/2020	86,868,510	0	5.5%	80,032,065	448,281	225,000,000	5.29%	11,903,504	887,544	429,312	11,822,000	7,878,743	6,651,335	3.9%	5,478,789	(7,204,647)	139,895,759
7/1/2020-6/30/2021	66,730,310	0	5.5%	61,001,466	352,584	225,000,000	5.29%	11,903,504	887,544	429,312	11,808,250	8,021,434	6,917,389	4.1%	5,504,990	(7,769,137)	132,126,621
7/1/2021-6/30/2022	47,483,245	0	5.5%	42,812,990	259,536	250,000,000	5.29%	13,226,116	986,161	329,312	7,989,875	8,169,487	7,194,084	4.3%	5,498,507	(3,053,814)	129,072,808
7/1/2022-6/30/2023	30,926,262	0	5.5%	27,166,640	174,949	250,000,000	5.29%	13,226,116	986,161	329,312	0	8,312,577	7,481,848	4.4%	5,624,638	4,546,751	133,619,559
7/1/2023-6/30/2024	20,327,504	0	5.5%	17,150,815	110,794	250,000,000	5.29%	13,226,116	986,161	329,312	0	8,476,656	7,781,122	4.4%	5,782,832	4,177,437	137,796,996
7/1/2024-6/30/2025	12,669,538	0	5.5%	9,914,037	67,662	250,000,000	5.29%	13,226,116	986,161	329,312	0	8,663,182	8,092,366	4.3%	5,818,846	3,672,548	141,469,544
7/1/2025-6/30/2026	7,492,563	0	5.5%	5,021,795	37,340	250,000,000	5.29%	13,226,116	986,161	329,312	0	8,838,027	8,416,061	4.1%	5,777,281	3,102,121	144,571,665
7/1/2026-6/30/2027	5,045,978	0	5.5%	2,709,772	19,329	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	9,008,402	8,752,704	4.0%	5,755,871	3,976,911	148,548,577
7/1/2027-6/30/2028	2,672,973	0	5.5%	467,282	7,943	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	9,180,658	9,102,812	4.0%	5,829,982	3,517,271	152,065,848
7/1/2028-6/30/2029	1,625,692	0	5.5%	0	1,168	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	9,365,012	9,466,924	4.0%	6,035,818	3,167,866	155,233,714
7/1/2029-6/30/2030	513,175	0	5.5%	0	0	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	9,567,597	9,845,601	4.2%	6,406,597	2,956,215	158,189,930
7/1/2030-6/30/2031	0	0	5.5%	0	0	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	9,764,298	10,239,425	4.4%	6,934,486	2,893,580	161,083,510
7/1/2031-6/30/2032	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	9,954,616	10,649,002	4.8%	7,604,839	4,385,265	165,468,775
7/1/2032-6/30/2033	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	10,138,659	11,074,962	5.1%	8,346,932	4,517,355	169,986,130
7/1/2033-6/30/2034	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	10,330,309	11,517,961	5.4%	9,036,022	4,571,797	174,557,927
7/1/2034-6/30/2035	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	10,538,131	11,978,679	5.6%	9,580,736	4,447,970	179,005,897
7/1/2035-6/30/2036	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	10,737,606	12,457,826	5.6%	9,916,379	4,104,992	183,110,888
7/1/2036-6/30/2037	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	115,633	0	10,929,170	12,956,139	5.6%	10,058,471	4,764,754	187,875,642
7/1/2037-6/30/2038	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	72,897	0	11,113,560	13,474,385	5.4%	10,043,167	4,004,078	191,879,720
7/1/2038-6/30/2039	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	66,823	0	11,305,273	14,013,360	5.6%	10,463,828	3,687,976	195,567,696
7/1/2039-6/30/2040	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	0	0	11,513,131	14,573,895	5.6%	10,645,377	3,034,310	198,602,007

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 @ 4.00% 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 6.50% Default Rate - No New Loans Insured
As of 6/30/2010

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)
7/1/2009-6/30/2010				274,480,000	1,616,720								189,745,143
7/1/2010-6/30/2011	257,183,312	817,152	6.5%	239,702,360	1,285,456	2,384,015	11,906,220	2,012,055	4,673,140	2.2%	3,986,210	(10,935,734)	178,809,409
7/1/2011-6/30/2012	240,471,596	553,509	5.5%	225,950,384	1,164,132	3,026,015	11,888,645	3,970,850	4,673,140	2.4%	4,108,378	(12,234,110)	166,575,300
7/1/2012-6/30/2013	223,043,310	354,468	5.5%	209,145,682	1,087,740	699,312	11,900,891	4,738,376	4,673,140	2.6%	4,091,529	(15,433,825)	151,141,475
7/1/2013-6/30/2014	205,608,725	236,623	5.5%	192,446,390	1,003,980	519,312	11,872,238	4,871,127	4,673,140	3.0%	4,180,992	(15,712,220)	135,429,255
7/1/2014-6/30/2015	187,175,435	121,834	5.5%	174,911,798	918,395	429,312	11,861,138	4,732,340	4,673,140	2.9%	3,662,302	(16,256,608)	119,172,647
7/1/2015-6/30/2016	168,270,994	61,247	5.5%	156,989,223	829,753	429,312	11,845,838	4,179,608	4,673,140	3.1%	3,376,472	(16,063,049)	103,109,598
7/1/2016-6/30/2017	148,561,362	29,038	5.5%	138,336,180	738,314	429,312	11,857,875	3,503,730	4,673,140	3.2%	2,987,016	(15,880,103)	87,229,495
7/1/2017-6/30/2018	127,889,577	4,624	5.5%	118,796,974	642,833	429,312	11,848,125	2,780,814	4,673,140	3.4%	2,638,296	(15,591,638)	71,637,857
7/1/2018-6/30/2019	107,236,975	0	5.5%	99,280,265	545,193	429,312	11,834,875	2,172,970	4,673,140	3.6%	2,276,335	(15,430,144)	56,207,713
7/1/2019-6/30/2020	86,868,510	0	5.5%	80,032,065	448,281	429,312	11,822,000	1,665,877	4,673,140	3.9%	1,851,425	(15,431,999)	40,775,714
7/1/2020-6/30/2021	66,730,310	0	5.5%	61,001,466	352,584	329,312	11,808,250	1,250,012	4,673,140	4.1%	1,332,305	(15,717,201)	25,058,513
7/1/2021-6/30/2022	47,483,245	0	5.5%	42,812,990	259,536	329,312	7,989,875	917,950	4,673,140	4.3%	798,322	(12,193,795)	12,864,718
7/1/2022-6/30/2023	30,926,262	0	5.5%	27,166,640	174,949	329,312	0	657,230	4,673,140	4.4%	457,364	(4,368,744)	8,495,974
7/1/2023-6/30/2024	20,327,504	0	5.5%	17,150,815	110,794	329,312	0	460,734	4,673,140	4.4%	267,731	(4,426,037)	4,069,937
7/1/2024-6/30/2025	12,669,538	0	5.5%	9,914,037	67,662	329,312	0	315,066	4,673,140	4.3%	75,514	(4,515,718)	(445,781)
7/1/2025-6/30/2026	7,492,563	0	5.5%	5,021,795	37,340	329,312	0	202,012	4,673,140	4.1%	(111,315)	(4,619,815)	(5,065,596)
7/1/2026-6/30/2027	5,045,978	0	5.5%	2,709,772	19,329	329,312	0	117,138	4,673,140	4.0%	(291,892)	(4,733,529)	(9,799,125)
7/1/2027-6/30/2028	2,672,973	0	5.5%	467,282	7,943	329,312	0	62,975	4,673,140	4.0%	(474,593)	(4,873,453)	(14,672,578)
7/1/2028-6/30/2029	1,625,692	0	5.5%	0	1,168	329,312	0	32,226	4,673,140	4.0%	(675,581)	(5,050,466)	(19,723,044)
7/1/2029-6/30/2030	513,175	0	5.5%	0	0	329,312	0	14,912	4,673,140	4.2%	(914,086)	(5,272,825)	(24,995,869)
7/1/2030-6/30/2031	0	0	5.5%	0	0	329,312	0	5,610	4,673,140	4.4%	(1,206,472)	(5,555,909)	(30,551,778)
7/1/2031-6/30/2032	0	0	5.5%	0	0	329,312	0	1,495	4,673,140	4.8%	(1,560,533)	(5,905,856)	(36,457,635)
7/1/2032-6/30/2033	0	0	5.5%	0	0	329,312	0	210	4,673,140	5.1%	(1,971,454)	(6,315,491)	(42,773,126)
7/1/2033-6/30/2034	0	0	5.5%	0	0	329,312	0	0	4,673,140	5.4%	(2,420,952)	(6,764,779)	(49,537,905)
7/1/2034-6/30/2035	0	0	5.5%	0	0	329,312	0	0	4,673,140	5.6%	(2,880,480)	(7,224,307)	(56,762,212)
7/1/2035-6/30/2036	0	0	5.5%	0	0	329,312	0	0	4,673,140	5.6%	(3,318,640)	(7,662,467)	(64,424,680)
7/1/2036-6/30/2037	0	0	5.5%	0	0	115,633	0	0	4,673,140	5.6%	(3,717,830)	(8,275,336)	(72,700,016)
7/1/2037-6/30/2038	0	0	5.5%	0	0	72,897	0	0	4,673,140	5.4%	(4,074,731)	(8,674,974)	(81,374,990)
7/1/2038-6/30/2039	0	0	5.5%	0	0	66,823	0	0	4,673,140	5.6%	(4,645,262)	(9,251,579)	(90,626,569)
7/1/2039-6/30/2040	0	0	5.5%	0	0	0	0	0	4,673,140	5.6%	(5,160,704)	(9,833,844)	(100,460,412)

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 6/30/2010

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 Income	Certification and Inspection Fee Income	Resolved Loans	Payment on Current Default	(including Pipeline)					Administrative Expenses
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)				
7/1/2009-6/30/2010				274,480,000	1,616,720	135,035,000		6,261,877	520,120								189,745,143
7/1/2010-6/30/2011	257,183,312	817,152	6.5%	239,702,360	1,285,456	198,000,000	5.29%	10,475,084	781,039	2,384,015	11,906,220	2,509,232	4,673,140	2.2%	4,103,849	(59,148)	189,685,995
7/1/2011-6/30/2012	240,471,596	553,509	5.5%	225,950,384	1,164,132	200,000,000	5.29%	10,580,893	788,928	3,026,015	11,888,645	5,084,671	4,860,066	2.4%	4,491,463	(1,781,950)	187,904,045
7/1/2012-6/30/2013	223,043,310	354,468	5.5%	209,145,682	1,087,740	200,000,000	5.29%	10,580,893	788,928	699,312	11,900,891	6,507,397	5,054,468	2.6%	4,768,312	(5,537,571)	182,366,473
7/1/2013-6/30/2014	205,608,725	236,623	5.5%	192,446,390	1,003,980	200,000,000	5.29%	10,580,893	788,928	519,312	11,872,238	7,573,675	5,256,647	3.0%	5,225,297	(6,584,149)	175,782,325
7/1/2014-6/30/2015	187,175,435	121,834	5.5%	174,911,798	918,395	200,000,000	5.29%	10,580,893	788,928	429,312	11,861,138	8,467,722	5,466,913	2.9%	4,939,991	(8,138,252)	167,644,073
7/1/2015-6/30/2016	168,270,994	61,247	5.5%	156,989,223	829,753	200,000,000	5.29%	10,580,893	788,928	429,312	11,845,838	8,942,057	5,685,589	3.1%	4,958,407	(8,886,550)	158,757,522
7/1/2016-6/30/2017	148,561,362	29,038	5.5%	138,336,180	738,314	225,000,000	5.29%	11,903,504	887,544	429,312	11,857,875	9,222,365	5,913,013	3.2%	4,854,433	(8,180,146)	150,577,376
7/1/2017-6/30/2018	127,889,577	4,624	5.5%	118,796,974	642,833	225,000,000	5.29%	11,903,504	887,544	429,312	11,848,125	9,358,303	6,149,533	3.4%	4,857,851	(8,634,916)	141,942,460
7/1/2018-6/30/2019	107,236,975	0	5.5%	99,280,265	545,193	225,000,000	5.29%	11,903,504	887,544	429,312	11,834,875	9,516,918	6,395,515	3.6%	4,892,838	(9,088,915)	132,853,545
7/1/2019-6/30/2020	86,868,910	0	5.5%	80,032,065	448,281	225,000,000	5.29%	11,903,504	887,544	429,312	11,822,000	9,696,915	6,651,335	3.9%	4,888,870	(9,612,737)	123,240,808
7/1/2020-6/30/2021	66,730,310	0	5.5%	61,001,466	352,584	225,000,000	5.29%	11,903,504	887,544	429,312	11,808,250	9,872,534	6,917,389	4.1%	4,778,730	(10,346,498)	112,894,310
7/1/2021-6/30/2022	47,483,245	0	5.5%	42,812,990	259,536	250,000,000	5.29%	13,226,116	986,161	329,312	7,989,875	10,054,753	7,194,084	4.3%	4,630,837	(5,806,750)	107,087,560
7/1/2022-6/30/2023	30,926,262	0	5.5%	27,166,640	174,949	250,000,000	5.29%	13,226,116	986,161	329,312	0	10,230,864	7,481,848	4.4%	4,620,592	1,624,418	108,711,978
7/1/2023-6/30/2024	20,327,504	0	5.5%	17,150,815	110,794	250,000,000	5.29%	13,226,116	986,161	329,312	0	10,432,807	7,781,122	4.4%	4,655,773	1,094,227	109,806,205
7/1/2024-6/30/2025	12,669,538	0	5.5%	9,914,037	67,662	250,000,000	5.29%	13,226,116	986,161	329,312	0	10,662,378	8,092,366	4.3%	4,585,000	439,547	110,245,752
7/1/2025-6/30/2026	7,492,563	0	5.5%	5,021,795	37,340	250,000,000	5.29%	13,226,116	986,161	329,312	0	10,877,572	8,416,061	4.1%	4,447,961	(266,743)	109,979,009
7/1/2026-6/30/2027	5,045,978	0	5.5%	2,709,772	19,329	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	11,087,264	8,752,704	4.0%	4,328,459	470,637	110,449,646
7/1/2027-6/30/2028	2,672,973	0	5.5%	467,282	7,943	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	11,299,272	9,102,812	4.0%	4,281,109	(150,215)	110,299,431
7/1/2028-6/30/2029	1,625,692	0	5.5%	0	1,168	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	11,526,168	9,466,924	4.0%	4,318,939	(710,169)	109,589,262
7/1/2029-6/30/2030	513,175	0	5.5%	0	0	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	11,775,504	9,845,601	4.2%	4,455,577	(1,202,712)	108,386,551
7/1/2030-6/30/2031	0	0	5.5%	0	0	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	12,017,597	10,239,425	4.4%	4,673,010	(1,621,196)	106,765,355
7/1/2031-6/30/2032	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	12,251,835	10,649,002	4.8%	4,959,790	(557,003)	106,208,352
7/1/2032-6/30/2033	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	12,478,349	11,074,962	5.1%	5,262,890	(906,377)	105,301,975
7/1/2033-6/30/2034	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	12,714,227	11,517,961	5.4%	5,487,624	(1,360,519)	103,941,456
7/1/2034-6/30/2035	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	12,970,008	11,978,679	5.6%	5,579,334	(1,985,309)	101,956,147
7/1/2035-6/30/2036	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	13,215,514	12,457,826	5.6%	5,507,864	(2,781,433)	99,174,714
7/1/2036-6/30/2037	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	115,633	0	13,451,286	12,956,139	5.6%	5,309,858	(2,505,976)	96,668,738
7/1/2037-6/30/2038	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	72,897	0	13,678,228	13,474,385	5.4%	5,018,259	(3,585,497)	93,083,241
7/1/2038-6/30/2039	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	66,823	0	13,914,183	14,013,360	5.6%	4,906,881	(4,477,880)	88,605,361
7/1/2039-6/30/2040	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	0	0	14,170,008	14,573,895	5.6%	4,633,784	(5,634,159)	82,971,202

Notes:

- (1) Based on active loan information from Cal-Mortgage
- (2) From Section III, Appendix, Page 9 (based on a 6.5% default rate)
- (3) Selected
- (4) = [(1) - (2)] x [1 - (3)]
- (5) Average of [Current and Prior Column(4)] x 0.5%
- (6) Provided by Cal-Mortgage
- (7) From Section III, Exhibit 6
- (8) = (6) x (7)

- (9) Issued Amount x (1 - % Refinanced) x 0.4%
- (10) From Section I, Exhibit 5
- (11) From Section I, Exhibit 3
- (12) From Section III, Appendix, Page 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 6/30/2010

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 Income	Certification and Inspection Fee Income	Resolved Loans	Payment on Current Default	(Including Pipeline)					Administrative Expenses
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)				
7/1/2009-6/30/2010				274,480,000	1,616,720	135,035,000		6,261,877	520,120								189,745,143
7/1/2010-6/30/2011	257,183,312	817,152	6.5%	239,702,360	1,285,456	198,000,000	5.29%	10,475,084	781,039	2,384,015	11,906,220	3,136,539	4,673,140	2.2%	4,096,990	(693,315)	189,051,828
7/1/2011-6/30/2012	240,471,596	553,509	5.5%	225,950,384	1,164,132	200,000,000	5.29%	10,580,893	788,928	3,026,015	11,888,645	6,355,839	4,860,066	2.4%	4,460,892	(3,083,689)	185,968,139
7/1/2012-6/30/2013	223,043,310	354,468	5.5%	209,145,682	1,087,740	200,000,000	5.29%	10,580,893	788,928	699,312	11,900,891	8,134,247	5,054,468	2.6%	4,696,577	(7,236,156)	178,731,983
7/1/2013-6/30/2014	205,608,725	236,623	5.5%	192,446,390	1,003,980	200,000,000	5.29%	10,580,893	788,928	519,312	11,872,238	9,467,094	5,256,647	3.0%	5,089,641	(8,613,224)	170,118,759
7/1/2014-6/30/2015	187,175,435	121,834	5.5%	174,911,798	918,395	200,000,000	5.29%	10,580,893	788,928	429,312	11,861,138	10,584,652	5,466,913	2.9%	4,743,784	(10,451,390)	159,667,369
7/1/2015-6/30/2016	168,270,994	61,247	5.5%	156,989,223	829,753	200,000,000	5.29%	10,580,893	788,928	429,312	11,845,838	11,177,571	5,685,589	3.1%	4,677,495	(11,402,616)	148,264,753
7/1/2016-6/30/2017	148,561,362	29,038	5.5%	138,336,180	738,314	225,000,000	5.29%	11,903,504	887,544	429,312	11,857,875	11,527,957	5,913,013	3.2%	4,483,094	(10,857,075)	137,407,678
7/1/2017-6/30/2018	127,889,577	4,624	5.5%	118,796,974	642,833	225,000,000	5.29%	11,903,504	887,544	429,312	11,848,125	11,697,878	6,149,533	3.4%	4,373,538	(11,458,804)	125,948,874
7/1/2018-6/30/2019	107,236,975	0	5.5%	99,280,265	545,193	225,000,000	5.29%	11,903,504	887,544	429,312	11,834,875	11,896,147	6,395,515	3.6%	4,269,840	(12,091,143)	113,867,731
7/1/2019-6/30/2020	86,868,910	0	5.5%	80,032,065	448,281	225,000,000	5.29%	11,903,504	887,544	429,312	11,822,000	12,121,143	6,651,335	3.9%	4,102,311	(12,823,525)	101,034,206
7/1/2020-6/30/2021	66,730,310	0	5.5%	61,001,466	352,584	225,000,000	5.29%	11,903,504	887,544	429,312	11,808,250	12,340,668	6,917,389	4.1%	3,810,383	(13,782,978)	87,251,228
7/1/2021-6/30/2022	47,483,245	0	5.5%	42,812,990	259,536	250,000,000	5.29%	13,226,116	986,161	329,312	7,989,875	12,568,441	7,194,084	4.3%	3,473,943	(9,477,333)	77,773,895
7/1/2022-6/30/2023	30,926,262	0	5.5%	27,166,640	174,949	250,000,000	5.29%	13,226,116	986,161	329,312	0	12,788,580	7,481,848	4.4%	3,281,864	(2,272,026)	75,501,870
7/1/2023-6/30/2024	20,327,504	0	5.5%	17,150,815	110,794	250,000,000	5.29%	13,226,116	986,161	329,312	0	13,041,009	7,781,122	4.4%	3,153,028	(3,016,720)	72,485,150
7/1/2024-6/30/2025	12,669,538	0	5.5%	9,914,037	67,662	250,000,000	5.29%	13,226,116	986,161	329,312	0	13,327,973	8,092,366	4.3%	2,939,967	(3,871,121)	68,614,029
7/1/2025-6/30/2026	7,492,563	0	5.5%	5,021,795	37,340	250,000,000	5.29%	13,226,116	986,161	329,312	0	13,596,964	8,416,061	4.1%	2,675,536	(4,758,561)	63,855,467
7/1/2026-6/30/2027	5,045,978	0	5.5%	2,709,772	19,329	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	13,859,080	8,752,704	4.0%	2,425,243	(4,204,395)	59,651,072
7/1/2027-6/30/2028	2,672,973	0	5.5%	467,282	7,943	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	14,124,090	9,102,812	4.0%	2,215,945	(5,040,197)	54,610,875
7/1/2028-6/30/2029	1,625,692	0	5.5%	0	1,168	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	14,407,711	9,466,924	4.0%	2,029,767	(5,880,882)	48,729,993
7/1/2029-6/30/2030	513,175	0	5.5%	0	0	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	14,719,380	9,845,601	4.2%	1,854,217	(6,747,948)	41,982,045
7/1/2030-6/30/2031	0	0	5.5%	0	0	275,000,000	5.29%	14,548,728	1,084,777	329,312	0	15,021,997	10,239,425	4.4%	1,657,708	(7,640,897)	34,341,148
7/1/2031-6/30/2032	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	15,314,794	10,649,002	4.8%	1,433,058	(7,146,694)	27,194,454
7/1/2032-6/30/2033	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	15,597,937	11,074,962	5.1%	1,150,834	(8,138,020)	19,056,434
7/1/2033-6/30/2034	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	15,892,783	11,517,961	5.4%	756,427	(9,270,273)	9,786,161
7/1/2034-6/30/2035	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	16,212,510	11,978,679	5.6%	244,131	(10,563,014)	(776,853)
7/1/2035-6/30/2036	0	0	5.5%	0	0	300,000,000	5.29%	15,871,339	1,183,393	329,312	0	16,519,393	12,457,826	5.6%	(370,157)	(11,963,332)	(12,740,185)
7/1/2036-6/30/2037	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	115,633	0	16,814,108	12,956,139	5.6%	(1,021,627)	(12,200,281)	(24,940,467)
7/1/2037-6/30/2038	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	72,897	0	17,097,785	13,474,385	5.4%	(1,681,618)	(13,704,931)	(38,645,398)
7/1/2038-6/30/2039	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	66,823	0	17,392,728	14,013,360	5.6%	(2,502,382)	(15,365,689)	(54,011,086)
7/1/2039-6/30/2040	0	0	5.5%	0	0	325,000,000	5.29%	17,193,951	1,282,009	0	0	17,712,510	14,573,895	5.6%	(3,381,674)	(17,192,119)	(71,203,205)

Notes:

- (1) Based on active loan information from Cal-Mortgage
- (2) From Section III, Appendix, Page 9 (based on a 6.5% default rate)
- (3) Selected
- (4) = [(1) - (2)] x [1 - (3)]
- (5) Average of [Current and Prior Column(4)] x 0.5%
- (6) Provided by Cal-Mortgage
- (7) From Section III, Exhibit 6
- (8) = (6) x (7)
- (9) Issued Amount x (1 - % Refinanced) x 0.4%
- (10) From Section I, Exhibit 5
- (11) From Section I, Exhibit 3
- (12) From Section III, Appendix, Page 8
- (13) 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 6/30/2010

	Based on Industry Loss Experience	Cal-Mortgage	
		Including Triad	Excluding Triad
(1) Selected Hospitals Default Rate	1.20%		
(2) Cal-Mortgage's Hospitals In-Force Original Loan Amount	1,123,714,359		
(3) Selected Nursing Homes Default Rate	12.00%		
(4) Cal-Mortgage's Nursing Homes In-Force Original Loan Amount	893,350,000		
(5) Combined Cal-Mortgage's Hospitals and Nursing Homes Default Rate	5.98%	5.20%	2.05%
(6) 2008 Selected Default Rate	6.75%		
(7) New Selected Default Rate	6.50%		
(8) Original Loan Amount Default as of 6/30/2010 - Expected vs. Actual	273,286,630	301,045,000	118,815,000

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)]
- (6) From Cal-Mortgage Analysis at 6/30/08
- (7) Selected
- (8) Based on (7) and Cal-Mortgage Data

Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program
Industry Countrywide Loss Experience - Hospitals
Selection of Ultimate Default Rate
As of 6/30/2010

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	1.22%	1.22%	1.22%	1.22%
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	1.08%	1.08%	1.08%	1.08%
1986	7,184,300	3.88%	3.88%	3.88%	3.88%
1987	11,121,100	1.92%	1.92%	1.92%	1.92%
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	2.81%	2.81%	2.81%	2.81%
1992	20,414,100	2.82%	2.82%	2.82%	2.82%
1993	29,001,500	1.96%	1.96%	1.96%	1.96%
1994	13,536,700	1.14%	1.15%	1.15%	1.15%
1995	11,442,100	0.51%	0.51%	0.52%	0.52%
1996	16,356,200	3.35%	3.43%	3.38%	3.41%
1997	22,036,300	0.92%	0.96%	0.97%	0.96%
1998	33,623,500	0.48%	0.51%	0.56%	0.53%
1999	21,678,800	0.08%	0.09%	0.18%	0.14%
2000	14,147,100	0.10%	0.11%	0.25%	0.18%
2001	20,193,300	0.02%	0.03%	0.23%	0.13%
2002	21,961,100	0.43%	0.55%	0.70%	0.70%
2003	25,228,700	1.20%	1.73%	1.57%	1.57%
2004	25,796,600			0.47%	0.47%
2005	34,263,900	0.31%	0.66%	0.95%	0.95%
2006	32,684,400	0.17%	0.48%	0.95%	0.95%
2007	41,004,000	1.71%	9.92%	2.71%	2.71%
2008	58,156,400			1.13%	
2009	43,771,800			1.19%	

Weighted Average All Years	1.06%
Weighted Average 1981-2003	1.24%
Weighted Average 1990-2007	1.30%
Arithmetic Average All Years	1.28%
Arithmetic Average 1981-2003	1.28%
Arithmetic Average 1990-2007	1.27%
Prior Selection	1.10%

(6) Selected Default Rate 1.20%

Notes:

- (1) From Thomson Reuters
- (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 6/30/2010

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	348	4,606,300	90,265	1.000	90,265	1.96%
1982	336	8,153,200	99,175	1.000	99,175	1.22%
1983	324	8,817,100	27,695	1.000	27,695	0.31%
1984	312	7,589,500	22,080	1.000	22,080	0.29%
1985	300	23,821,200	256,375	1.000	256,375	1.08%
1986	288	7,184,300	278,825	1.000	278,825	3.88%
1987	276	11,121,100	213,773	1.000	213,773	1.92%
1988	264	10,757,500	52,767	1.000	52,767	0.49%
1989	252	13,397,300	87,235	1.000	87,235	0.65%
1990	240	12,003,000	98,575	1.000	98,575	0.82%
1991	228	15,968,000	449,495	1.000	449,495	2.81%
1992	216	20,414,100	575,694	1.000	575,694	2.82%
1993	204	29,001,500	567,375	1.002	568,510	1.96%
1994	192	13,536,700	154,750	1.007	155,835	1.15%
1995	180	11,442,100	58,135	1.013	58,894	0.51%
1996	168	16,356,200	548,400	1.023	561,113	3.43%
1997	156	22,036,300	203,385	1.039	211,221	0.96%
1998	144	33,623,500	162,930	1.062	173,100	0.51%
1999	132	21,678,800	17,600	1.094	19,259	0.09%
2000	120	14,147,100	13,950	1.144	15,952	0.11%
2001	108	20,193,300	5,035	1.206	6,074	0.03%
2002	96	21,961,100	94,145	1.291	121,530	0.55%
2003	84	25,228,700	301,955	1.446	436,561	1.73%
2004	72	25,796,600	0	1.648		
2005	60	34,263,900	105,420	2.143	225,878	0.66%
2006	48	32,684,400	54,530	2.893	157,732	0.48%
2007	36	41,004,000	702,868	5.785	4,066,196	9.92%
2008	24	58,156,400	0	17.355		
2009	12	43,771,800	0	86.777		

Weighted Average 1981-2007	1.88%
Weighted Average 1990-2003	1.24%
Weighted Average 1986-2003	1.28%
Arithmetic Average 1981-2007	1.55%
Arithmetic Average 1990-2003	1.25%
Arithmetic Average 1986-2003	1.36%
Prior Selected	1.15%

(6) Selected A Priori Default Rate

Notes:

- (1) From Thomson Reuters
- (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 6/30/2010

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	1.20%	55,276	0.0%	0	55,276	90,265	90,265	1.96%
1982	8,153,200	1.20%	97,838	0.0%	0	97,838	99,175	99,175	1.22%
1983	8,817,100	1.20%	105,805	0.0%	0	105,805	27,695	27,695	0.31%
1984	7,589,500	1.20%	91,074	0.0%	0	91,074	22,080	22,080	0.29%
1985	23,821,200	1.20%	285,854	0.0%	0	285,854	256,375	256,375	1.08%
1986	7,184,300	1.20%	86,212	0.0%	0	86,212	278,825	278,825	3.88%
1987	11,121,100	1.20%	133,453	0.0%	0	133,453	213,773	213,773	1.92%
1988	10,757,500	1.20%	129,090	0.0%	0	129,090	52,767	52,767	0.49%
1989	13,397,300	1.20%	160,768	0.0%	0	160,768	87,235	87,235	0.65%
1990	12,003,000	1.20%	144,036	0.0%	0	144,036	98,575	98,575	0.82%
1991	15,968,000	1.20%	191,616	0.0%	0	191,616	449,495	449,495	2.81%
1992	20,414,100	1.20%	244,969	0.0%	0	244,969	575,694	575,694	2.82%
1993	29,001,500	1.20%	348,018	0.2%	695	347,323	567,375	568,070	1.96%
1994	13,536,700	1.20%	162,440	0.7%	1,131	161,310	154,750	155,881	1.15%
1995	11,442,100	1.20%	137,305	1.3%	1,769	135,536	58,135	59,904	0.52%
1996	16,356,200	1.20%	196,274	2.3%	4,447	191,827	548,400	552,847	3.38%
1997	22,036,300	1.20%	264,436	3.7%	9,811	254,625	203,385	213,196	0.97%
1998	33,623,500	1.20%	403,482	5.9%	23,704	379,778	162,930	186,634	0.56%
1999	21,678,800	1.20%	260,146	8.6%	22,415	237,730	17,600	40,015	0.18%
2000	14,147,100	1.20%	169,765	12.6%	21,308	148,457	13,950	35,258	0.25%
2001	20,193,300	1.20%	242,320	17.1%	41,462	200,857	5,035	46,497	0.23%
2002	21,961,100	1.20%	263,533	22.5%	59,383	204,151	94,145	153,528	0.70%
2003	25,228,700	1.20%	302,744	30.8%	93,346	209,398	301,955	395,301	1.57%
2004	25,796,600	1.20%	309,559	39.3%	121,742	187,818	0	121,742	0.47%
2005	34,263,900	1.20%	411,167	53.3%	219,270	191,897	105,420	324,690	0.95%
2006	32,684,400	1.20%	392,213	65.4%	256,620	135,593	54,530	311,150	0.95%
2007	41,004,000	1.20%	492,048	82.7%	406,994	85,054	702,868	1,109,862	2.71%
2008	58,156,400	1.20%	697,877	94.2%	657,666	40,211	0	657,666	1.13%
2009	43,771,800	1.20%	525,262	98.8%	519,209	6,053	0	519,209	1.19%
Total	608,715,000		7,304,580		2,460,972	4,843,608	5,242,432	7,703,404	1.27%

Notes:

- (1) From Thomson Reuters
- (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 6/30/2010

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	392,300	37.09%	37.09%	37.09%	37.09%
1982	838,700	40.17%	40.17%	40.17%	40.17%
1983	795,000	54.32%	54.32%	54.32%	54.32%
1984	739,700	40.11%	40.11%	40.11%	40.11%
1985	1,160,300	26.26%	26.26%	26.26%	26.26%
1986	772,800	24.40%	24.40%	24.40%	24.40%
1987	914,300	13.44%	13.44%	13.44%	13.44%
1988	1,451,700	8.57%	8.57%	8.57%	8.57%
1989	1,561,600	4.76%	4.76%	4.76%	4.76%
1990	1,678,600	10.60%	10.60%	10.60%	10.60%
1991	1,538,500	2.23%	2.23%	2.23%	2.23%
1992	2,429,300	5.01%	5.01%	5.01%	5.01%
1993	2,515,600	9.17%	9.19%	9.19%	9.19%
1994	2,427,400	11.48%	11.56%	11.56%	11.56%
1995	1,986,300	14.27%	14.46%	14.43%	14.44%
1996	3,040,500	10.33%	10.57%	10.60%	10.59%
1997	3,523,600	8.96%	9.31%	9.41%	9.36%
1998	5,077,800	9.05%	9.61%	9.75%	9.68%
1999	4,982,000	6.85%	7.50%	7.89%	7.69%
2000	2,876,400	5.42%	6.20%	6.93%	6.75%
2001	2,939,300	5.37%	6.48%	7.43%	7.19%
2002	3,760,300	3.18%	4.11%	5.89%	5.89%
2003	3,216,100	0.21%	0.31%	3.91%	3.91%
2004	3,112,700	4.90%	8.08%	9.62%	9.62%
2005	4,142,600	1.27%	2.72%	7.67%	5.20%
2006	6,010,800	1.00%	2.88%	8.85%	5.86%
2007	7,837,300	0.27%	1.59%	10.20%	5.89%
2008	2,481,600	1.20%	20.81%	12.51%	12.51%
2009	1,946,300			11.86%	10.00%

Weighted Average All Years	9.55%
Weighted Average 1981-2002	11.21%
Weighted Average 1990-2008	7.70%
Arithmetic Average All Years	14.22%
Arithmetic Average 1981-2002	16.33%
Arithmetic Average 1990-2008	8.06%
Prior Selection	13.00%

(6) Selected Default Rate 12.00%

Notes:

- (1) From Thomson Reuters
- (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 6/30/2010

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	348	392,300	145,510	1.000	145,510	37.09%
1982	336	838,700	336,905	1.000	336,905	40.17%
1983	324	795,000	431,865	1.000	431,865	54.32%
1984	312	739,700	296,730	1.000	296,730	40.11%
1985	300	1,160,300	304,695	1.000	304,695	26.26%
1986	288	772,800	188,525	1.000	188,525	24.40%
1987	276	914,300	122,905	1.000	122,905	13.44%
1988	264	1,451,700	124,475	1.000	124,475	8.57%
1989	252	1,561,600	74,310	1.000	74,310	4.76%
1990	240	1,678,600	177,945	1.000	177,945	10.60%
1991	228	1,538,500	34,275	1.000	34,275	2.23%
1992	216	2,429,300	121,650	1.000	121,650	5.01%
1993	204	2,515,600	230,606	1.002	231,067	9.19%
1994	192	2,427,400	278,695	1.007	280,649	11.56%
1995	180	1,986,300	283,515	1.013	287,215	14.46%
1996	168	3,040,500	314,154	1.023	321,437	10.57%
1997	156	3,523,600	315,725	1.039	327,890	9.31%
1998	144	5,077,800	459,511	1.062	488,192	9.61%
1999	132	4,982,000	341,430	1.094	373,623	7.50%
2000	120	2,876,400	155,980	1.144	178,368	6.20%
2001	108	2,939,300	157,970	1.206	190,579	6.48%
2002	96	3,760,300	119,630	1.291	154,428	4.11%
2003	84	3,216,100	6,865	1.446	9,925	0.31%
2004	72	3,112,700	152,640	1.648	251,580	8.08%
2005	60	4,142,600	52,640	2.143	112,789	2.72%
2006	48	6,010,800	59,830	2.893	173,063	2.88%
2007	36	7,837,300	21,483	5.785	124,282	1.59%
2008	24	2,481,600	29,760	17.355	516,498	20.81%
2009	12	1,946,300	0	86.777		

Weighted Average 1981-2008	8.60%
Weighted Average 1990-2004	7.60%
Weighted Average 1995-2008	6.38%
Arithmetic Average 1981-2008	14.01%
Arithmetic Average 1990-2004	7.68%
Arithmetic Average 1995-2008	6.45%
Prior Selected	12.50%
(6) Selected A Priori Default Rate	12.00%

Notes:

- (1) From Thomson Reuters
- (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 - Nursing Homes
Bornhuetter-Ferguson Method
As of 6/30/2010

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	12.00%	47,076	0.0%	0	47,076	145,510	145,510	37.09%
1982	838,700	12.00%	100,644	0.0%	0	100,644	336,905	336,905	40.17%
1983	795,000	12.00%	95,400	0.0%	0	95,400	431,865	431,865	54.32%
1984	739,700	12.00%	88,764	0.0%	0	88,764	296,730	296,730	40.11%
1985	1,160,300	12.00%	139,236	0.0%	0	139,236	304,695	304,695	26.26%
1986	772,800	12.00%	92,736	0.0%	0	92,736	188,525	188,525	24.40%
1987	914,300	12.00%	109,716	0.0%	0	109,716	122,905	122,905	13.44%
1988	1,451,700	12.00%	174,204	0.0%	0	174,204	124,475	124,475	8.57%
1989	1,561,600	12.00%	187,392	0.0%	0	187,392	74,310	74,310	4.76%
1990	1,678,600	12.00%	201,432	0.0%	0	201,432	177,945	177,945	10.60%
1991	1,538,500	12.00%	184,620	0.0%	0	184,620	34,275	34,275	2.23%
1992	2,429,300	12.00%	291,516	0.0%	0	291,516	121,650	121,650	5.01%
1993	2,515,600	12.00%	301,872	0.2%	603	301,269	230,606	231,209	9.19%
1994	2,427,400	12.00%	291,288	0.7%	2,028	289,260	278,695	280,723	11.56%
1995	1,986,300	12.00%	238,356	1.3%	3,071	235,285	283,515	286,586	14.43%
1996	3,040,500	12.00%	364,860	2.3%	8,267	356,593	314,154	322,421	10.60%
1997	3,523,600	12.00%	422,832	3.7%	15,687	407,145	315,725	331,412	9.41%
1998	5,077,800	12.00%	609,336	5.9%	35,798	573,538	459,511	495,309	9.75%
1999	4,982,000	12.00%	597,840	8.6%	51,513	546,327	341,430	392,943	7.89%
2000	2,876,400	12.00%	345,168	12.6%	43,324	301,844	155,980	199,304	6.93%
2001	2,939,300	12.00%	352,716	17.1%	60,352	292,364	157,970	218,322	7.43%
2002	3,760,300	12.00%	451,236	22.5%	101,678	349,558	119,630	221,308	5.89%
2003	3,216,100	12.00%	385,932	30.8%	118,995	266,937	6,865	125,860	3.91%
2004	3,112,700	12.00%	373,524	39.3%	146,897	226,627	152,640	299,537	9.62%
2005	4,142,600	12.00%	497,112	53.3%	265,104	232,008	52,640	317,744	7.67%
2006	6,010,800	12.00%	721,296	65.4%	471,935	249,361	59,830	531,765	8.85%
2007	7,837,300	12.00%	940,476	82.7%	777,909	162,567	21,483	799,392	10.20%
2008	2,481,600	12.00%	297,792	94.2%	280,634	17,158	29,760	310,394	12.51%
2009	1,946,300	12.00%	233,556	98.8%	230,865	2,691	0	230,865	11.86%
Total	76,149,400		9,137,928		2,614,658	6,523,270	5,340,224	7,954,882	10.45%

Notes:

- (1) From Thomson Reuters
- (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 (\$000s)
As of 6/30/2010

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	
1985	29,500	66,855	198,580	323,215	455,435	469,420	505,145	529,145	534,045	557,155	557,155	557,155	557,155	557,155	561,070	561,070	561,070	561,070	561,070	561,070	561,070	561,070	561,070	561,070	561,070	561,070	561,070
1986	0	16,265	70,470	110,330	115,670	120,470	126,300	132,170	149,100	416,735	416,735	420,880	463,660	463,660	467,350	467,350	467,350	467,350	467,350	467,350	467,350	467,350	467,350	467,350	467,350	467,350	467,350
1987	0	22,270	36,770	48,120	71,895	129,400	140,900	184,215	333,178	333,178	333,178	333,178	336,678	336,678	336,678	336,678	336,678	336,678	336,678	336,678	336,678	336,678	336,678	336,678	336,678	336,678	336,678
1988	6,815	19,385	66,805	102,330	124,830	165,997	165,997	165,997	165,997	172,797	172,797	177,242	177,242	177,242	177,242	177,242	177,242	177,242	177,242	177,242	177,242	177,242	177,242	177,242	177,242	177,242	177,242
1989	0	0	79,615	95,575	98,470	98,470	116,530	117,245	117,245	117,245	117,245	156,115	161,545	161,545	161,545	161,545	161,545	161,545	161,545	161,545	161,545	161,545	161,545	161,545	161,545	161,545	161,545
1990	0	29,805	50,605	142,590	153,670	203,385	217,730	217,730	217,730	252,920	252,920	252,920	276,520	276,520	276,520	276,520	276,520	276,520	276,520	276,520	276,520	276,520	276,520	276,520	276,520	276,520	276,520
1991	0	0	0	21,360	118,125	163,625	163,625	337,565	369,960	369,960	482,270	483,770	483,770	483,770	483,770	483,770	483,770	483,770	483,770	483,770	483,770	483,770	483,770	483,770	483,770	483,770	483,770
1992	0	167,354	171,054	171,054	171,054	185,649	229,104	399,274	411,129	423,914	552,454	687,619	697,344	697,344	697,344	697,344	697,344	697,344	697,344	697,344	697,344	697,344	697,344	697,344	697,344	697,344	697,344
1993	2,200	2,200	5,600	5,600	20,862	287,277	419,372	469,002	477,962	501,151	516,446	607,121	607,121	607,121	607,121	607,121	607,121	607,121	607,121	607,121	607,121	607,121	607,121	607,121	607,121	607,121	607,121
1994	6,250	6,250	49,435	49,435	49,435	64,270	284,070	292,070	372,070	382,570	389,790	393,790	393,790	393,790	393,790	393,790	393,790	393,790	393,790	393,790	393,790	393,790	393,790	393,790	393,790	393,790	393,790
1995	3,405	7,905	31,690	76,370	108,415	125,205	145,005	251,305	282,025	331,270	337,570	338,050	338,050	338,050	338,050	338,050	338,050	338,050	338,050	338,050	338,050	338,050	338,050	338,050	338,050	338,050	338,050
1996	0	7,795	323,565	485,784	507,764	601,184	642,329	805,234	809,559	809,559	809,559	856,914	862,554	862,554	862,554	862,554	862,554	862,554	862,554	862,554	862,554	862,554	862,554	862,554	862,554	862,554	862,554
1997	0	41,075	168,385	282,625	362,705	363,635	372,960	396,600	404,800	426,215	453,675	453,675	455,420	455,420	455,420	455,420	455,420	455,420	455,420	455,420	455,420	455,420	455,420	455,420	455,420	455,420	455,420
1998	102,385	139,700	292,806	405,236	449,591	493,941	515,251	525,656	562,671	562,671	574,321	574,321	622,441	622,441	622,441	622,441	622,441	622,441	622,441	622,441	622,441	622,441	622,441	622,441	622,441	622,441	622,441
1999	0	56,570	87,385	170,105	236,730	267,585	269,655	342,665	345,230	348,530	359,030	359,030	359,030	359,030	359,030	359,030	359,030	359,030	359,030	359,030	359,030	359,030	359,030	359,030	359,030	359,030	359,030
2000	0	0	7,745	114,810	134,310	155,980	155,980	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930	169,930
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	163,005
2002	0	0	8,715	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765	21,765
2003	0	156,700	156,700	163,565	214,770	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820	308,820
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	57,360
2005	0	0	9,800	61,730	143,935	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060	158,060
2006	0	0	29,115	99,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360	114,360
2007	0	42,966	574,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351	724,351
2008	0	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760	29,760
2009	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	0
2010	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	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
1985	2.266	2.970	1.628	1.409	1.031	1.076	1.048	1.009	1.043	1.000	1.000	1.000	1.000	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1986	4.374	1.851	1.309	1.494	1.048	1.041	1.045	1.028	1.095	1.000	1.010	1.002	1.000	1.008	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	1.851	1.651	1.309	1.494	1.048	1.041	1.045	1.028	1.095	1.000	1.010	1.002	1.000	1.008	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	1.220	1.330	1.000	1.000	1.041	1.000	1.026	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
1989	0	0	1.200	1.030	1.000	1.183	1.006	1.000	1.000	1.332	1.035	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	0	1.698	2.818	1.078	1.324	1.071	1.000	1.000	1.162	1.000	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
1991	0	0	5.530	1.385	1.000	2.063	1.000	1.096	1.000	1.304	1.003	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
1992	0	1.022	1.000	1.000	1.085	1.234	1.743	1.030	1.031	1.303	1.245	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
1993	1.000	2.545	1.000	3.725	13.770	1.462	1.117	1.019	1.049	1.031	1.176	1.000	1.000	1.109	1.077	1.100	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994	1.000	7.910	1.000	1.000	1.300	4.420	1.028	1.028	1.029	1.029	1.010	1.101	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	2.322	4.009	2.410	1.420	1.155	1.158	1.733	1.122	1.175	1.019	1.001	1.000	1.000	1.011	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	0	41.509	1.501	1.045	1.184	1.068	1.254	1.005	1.000	1.000	1.058	1.007	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	0	4.099	1.678	1.283	1.003	1.026	1.063	1.021	1.053	1.064	1.000	1.004	1.140													

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

**Estimate of Cal-Mortgage's Loss Severity
As of 6/30/2010**

Facility Type	Income Securities Advisors Data	Actual Cal-Mortgage Experience (Including Triad)	Actual Cal-Mortgage Experience (Excluding Triad)	Selected
	(1)	(2)	(3)	(4)
Hospitals	64.4%	N/A	N/A	N/A
Nursing Home	62.8%	N/A	N/A	N/A
Total	63.6%	59.3%	52.0%	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 6/30/2010**

Years From Default	Income Securities Advisors Data	Previous Selection	Selected
0	28.5%	30.0%	30.0%
1	62.7%	60.0%	60.0%
2	75.2%	75.0%	75.0%
3	85.0%	85.0%	85.0%
4	92.6%	95.0%	94.0%
5	96.8%	100.0%	98.0%
6	98.7%	100.0%	100.0%
7	99.3%	100.0%	100.0%
8	99.6%	100.0%	100.0%
9	99.8%	100.0%	100.0%
10	99.9%	100.0%	100.0%

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

Default 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	
1986	79,145	143,665	168,397	181,049	195,449	204,958	205,109	210,561	210,561	211,826	213,584	213,584	213,584	213,584	221,324	221,324	221,324	221,324	221,324	221,324	221,324	221,324	221,324	221,324	221,324	221,324
1987	68,751	98,104	122,921	168,206	175,382	201,248	204,848	207,998	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158	217,158
1988	28,000	109,713	132,553	140,351	150,717	159,206	161,832	170,196	173,255	176,141	176,141	176,141	176,141	176,141	176,141	176,141	176,141	186,891	186,891	186,891	186,891	186,891	186,891	190,259	190,259	190,259
1989	15,680	47,130	121,051	127,210	130,775	149,859	149,859	151,278	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370	156,370
1990	6,259	21,379	28,620	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884	39,884
1991	13,895	36,033	38,643	55,868	119,613	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560	125,560
1992	9,480	23,068	34,118	36,761	36,761	36,761	74,539	74,539	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639	77,639
1993	25,349	29,710	206,444	208,568	212,120	269,120	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790	275,790
1994	12,009	49,763	66,629	69,926	69,926	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863	72,863
1995	12,791	15,607	180,340	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500	182,500
1996	0	0	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821	32,821
1997	6,130	25,415	25,415	25,437	25,437	25,437	25,437	25,437	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262	26,262
1998	306,150	335,714	410,714	410,714	488,250	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207	567,207
1999	46,087	107,143	130,272	134,187	145,390	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645	150,645
2000	172,735	204,145	228,751	230,235	233,271	233,271	233,271	236,742	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682	239,682
2001	17,324	34,677	70,868	90,868	101,024	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267	103,267
2002	100,907	102,407	198,437	201,285	209,999	218,184	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057	254,057
2003	106,685	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090	168,090
2004	86,087	86,087	93,843	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753	97,753
2005	0	12,808	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748	37,748
2006	0	21,038	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805
2007	19,914	120,674	123,510	126,030																						
2008	29,680	33,756	33,756																							
2009	0	28,599																								
2010	0																									

Default 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-Ult
1986	1.815	1.172	1.075	1.080	1.049	1.001	1.027	1.000	1.008	1.008	1.000	1.000	1.000	1.036	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1987	1.427	1.253	1.368	1.043	1.147	1.018	1.015	1.044	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	3.918	1.208	1.059	1.074	1.056	1.016	1.052	1.018	1.017	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
1989	3.006	2.568	1.051	1.028	1.146	1.000	1.009	1.034	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
1990	3.416	1.339	1.394	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	1.000	1.000
1991	2.593	1.072	1.446	2.141	1.050	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
1992	2.433	1.479	1.077	1.000	1.000	2.028	1.000	1.042	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
1993	1.172	6.949	1.010	1.017	1.269	1.025	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
1994	4.144	1.339	1.049	1.000	1.042	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
1995	1.220	11.555	1.012	1.000	1.000	1.003	1.002	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			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	1.000	1.000	1.000
1997	4.146	1.000	1.001	1.000	1.000	1.032	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
1998	1.097	1.223	1.000	1.189	1.162	1.000	1.000	1.000	1.000	1.048	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
1999	2.325	1.216	1.030	1.083	1.036	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
2000	1.182	1.121	1.006	1.013	1.000	1.015	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	1.000	1.000	1.000	1.000	1.000
2001	2.002	2.044	1.282	1.112	1.022	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
2002	1.015	1.938	1.014	1.043	1.039	1.164	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
2003	1.576	1.000	1.000	1.000	1.000	1																			

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

**Historical Termination Rate
As of 6/30/2010**

Fiscal Year End	Outstanding Balance	Including Refinanced Loans		Excluding Refinanced Loans	
		Terminated Loans	Termination Rate	Terminated Loans	Termination Rate
2002	1,166,847,458	66,072,545	5.7%	no data	
2003	1,244,637,412	66,600,000	5.4%	62,425,000	5.0%
2004	1,329,588,053	112,540,000	8.5%	55,965,000	4.2%
2005	1,260,565,324	140,022,148	11.1%	83,782,148	6.6%
2006	1,254,779,406	43,985,000	3.5%	34,830,000	2.8%
2007	1,132,647,525	152,015,000	13.4%	139,530,000	12.3%
2008	1,374,064,775	67,057,777	4.9%	56,362,777	4.1%
2009	1,655,191,905	63,009,971	3.8%	63,009,971	3.8%
2010	1,735,067,632	16,220,755	0.9%	9,720,755	0.6%
Combined	12,153,389,490	727,523,197	6.0%	505,625,652	4.6%

Estimated Termination Rate

Fiscal Year	Termination Rate	Termination Rate
7/1/2010-7/1/2011	6.5%	5.0%
7/1/2011-6/30/2012 and subsequent	5.5%	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	62.0%	3.00%
Investment Grade	38.0%	1.85%
Combined		2.56%
Ratio of Principal & Interest to Principal for a 30-year Loan @ 5.5%		2.064
Effective Premium Rate as % of Principal		5.29%

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

Estimated Amount of Loan Default by Fiscal Year at 6.50% Default Rate - New Loans Insured
As of 6/30/10

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
7/1/1985-6/30/1986	210,620,000	6.50%	13,690,300	300	100%	7/1/2010-6/30/2011	11,326,393
7/1/1986-6/30/1987	287,629,000	6.50%	18,695,885	288	100%	7/1/2011-6/30/2012	11,625,247
7/1/1987-6/30/1988	164,845,000	6.50%	10,714,925	276	100%	7/1/2012-6/30/2013	12,085,225
7/1/1988-6/30/1989	291,840,000	6.50%	18,969,600	264	100%	7/1/2013-6/30/2014	12,513,415
7/1/1989-6/30/1990	285,070,000	6.50%	18,529,550	252	100%	7/1/2014-6/30/2015	12,393,328
7/1/1990-6/30/1991	502,627,148	6.50%	32,670,765	240	100%	7/1/2015-6/30/2016	12,687,246
7/1/1991-6/30/1992	340,350,000	6.50%	22,122,750	228	100%	7/1/2016-6/30/2017	12,642,991
7/1/1992-6/30/1993	425,234,203	6.50%	27,640,223	216	100%	7/1/2017-6/30/2018	12,984,211
7/1/1993-6/30/1994	269,577,356	6.50%	17,522,528	204	100%	7/1/2018-6/30/2019	13,231,387
7/1/1994-6/30/1995	86,855,000	6.50%	5,645,575	192	99%	7/1/2019-6/30/2020	13,540,127
7/1/1995-6/30/1996	122,845,000	6.50%	7,984,925	180	99%	7/1/2020-6/30/2021	13,768,880
7/1/1996-6/30/1997	96,845,000	6.50%	6,294,925	168	98%	7/1/2021-6/30/2022	14,009,820
7/1/1997-6/30/1998	288,615,000	6.50%	18,759,975	156	96%	7/1/2022-6/30/2023	14,229,838
7/1/1998-6/30/1999	30,100,000	6.50%	1,956,500	144	94%	7/1/2023-6/30/2024	14,576,320
7/1/1999-6/30/2000	135,160,000	6.50%	8,785,400	132	91%	7/1/2024-6/30/2025	14,949,505
7/1/2000-6/30/2001	153,995,000	6.50%	10,009,675	120	87%	7/1/2025-6/30/2026	15,177,733
7/1/2001-6/30/2002	183,335,000	6.50%	11,916,775	108	83%	7/1/2026-6/30/2027	15,480,564
7/1/2002-6/30/2003	157,890,000	6.50%	10,262,850	96	77%	7/1/2027-6/30/2028	15,746,863
7/1/2003-6/30/2004	198,201,000	6.50%	12,883,065	84	69%	7/1/2028-6/30/2029	16,104,438
7/1/2004-6/30/2005	47,200,000	6.50%	3,068,000	72	61%	7/1/2029-6/30/2030	16,496,919
7/1/2005-6/30/2006	68,565,000	6.50%	4,456,725	60	47%	7/1/2030-6/30/2031	16,783,507
7/1/2006-6/30/2007	26,224,359	6.50%	1,704,583	48	35%	7/1/2031-6/30/2032	17,103,326
7/1/2007-6/30/2008	332,810,000	6.50%	21,632,650	36	17%	7/1/2032-6/30/2033	17,368,879
7/1/2008-6/30/2009	354,360,000	6.50%	23,033,400	24	6%	7/1/2033-6/30/2034	17,729,438
7/1/2009-6/30/2010	135,035,000	6.50%	8,777,275	12	1%	7/1/2034-6/30/2035	18,121,919
7/1/2010-6/30/2011	198,000,000	6.50%	12,870,000	0	0%	7/1/2035-6/30/2036	18,408,507
7/1/2011-6/30/2012	200,000,000	6.50%	13,000,000	0	0%	7/1/2036-6/30/2037	18,728,326
7/1/2012-6/30/2013	200,000,000	6.50%	13,000,000	0	0%	7/1/2037-6/30/2038	18,993,879
7/1/2013-6/30/2014	200,000,000	6.50%	13,000,000	0	0%	7/1/2038-6/30/2039	19,354,438
7/1/2014-6/30/2015	200,000,000	6.50%	13,000,000	0	0%	7/1/2039-6/30/2040	19,746,919
7/1/2015-6/30/2016	200,000,000	6.50%	13,000,000	0	0%		
7/1/2016-6/30/2017	225,000,000	6.50%	14,625,000	0	0%		
7/1/2017-6/30/2018	225,000,000	6.50%	14,625,000	0	0%		
7/1/2018-6/30/2019	225,000,000	6.50%	14,625,000	0	0%		
7/1/2019-6/30/2020	225,000,000	6.50%	14,625,000	0	0%		
7/1/2020-6/30/2021	225,000,000	6.50%	14,625,000	0	0%		
7/1/2021-6/30/2022	250,000,000	6.50%	16,250,000	0	0%		
7/1/2022-6/30/2023	250,000,000	6.50%	16,250,000	0	0%		
7/1/2023-6/30/2024	250,000,000	6.50%	16,250,000	0	0%		
7/1/2024-6/30/2025	250,000,000	6.50%	16,250,000	0	0%		
7/1/2025-6/30/2026	250,000,000	6.50%	16,250,000	0	0%		
7/1/2026-6/30/2027	275,000,000	6.50%	17,875,000	0	0%		
7/1/2027-6/30/2028	275,000,000	6.50%	17,875,000	0	0%		
7/1/2028-6/30/2029	275,000,000	6.50%	17,875,000	0	0%		
7/1/2029-6/30/2030	275,000,000	6.50%	17,875,000	0	0%		
7/1/2030-6/30/2031	275,000,000	6.50%	17,875,000	0	0%		
7/1/2031-6/30/2032	300,000,000	6.50%	19,500,000	0	0%		
7/1/2032-6/30/2033	300,000,000	6.50%	19,500,000	0	0%		
7/1/2033-6/30/2034	300,000,000	6.50%	19,500,000	0	0%		
7/1/2034-6/30/2035	300,000,000	6.50%	19,500,000	0	0%		
7/1/2035-6/30/2036	300,000,000	6.50%	19,500,000	0	0%		
7/1/2036-6/30/2037	325,000,000	6.50%	21,125,000	0	0%		
7/1/2037-6/30/2038	325,000,000	6.50%	21,125,000	0	0%		
7/1/2038-6/30/2039	325,000,000	6.50%	21,125,000	0	0%		
7/1/2039-6/30/2040	325,000,000	6.50%	21,125,000	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 6.50% Default Rate
As of 6/30/10

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2010-6/30/2011	11,326,393	60.0%	6,795,836	2,038,751
7/1/2011-6/30/2012	11,625,247	60.0%	6,975,148	4,131,295
7/1/2012-6/30/2013	12,085,225	60.0%	7,251,135	5,287,260
7/1/2013-6/30/2014	12,513,415	60.0%	7,508,049	6,153,611
7/1/2014-6/30/2015	12,393,328	60.0%	7,435,997	6,880,024
7/1/2015-6/30/2016	12,687,246	60.0%	7,612,348	7,265,421
7/1/2016-6/30/2017	12,642,991	60.0%	7,585,795	7,493,172
7/1/2017-6/30/2018	12,984,211	60.0%	7,790,526	7,603,621
7/1/2018-6/30/2019	13,231,387	60.0%	7,938,832	7,732,496
7/1/2019-6/30/2020	13,540,127	60.0%	8,124,076	7,878,743
7/1/2020-6/30/2021	13,768,880	60.0%	8,261,328	8,021,434
7/1/2021-6/30/2022	14,009,820	60.0%	8,405,892	8,169,487
7/1/2022-6/30/2023	14,229,838	60.0%	8,537,903	8,312,577
7/1/2023-6/30/2024	14,576,320	60.0%	8,745,792	8,476,656
7/1/2024-6/30/2025	14,949,505	60.0%	8,969,703	8,663,182
7/1/2025-6/30/2026	15,177,733	60.0%	9,106,640	8,838,027
7/1/2026-6/30/2027	15,480,564	60.0%	9,288,338	9,008,402
7/1/2027-6/30/2028	15,746,863	60.0%	9,448,118	9,180,658
7/1/2028-6/30/2029	16,104,438	60.0%	9,662,663	9,365,012
7/1/2029-6/30/2030	16,496,919	60.0%	9,898,151	9,567,597
7/1/2030-6/30/2031	16,783,507	60.0%	10,070,104	9,764,298
7/1/2031-6/30/2032	17,103,326	60.0%	10,261,996	9,954,616
7/1/2032-6/30/2033	17,368,879	60.0%	10,421,327	10,138,659
7/1/2033-6/30/2034	17,729,438	60.0%	10,637,663	10,330,309
7/1/2034-6/30/2035	18,121,919	60.0%	10,873,151	10,538,131
7/1/2035-6/30/2036	18,408,507	60.0%	11,045,104	10,737,606
7/1/2036-6/30/2037	18,728,326	60.0%	11,236,996	10,929,170
7/1/2037-6/30/2038	18,993,879	60.0%	11,396,327	11,113,560
7/1/2038-6/30/2039	19,354,438	60.0%	11,612,663	11,305,273
7/1/2039-6/30/2040	19,746,919	60.0%	11,848,151	11,513,131

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

Estimated Amount of Loan Default by Fiscal Year at 6.50% Default Rate - No New Loans Insured
As of 6/30/10

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
7/1/1985-6/30/1986	210,620,000	6.50%	13,690,300	300	100%	7/1/2010-6/30/2011	11,178,082
7/1/1986-6/30/1987	287,629,000	6.50%	18,695,885	288	100%	7/1/2011-6/30/2012	10,882,195
7/1/1987-6/30/1988	164,845,000	6.50%	10,714,925	276	100%	7/1/2012-6/30/2013	9,853,073
7/1/1988-6/30/1989	291,840,000	6.50%	18,969,600	264	100%	7/1/2013-6/30/2014	8,041,620
7/1/1989-6/30/1990	285,070,000	6.50%	18,529,550	252	100%	7/1/2014-6/30/2015	6,341,798
7/1/1990-6/30/1991	502,627,148	6.50%	32,670,765	240	100%	7/1/2015-6/30/2016	4,818,011
7/1/1991-6/30/1992	340,350,000	6.50%	22,122,750	228	100%	7/1/2016-6/30/2017	3,643,629
7/1/1992-6/30/1993	425,234,203	6.50%	27,640,223	216	100%	7/1/2017-6/30/2018	2,830,690
7/1/1993-6/30/1994	269,577,356	6.50%	17,522,528	204	100%	7/1/2018-6/30/2019	2,181,917
7/1/1994-6/30/1995	86,855,000	6.50%	5,645,575	192	99%	7/1/2019-6/30/2020	1,615,983
7/1/1995-6/30/1996	122,845,000	6.50%	7,984,925	180	99%	7/1/2020-6/30/2021	1,135,728
7/1/1996-6/30/1997	96,845,000	6.50%	6,294,925	168	98%	7/1/2021-6/30/2022	772,473
7/1/1997-6/30/1998	288,615,000	6.50%	18,759,975	156	96%	7/1/2022-6/30/2023	497,373
7/1/1998-6/30/1999	30,100,000	6.50%	1,956,500	144	94%	7/1/2023-6/30/2024	333,017
7/1/1999-6/30/2000	135,160,000	6.50%	8,785,400	132	91%	7/1/2024-6/30/2025	209,529
7/1/2000-6/30/2001	153,995,000	6.50%	10,009,675	120	87%	7/1/2025-6/30/2026	89,556
7/1/2001-6/30/2002	183,335,000	6.50%	11,916,775	108	83%	7/1/2026-6/30/2027	17,520
7/1/2002-6/30/2003	157,890,000	6.50%	10,262,850	96	77%	7/1/2027-6/30/2028	0
7/1/2003-6/30/2004	198,201,000	6.50%	12,883,065	84	69%	7/1/2028-6/30/2029	0
7/1/2004-6/30/2005	47,200,000	6.50%	3,068,000	72	61%	7/1/2029-6/30/2030	0
7/1/2005-6/30/2006	68,565,000	6.50%	4,456,725	60	47%	7/1/2030-6/30/2031	0
7/1/2006-6/30/2007	26,224,359	6.50%	1,704,583	48	35%	7/1/2031-6/30/2032	0
7/1/2007-6/30/2008	332,810,000	6.50%	21,632,650	36	17%	7/1/2032-6/30/2033	0
7/1/2008-6/30/2009	354,360,000	6.50%	23,033,400	24	6%	7/1/2033-6/30/2034	0
7/1/2009-6/30/2010	135,035,000	6.50%	8,777,275	12	1%	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
						7/1/2038-6/30/2039	0
						7/1/2039-6/30/2040	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 6.50% Default Rate
As of 6/30/10

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2010-6/30/2011	11,178,082	60.0%	6,706,849	2,012,055
7/1/2011-6/30/2012	10,882,195	60.0%	6,529,317	3,970,850
7/1/2012-6/30/2013	9,853,073	60.0%	5,911,844	4,738,376
7/1/2013-6/30/2014	8,041,620	60.0%	4,824,972	4,871,127
7/1/2014-6/30/2015	6,341,798	60.0%	3,805,079	4,732,340
7/1/2015-6/30/2016	4,818,011	60.0%	2,890,807	4,179,608
7/1/2016-6/30/2017	3,643,629	60.0%	2,186,177	3,503,730
7/1/2017-6/30/2018	2,830,690	60.0%	1,698,414	2,780,814
7/1/2018-6/30/2019	2,181,917	60.0%	1,309,150	2,172,970
7/1/2019-6/30/2020	1,615,983	60.0%	969,590	1,665,877
7/1/2020-6/30/2021	1,135,728	60.0%	681,437	1,250,012
7/1/2021-6/30/2022	772,473	60.0%	463,484	917,950
7/1/2022-6/30/2023	497,373	60.0%	298,424	657,230
7/1/2023-6/30/2024	333,017	60.0%	199,810	460,734
7/1/2024-6/30/2025	209,529	60.0%	125,718	315,066
7/1/2025-6/30/2026	89,556	60.0%	53,733	202,012
7/1/2026-6/30/2027	17,520	60.0%	10,512	117,138
7/1/2027-6/30/2028	0	60.0%	0	62,975
7/1/2028-6/30/2029	0	60.0%	0	32,226
7/1/2029-6/30/2030	0	60.0%	0	14,912
7/1/2030-6/30/2031	0	60.0%	0	5,610
7/1/2031-6/30/2032	0	60.0%	0	1,495
7/1/2032-6/30/2033	0	60.0%	0	210
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
7/1/2038-6/30/2039	0	60.0%	0	0
7/1/2039-6/30/2040	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
As of 6/30/10

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
7/1/1985-6/30/1986	210,620,000	8.00%	16,849,600	300	100%	7/1/2010-6/30/2011	13,940,175
7/1/1986-6/30/1987	287,629,000	8.00%	23,010,320	288	100%	7/1/2011-6/30/2012	14,307,997
7/1/1987-6/30/1988	164,845,000	8.00%	13,187,600	276	100%	7/1/2012-6/30/2013	14,874,124
7/1/1988-6/30/1989	291,840,000	8.00%	23,347,200	264	100%	7/1/2013-6/30/2014	15,401,126
7/1/1989-6/30/1990	285,070,000	8.00%	22,805,600	252	100%	7/1/2014-6/30/2015	15,253,327
7/1/1990-6/30/1991	502,627,148	8.00%	40,210,172	240	100%	7/1/2015-6/30/2016	15,615,072
7/1/1991-6/30/1992	340,350,000	8.00%	27,228,000	228	100%	7/1/2016-6/30/2017	15,560,604
7/1/1992-6/30/1993	425,234,203	8.00%	34,018,736	216	100%	7/1/2017-6/30/2018	15,980,567
7/1/1993-6/30/1994	269,577,356	8.00%	21,566,188	204	100%	7/1/2018-6/30/2019	16,284,784
7/1/1994-6/30/1995	86,855,000	8.00%	6,948,400	192	99%	7/1/2019-6/30/2020	16,664,772
7/1/1995-6/30/1996	122,845,000	8.00%	9,827,600	180	99%	7/1/2020-6/30/2021	16,946,314
7/1/1996-6/30/1997	96,845,000	8.00%	7,747,600	168	98%	7/1/2021-6/30/2022	17,242,856
7/1/1997-6/30/1998	288,615,000	8.00%	23,089,200	156	96%	7/1/2022-6/30/2023	17,513,647
7/1/1998-6/30/1999	30,100,000	8.00%	2,408,000	144	94%	7/1/2023-6/30/2024	17,940,087
7/1/1999-6/30/2000	135,160,000	8.00%	10,812,800	132	91%	7/1/2024-6/30/2025	18,399,391
7/1/2000-6/30/2001	153,995,000	8.00%	12,319,600	120	87%	7/1/2025-6/30/2026	18,680,287
7/1/2001-6/30/2002	183,335,000	8.00%	14,666,800	108	83%	7/1/2026-6/30/2027	19,053,002
7/1/2002-6/30/2003	157,890,000	8.00%	12,631,200	96	77%	7/1/2027-6/30/2028	19,380,754
7/1/2003-6/30/2004	198,201,000	8.00%	15,856,080	84	69%	7/1/2028-6/30/2029	19,820,847
7/1/2004-6/30/2005	47,200,000	8.00%	3,776,000	72	61%	7/1/2029-6/30/2030	20,303,900
7/1/2005-6/30/2006	68,565,000	8.00%	5,485,200	60	47%	7/1/2030-6/30/2031	20,656,624
7/1/2006-6/30/2007	26,224,359	8.00%	2,097,949	48	35%	7/1/2031-6/30/2032	21,050,248
7/1/2007-6/30/2008	332,810,000	8.00%	26,624,800	36	17%	7/1/2032-6/30/2033	21,377,082
7/1/2008-6/30/2009	354,360,000	8.00%	28,348,800	24	6%	7/1/2033-6/30/2034	21,820,847
7/1/2009-6/30/2010	135,035,000	8.00%	10,802,800	12	1%	7/1/2034-6/30/2035	22,303,900
7/1/2010-6/30/2011	198,000,000	8.00%	15,840,000	0	0%	7/1/2035-6/30/2036	22,656,624
7/1/2011-6/30/2012	200,000,000	8.00%	16,000,000	0	0%	7/1/2036-6/30/2037	23,050,248
7/1/2012-6/30/2013	200,000,000	8.00%	16,000,000	0	0%	7/1/2037-6/30/2038	23,377,082
7/1/2013-6/30/2014	200,000,000	8.00%	16,000,000	0	0%	7/1/2038-6/30/2039	23,820,847
7/1/2014-6/30/2015	200,000,000	8.00%	16,000,000	0	0%	7/1/2039-6/30/2040	24,303,900
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%		
7/1/2038-6/30/2039	325,000,000	8.00%	26,000,000	0	0%		
7/1/2039-6/30/2040	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 6/30/10

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2010-6/30/2011	13,940,175	60.0%	8,364,105	2,509,232
7/1/2011-6/30/2012	14,307,997	60.0%	8,584,798	5,084,671
7/1/2012-6/30/2013	14,874,124	60.0%	8,924,474	6,507,397
7/1/2013-6/30/2014	15,401,126	60.0%	9,240,676	7,573,675
7/1/2014-6/30/2015	15,253,327	60.0%	9,151,996	8,467,722
7/1/2015-6/30/2016	15,615,072	60.0%	9,369,043	8,942,057
7/1/2016-6/30/2017	15,560,604	60.0%	9,336,363	9,222,365
7/1/2017-6/30/2018	15,980,567	60.0%	9,588,340	9,358,303
7/1/2018-6/30/2019	16,284,784	60.0%	9,770,870	9,516,918
7/1/2019-6/30/2020	16,664,772	60.0%	9,998,863	9,696,915
7/1/2020-6/30/2021	16,946,314	60.0%	10,167,788	9,872,534
7/1/2021-6/30/2022	17,242,856	60.0%	10,345,713	10,054,753
7/1/2022-6/30/2023	17,513,647	60.0%	10,508,188	10,230,864
7/1/2023-6/30/2024	17,940,087	60.0%	10,764,052	10,432,807
7/1/2024-6/30/2025	18,399,391	60.0%	11,039,634	10,662,378
7/1/2025-6/30/2026	18,680,287	60.0%	11,208,172	10,877,572
7/1/2026-6/30/2027	19,053,002	60.0%	11,431,801	11,087,264
7/1/2027-6/30/2028	19,380,754	60.0%	11,628,453	11,299,272
7/1/2028-6/30/2029	19,820,847	60.0%	11,892,508	11,526,168
7/1/2029-6/30/2030	20,303,900	60.0%	12,182,340	11,775,504
7/1/2030-6/30/2031	20,656,624	60.0%	12,393,974	12,017,597
7/1/2031-6/30/2032	21,050,248	60.0%	12,630,149	12,251,835
7/1/2032-6/30/2033	21,377,082	60.0%	12,826,249	12,478,349
7/1/2033-6/30/2034	21,820,847	60.0%	13,092,508	12,714,227
7/1/2034-6/30/2035	22,303,900	60.0%	13,382,340	12,970,008
7/1/2035-6/30/2036	22,656,624	60.0%	13,593,974	13,215,514
7/1/2036-6/30/2037	23,050,248	60.0%	13,830,149	13,451,286
7/1/2037-6/30/2038	23,377,082	60.0%	14,026,249	13,678,228
7/1/2038-6/30/2039	23,820,847	60.0%	14,292,508	13,914,183
7/1/2039-6/30/2040	24,303,900	60.0%	14,582,340	14,170,008

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 6/30/10

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
7/1/1985-6/30/1986	210,620,000	10.00%	21,062,000	300	100%	7/1/2010-6/30/2011	17,425,219
7/1/1986-6/30/1987	287,629,000	10.00%	28,762,900	288	100%	7/1/2011-6/30/2012	17,884,996
7/1/1987-6/30/1988	164,845,000	10.00%	16,484,500	276	100%	7/1/2012-6/30/2013	18,592,655
7/1/1988-6/30/1989	291,840,000	10.00%	29,184,000	264	100%	7/1/2013-6/30/2014	19,251,407
7/1/1989-6/30/1990	285,070,000	10.00%	28,507,000	252	100%	7/1/2014-6/30/2015	19,066,658
7/1/1990-6/30/1991	502,627,148	10.00%	50,262,715	240	100%	7/1/2015-6/30/2016	19,518,840
7/1/1991-6/30/1992	340,350,000	10.00%	34,035,000	228	100%	7/1/2016-6/30/2017	19,450,755
7/1/1992-6/30/1993	425,234,203	10.00%	42,523,420	216	100%	7/1/2017-6/30/2018	19,975,709
7/1/1993-6/30/1994	269,577,356	10.00%	26,957,736	204	100%	7/1/2018-6/30/2019	20,355,980
7/1/1994-6/30/1995	86,855,000	10.00%	8,685,500	192	99%	7/1/2019-6/30/2020	20,830,965
7/1/1995-6/30/1996	122,845,000	10.00%	12,284,500	180	99%	7/1/2020-6/30/2021	21,182,892
7/1/1996-6/30/1997	96,845,000	10.00%	9,684,500	168	98%	7/1/2021-6/30/2022	21,553,570
7/1/1997-6/30/1998	288,615,000	10.00%	28,861,500	156	96%	7/1/2022-6/30/2023	21,892,058
7/1/1998-6/30/1999	30,100,000	10.00%	3,010,000	144	94%	7/1/2023-6/30/2024	22,425,108
7/1/1999-6/30/2000	135,160,000	10.00%	13,516,000	132	91%	7/1/2024-6/30/2025	22,999,238
7/1/2000-6/30/2001	153,995,000	10.00%	15,399,500	120	87%	7/1/2025-6/30/2026	23,350,359
7/1/2001-6/30/2002	183,335,000	10.00%	18,333,500	108	83%	7/1/2026-6/30/2027	23,816,253
7/1/2002-6/30/2003	157,890,000	10.00%	15,789,000	96	77%	7/1/2027-6/30/2028	24,225,943
7/1/2003-6/30/2004	198,201,000	10.00%	19,820,100	84	69%	7/1/2028-6/30/2029	24,776,058
7/1/2004-6/30/2005	47,200,000	10.00%	4,720,000	72	61%	7/1/2029-6/30/2030	25,379,875
7/1/2005-6/30/2006	68,565,000	10.00%	6,856,500	60	47%	7/1/2030-6/30/2031	25,820,780
7/1/2006-6/30/2007	26,224,359	10.00%	2,622,436	48	35%	7/1/2031-6/30/2032	26,312,810
7/1/2007-6/30/2008	332,810,000	10.00%	33,281,000	36	17%	7/1/2032-6/30/2033	26,721,352
7/1/2008-6/30/2009	354,360,000	10.00%	35,436,000	24	6%	7/1/2033-6/30/2034	27,276,058
7/1/2009-6/30/2010	135,035,000	10.00%	13,503,500	12	1%	7/1/2034-6/30/2035	27,879,875
7/1/2010-6/30/2011	198,000,000	10.00%	19,800,000	0	0%	7/1/2035-6/30/2036	28,320,780
7/1/2011-6/30/2012	200,000,000	10.00%	20,000,000	0	0%	7/1/2036-6/30/2037	28,812,810
7/1/2012-6/30/2013	200,000,000	10.00%	20,000,000	0	0%	7/1/2037-6/30/2038	29,221,352
7/1/2013-6/30/2014	200,000,000	10.00%	20,000,000	0	0%	7/1/2038-6/30/2039	29,776,058
7/1/2014-6/30/2015	200,000,000	10.00%	20,000,000	0	0%	7/1/2039-6/30/2040	30,379,875
7/1/2015-6/30/2016	200,000,000	10.00%	20,000,000	0	0%		
7/1/2016-6/30/2017	225,000,000	10.00%	22,500,000	0	0%		
7/1/2017-6/30/2018	225,000,000	10.00%	22,500,000	0	0%		
7/1/2018-6/30/2019	225,000,000	10.00%	22,500,000	0	0%		
7/1/2019-6/30/2020	225,000,000	10.00%	22,500,000	0	0%		
7/1/2020-6/30/2021	225,000,000	10.00%	22,500,000	0	0%		
7/1/2021-6/30/2022	250,000,000	10.00%	25,000,000	0	0%		
7/1/2022-6/30/2023	250,000,000	10.00%	25,000,000	0	0%		
7/1/2023-6/30/2024	250,000,000	10.00%	25,000,000	0	0%		
7/1/2024-6/30/2025	250,000,000	10.00%	25,000,000	0	0%		
7/1/2025-6/30/2026	250,000,000	10.00%	25,000,000	0	0%		
7/1/2026-6/30/2027	275,000,000	10.00%	27,500,000	0	0%		
7/1/2027-6/30/2028	275,000,000	10.00%	27,500,000	0	0%		
7/1/2028-6/30/2029	275,000,000	10.00%	27,500,000	0	0%		
7/1/2029-6/30/2030	275,000,000	10.00%	27,500,000	0	0%		
7/1/2030-6/30/2031	275,000,000	10.00%	27,500,000	0	0%		
7/1/2031-6/30/2032	300,000,000	10.00%	30,000,000	0	0%		
7/1/2032-6/30/2033	300,000,000	10.00%	30,000,000	0	0%		
7/1/2033-6/30/2034	300,000,000	10.00%	30,000,000	0	0%		
7/1/2034-6/30/2035	300,000,000	10.00%	30,000,000	0	0%		
7/1/2035-6/30/2036	300,000,000	10.00%	30,000,000	0	0%		
7/1/2036-6/30/2037	325,000,000	10.00%	32,500,000	0	0%		
7/1/2037-6/30/2038	325,000,000	10.00%	32,500,000	0	0%		
7/1/2038-6/30/2039	325,000,000	10.00%	32,500,000	0	0%		
7/1/2039-6/30/2040	325,000,000	10.00%	32,500,000	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 10.00% Default Rate
As of 6/30/10**

Fiscal Year	Estimated Amount of Loan Default	Estimated Loss Severity	Estimated Total Amount of Loss	Projected Loss Payment
7/1/2010-6/30/2011	17,425,219	60.0%	10,455,132	3,136,539
7/1/2011-6/30/2012	17,884,996	60.0%	10,730,998	6,355,839
7/1/2012-6/30/2013	18,592,655	60.0%	11,155,593	8,134,247
7/1/2013-6/30/2014	19,251,407	60.0%	11,550,844	9,467,094
7/1/2014-6/30/2015	19,066,658	60.0%	11,439,995	10,584,652
7/1/2015-6/30/2016	19,518,840	60.0%	11,711,304	11,177,571
7/1/2016-6/30/2017	19,450,755	60.0%	11,670,453	11,527,957
7/1/2017-6/30/2018	19,975,709	60.0%	11,985,425	11,697,878
7/1/2018-6/30/2019	20,355,980	60.0%	12,213,588	11,896,147
7/1/2019-6/30/2020	20,830,965	60.0%	12,498,579	12,121,143
7/1/2020-6/30/2021	21,182,892	60.0%	12,709,735	12,340,668
7/1/2021-6/30/2022	21,553,570	60.0%	12,932,142	12,568,441
7/1/2022-6/30/2023	21,892,058	60.0%	13,135,235	12,788,580
7/1/2023-6/30/2024	22,425,108	60.0%	13,455,065	13,041,009
7/1/2024-6/30/2025	22,999,238	60.0%	13,799,543	13,327,973
7/1/2025-6/30/2026	23,350,359	60.0%	14,010,215	13,596,964
7/1/2026-6/30/2027	23,816,253	60.0%	14,289,752	13,859,080
7/1/2027-6/30/2028	24,225,943	60.0%	14,535,566	14,124,090
7/1/2028-6/30/2029	24,776,058	60.0%	14,865,635	14,407,711
7/1/2029-6/30/2030	25,379,875	60.0%	15,227,925	14,719,380
7/1/2030-6/30/2031	25,820,780	60.0%	15,492,468	15,021,997
7/1/2031-6/30/2032	26,312,810	60.0%	15,787,686	15,314,794
7/1/2032-6/30/2033	26,721,352	60.0%	16,032,811	15,597,937
7/1/2033-6/30/2034	27,276,058	60.0%	16,365,635	15,892,783
7/1/2034-6/30/2035	27,879,875	60.0%	16,727,925	16,212,510
7/1/2035-6/30/2036	28,320,780	60.0%	16,992,468	16,519,393
7/1/2036-6/30/2037	28,812,810	60.0%	17,287,686	16,814,108
7/1/2037-6/30/2038	29,221,352	60.0%	17,532,811	17,097,785
7/1/2038-6/30/2039	29,776,058	60.0%	17,865,635	17,392,728
7/1/2039-6/30/2040	30,379,875	60.0%	18,227,925	17,712,510

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

**Estimated Amount of Loan Default by Fiscal Year at 6.50% Default Rate - Annual-Premium Loans Only
As of 6/30/10**

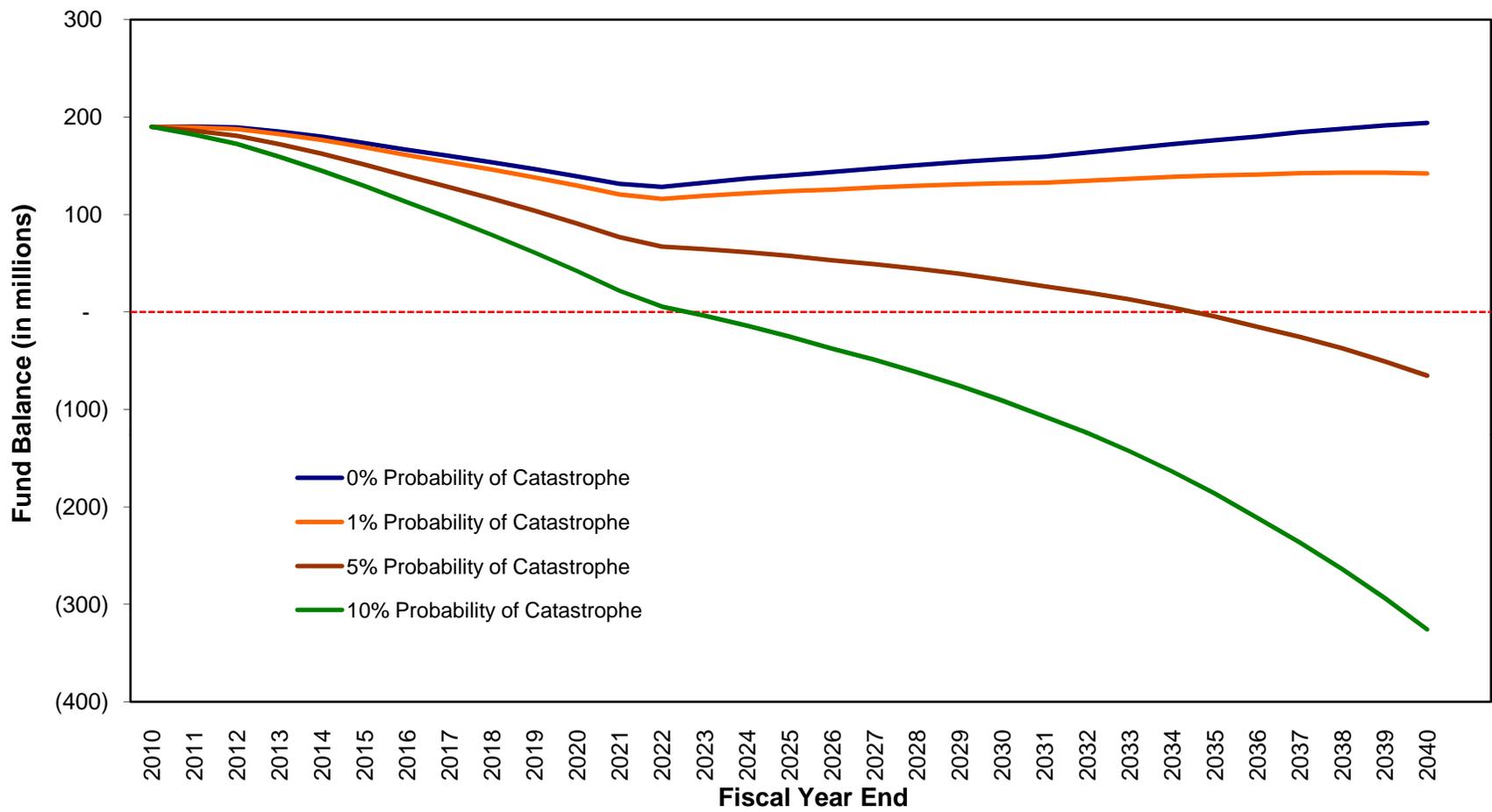
Issue Year	Total Annual Premium Loans Insured	Selected Default Rate	Estimated Default Original Loan Amount	Age	Reported Factor	Fiscal Year	Estimated Amount of Loan Default by FY
7/1/1983-6/30/1984	159,700,000	6.50%	10,380,500	324	100%	7/1/2010-6/30/2011	817,152
7/1/1984-6/30/1985	151,784,000	6.50%	9,865,960	312	100%	7/1/2011-6/30/2012	553,509
7/1/1985-6/30/1986	210,620,000	6.50%	13,690,300	300	100%	7/1/2012-6/30/2013	354,468
7/1/1986-6/30/1987	287,629,000	6.50%	18,695,885	288	100%	7/1/2013-6/30/2014	236,623
7/1/1987-6/30/1988	164,845,000	6.50%	10,714,925	276	100%	7/1/2014-6/30/2015	121,834
7/1/1988-6/30/1989	291,840,000	6.50%	18,969,600	264	100%	7/1/2015-6/30/2016	61,247
7/1/1989-6/30/1990	285,070,000	6.50%	18,529,550	252	100%	7/1/2016-6/30/2017	29,038
7/1/1990-6/30/1991	502,627,148	6.50%	32,670,765	240	100%	7/1/2017-6/30/2018	4,624
7/1/1991-6/30/1992	340,350,000	6.50%	22,122,750	228	100%	7/1/2018-6/30/2019	0
7/1/1992-6/30/1993	425,234,203	6.50%	27,640,223	216	100%	7/1/2019-6/30/2020	0
7/1/1993-6/30/1994	269,577,356	6.50%	17,522,528	204	100%	7/1/2020-6/30/2021	0
7/1/1994-6/30/1995	86,855,000	6.50%	5,645,575	192	99%	7/1/2021-6/30/2022	0
7/1/1995-6/30/1996	122,845,000	6.50%	7,984,925	180	99%	7/1/2022-6/30/2023	0
7/1/1996-6/30/1997	96,845,000	6.50%	6,294,925	168	98%	7/1/2023-6/30/2024	0
7/1/1997-6/30/1998	288,615,000	6.50%	18,759,975	156	96%	7/1/2024-6/30/2025	0
7/1/1998-6/30/1999	30,100,000	6.50%	1,956,500	144	94%	7/1/2025-6/30/2026	0
7/1/1999-6/30/2000	135,160,000	6.50%	8,785,400	132	91%	7/1/2026-6/30/2027	0
7/1/2000-6/30/2001	35,640,000	6.50%	2,316,600	120	87%	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
7/1/2009-6/30/2010	189,745,143	189,745,143	189,745,143	189,745,143
7/1/2010-6/30/2011	190,102,329	189,262,675	185,932,412	181,763,132
7/1/2011-6/30/2012	189,237,862	187,536,588	180,813,214	172,365,083
7/1/2012-6/30/2013	184,915,649	182,349,623	172,086,498	159,270,763
7/1/2013-6/30/2014	179,791,087	176,305,461	162,402,761	145,025,838
7/1/2014-6/30/2015	173,328,915	168,913,758	151,236,945	129,173,849
7/1/2015-6/30/2016	166,266,919	160,868,300	139,337,448	112,390,965
7/1/2016-6/30/2017	160,033,608	153,620,743	128,072,641	96,095,649
7/1/2017-6/30/2018	153,450,707	146,003,196	116,233,984	78,960,535
7/1/2018-6/30/2019	146,547,030	137,998,183	103,795,295	60,967,731
7/1/2019-6/30/2020	139,262,847	129,567,365	90,656,264	41,947,367
7/1/2020-6/30/2021	131,410,325	120,458,551	76,581,160	21,693,645
7/1/2021-6/30/2022	128,266,835	115,979,540	66,870,738	5,450,559
7/1/2022-6/30/2023	132,713,531	119,096,946	64,459,934	(3,824,832)
7/1/2023-6/30/2024	136,791,878	121,750,563	61,375,372	(14,056,218)
7/1/2024-6/30/2025	140,365,043	123,855,598	57,598,836	(25,225,647)
7/1/2025-6/30/2026	143,366,089	125,347,466	53,025,860	(37,437,106)
7/1/2026-6/30/2027	147,238,916	127,668,372	49,058,701	(49,175,245)
7/1/2027-6/30/2028	150,644,802	129,469,601	44,480,693	(61,858,256)
7/1/2028-6/30/2029	153,698,540	130,832,166	39,109,310	(75,735,911)
7/1/2029-6/30/2030	156,524,136	131,859,614	33,026,524	(90,778,349)
7/1/2030-6/30/2031	159,271,234	132,634,146	26,168,916	(107,344,733)
7/1/2031-6/30/2032	163,470,782	134,711,998	19,917,899	(124,216,314)
7/1/2032-6/30/2033	167,758,298	136,709,879	12,784,144	(142,847,311)
7/1/2033-6/30/2034	172,053,161	138,538,582	4,611,534	(163,588,393)
7/1/2034-6/30/2035	176,174,991	139,983,629	(4,681,248)	(186,379,096)
7/1/2035-6/30/2036	179,924,505	140,878,374	(15,186,715)	(211,103,229)
7/1/2036-6/30/2037	184,306,566	142,279,850	(25,619,250)	(236,449,491)
7/1/2037-6/30/2038	187,936,138	142,823,913	(37,416,320)	(263,725,600)
7/1/2038-6/30/2039	191,224,627	142,796,554	(50,645,757)	(293,489,149)
7/1/2039-6/30/2040	193,822,620	141,893,745	(65,500,845)	(325,828,989)

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



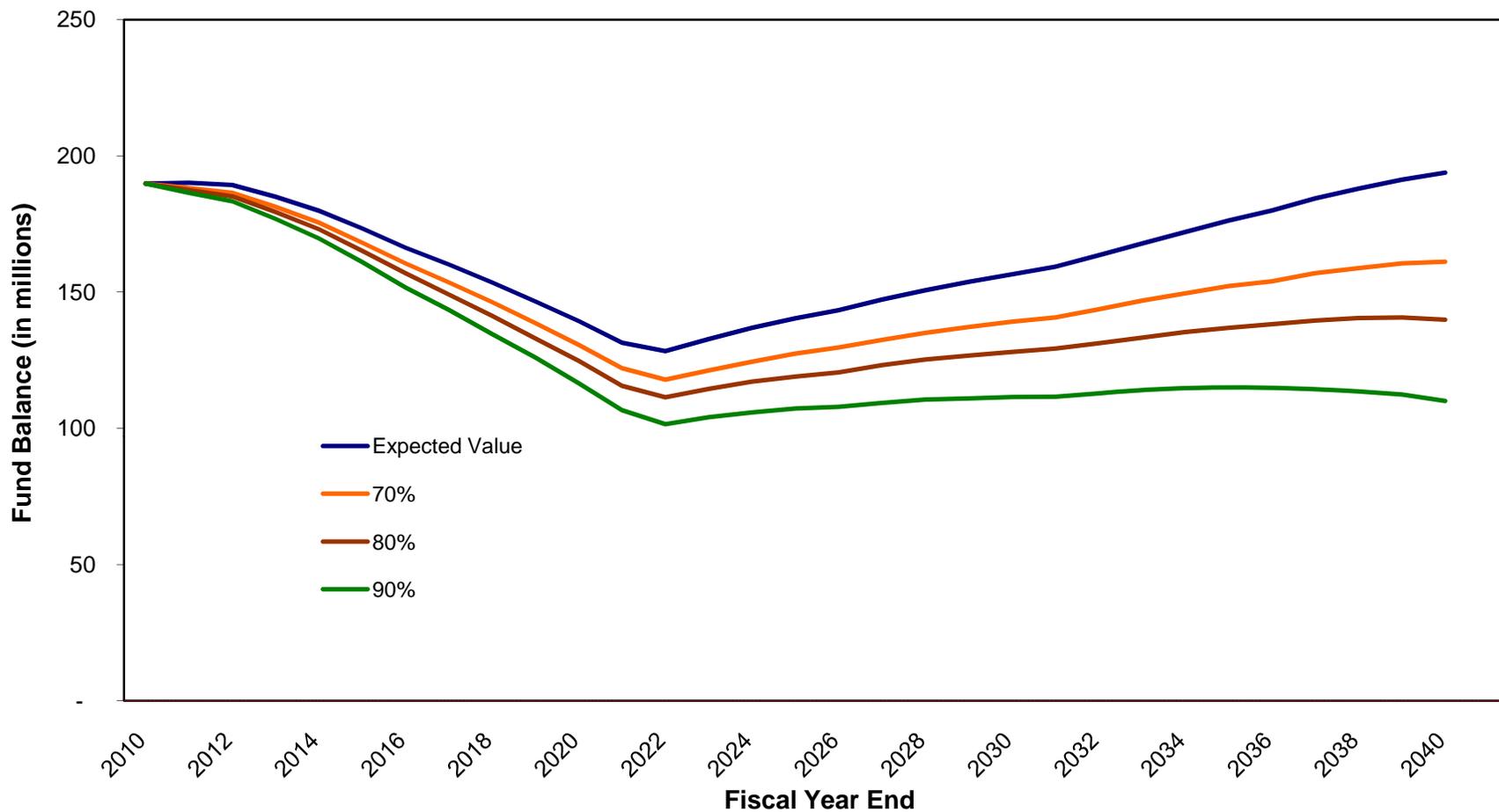
Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Projected Fiscal Year End Fund Balance
0% Probability of Catastrophe

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2009-6/30/2010	189,745,143	189,745,143	189,745,143	189,745,143
7/1/2010-6/30/2011	190,102,329	188,174,892	187,393,574	186,350,243
7/1/2011-6/30/2012	189,237,862	186,425,430	185,112,582	183,307,037
7/1/2012-6/30/2013	184,915,649	181,299,997	179,341,624	176,855,751
7/1/2013-6/30/2014	179,791,087	175,420,745	173,024,090	169,602,983
7/1/2014-6/30/2015	173,328,915	168,136,531	165,079,687	160,967,807
7/1/2015-6/30/2016	166,266,919	160,504,197	156,880,223	151,610,177
7/1/2016-6/30/2017	160,033,608	153,523,125	149,060,366	143,421,939
7/1/2017-6/30/2018	153,450,707	146,349,150	141,255,010	134,611,442
7/1/2018-6/30/2019	146,547,030	138,585,434	132,978,099	125,895,248
7/1/2019-6/30/2020	139,262,847	130,566,656	124,699,292	116,500,276
7/1/2020-6/30/2021	131,410,325	122,029,583	115,570,582	106,638,945
7/1/2021-6/30/2022	128,266,835	117,799,730	111,334,738	101,466,600
7/1/2022-6/30/2023	132,713,531	121,207,923	114,395,646	104,017,315
7/1/2023-6/30/2024	136,791,878	124,426,801	117,093,295	105,733,488
7/1/2024-6/30/2025	140,365,043	127,397,204	118,918,579	107,227,035
7/1/2025-6/30/2026	143,366,089	129,600,755	120,460,705	107,827,490
7/1/2026-6/30/2027	147,238,916	132,440,115	123,180,569	109,290,593
7/1/2027-6/30/2028	150,644,802	134,970,761	125,199,686	110,517,496
7/1/2028-6/30/2029	153,698,540	137,110,379	126,609,244	110,900,617
7/1/2029-6/30/2030	156,524,136	139,117,196	127,959,977	111,416,160
7/1/2030-6/30/2031	159,271,234	140,638,787	129,239,176	111,533,111
7/1/2031-6/30/2032	163,470,782	143,615,700	131,149,635	112,807,192
7/1/2032-6/30/2033	167,758,298	146,855,661	133,267,360	113,894,722
7/1/2033-6/30/2034	172,053,161	149,524,700	135,269,070	114,699,269
7/1/2034-6/30/2035	176,174,991	152,179,111	136,860,678	115,034,273
7/1/2035-6/30/2036	179,924,505	153,947,229	138,164,900	114,691,415
7/1/2036-6/30/2037	184,306,566	156,913,004	139,497,948	114,300,175
7/1/2037-6/30/2038	187,936,138	158,768,938	140,468,709	113,469,689
7/1/2038-6/30/2039	191,224,627	160,438,691	140,639,087	112,329,590
7/1/2039-6/30/2040	193,822,620	161,106,516	139,859,309	110,025,980

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

0% Probability of Catastrophe



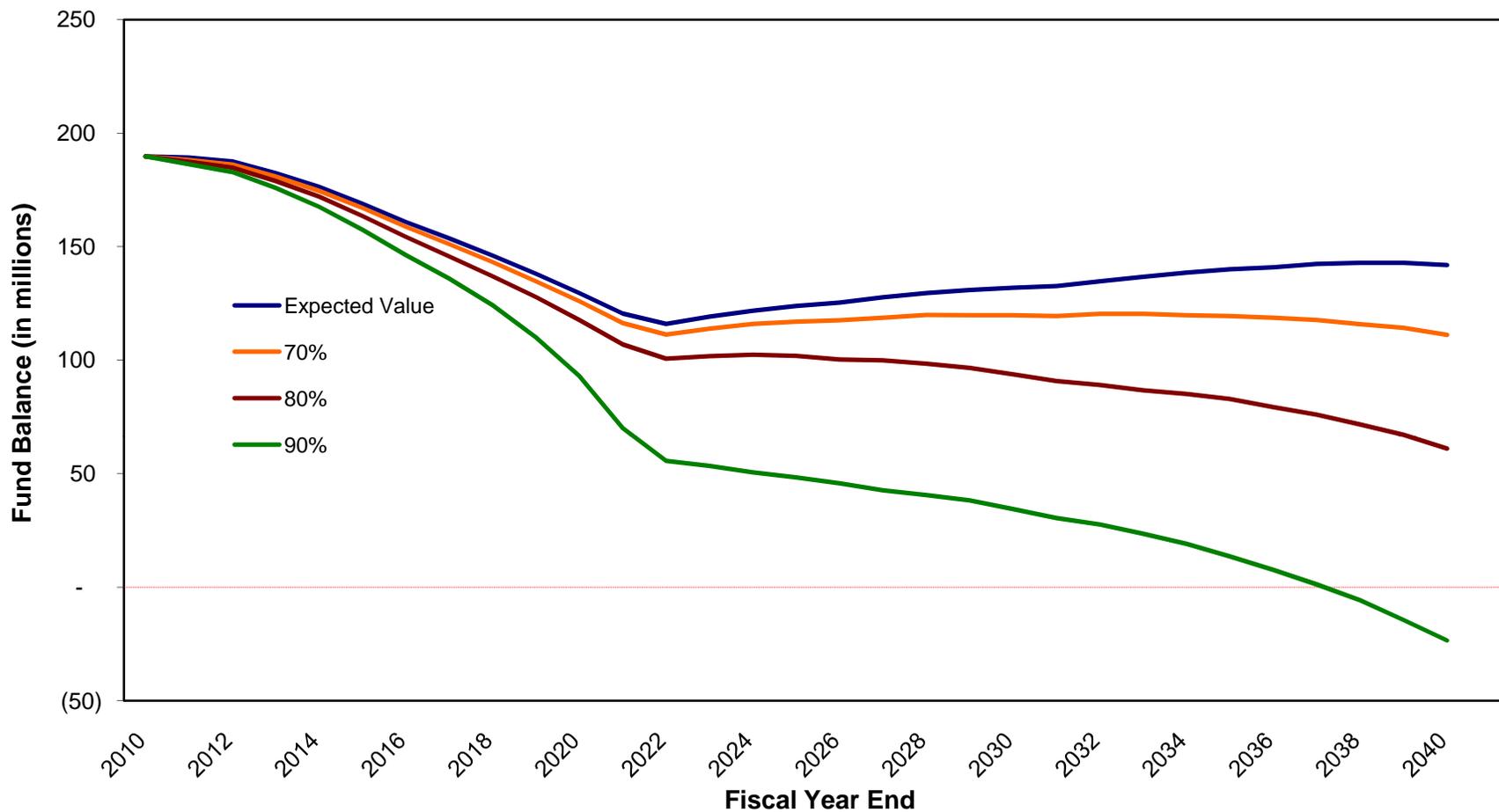
Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Projected Fiscal Year End Fund Balance
1% Probability of Catastrophe

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2009-6/30/2010	189,745,143	189,745,143	189,745,143	189,745,143
7/1/2010-6/30/2011	189,262,675	188,119,928	187,346,348	186,244,717
7/1/2011-6/30/2012	187,536,588	186,186,797	184,776,245	182,839,178
7/1/2012-6/30/2013	182,349,623	180,871,325	178,811,797	175,734,783
7/1/2013-6/30/2014	176,305,461	174,574,279	171,934,986	167,504,819
7/1/2014-6/30/2015	168,913,758	167,068,693	163,454,918	157,413,859
7/1/2015-6/30/2016	160,868,300	158,712,857	154,303,587	146,276,207
7/1/2016-6/30/2017	153,620,743	151,084,388	145,673,918	135,924,468
7/1/2017-6/30/2018	146,003,196	143,157,520	136,952,662	124,173,182
7/1/2018-6/30/2019	137,998,183	134,739,188	127,722,695	109,969,215
7/1/2019-6/30/2020	129,567,365	125,983,097	117,652,541	92,967,104
7/1/2020-6/30/2021	120,458,551	116,252,174	106,952,031	70,081,559
7/1/2021-6/30/2022	115,979,540	111,190,457	100,667,928	55,630,231
7/1/2022-6/30/2023	119,096,946	113,822,273	101,695,665	53,353,934
7/1/2023-6/30/2024	121,750,563	115,881,481	102,305,698	50,540,465
7/1/2024-6/30/2025	123,855,598	116,959,394	101,836,793	48,321,864
7/1/2025-6/30/2026	125,347,466	117,554,207	100,311,212	45,713,566
7/1/2026-6/30/2027	127,668,372	118,656,443	99,887,560	42,604,140
7/1/2027-6/30/2028	129,469,601	119,860,362	98,362,311	40,515,696
7/1/2028-6/30/2029	130,832,166	119,721,549	96,585,022	38,163,447
7/1/2029-6/30/2030	131,859,614	119,762,342	93,758,484	34,372,431
7/1/2030-6/30/2031	132,634,146	119,359,832	90,761,796	30,386,267
7/1/2031-6/30/2032	134,711,998	120,313,832	89,080,016	27,598,747
7/1/2032-6/30/2033	136,709,879	120,327,682	86,703,118	23,569,759
7/1/2033-6/30/2034	138,538,582	119,757,284	85,093,149	19,089,077
7/1/2034-6/30/2035	139,983,629	119,415,561	82,838,767	13,549,762
7/1/2035-6/30/2036	140,878,374	118,610,639	79,305,168	7,637,100
7/1/2036-6/30/2037	142,279,850	117,603,650	75,968,692	1,162,539
7/1/2037-6/30/2038	142,823,913	115,794,080	71,657,123	(5,864,417)
7/1/2038-6/30/2039	142,796,554	114,168,731	67,046,890	(14,440,569)
7/1/2039-6/30/2040	141,893,745	111,113,812	61,031,171	(23,453,970)

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

1% Probability of Catastrophe



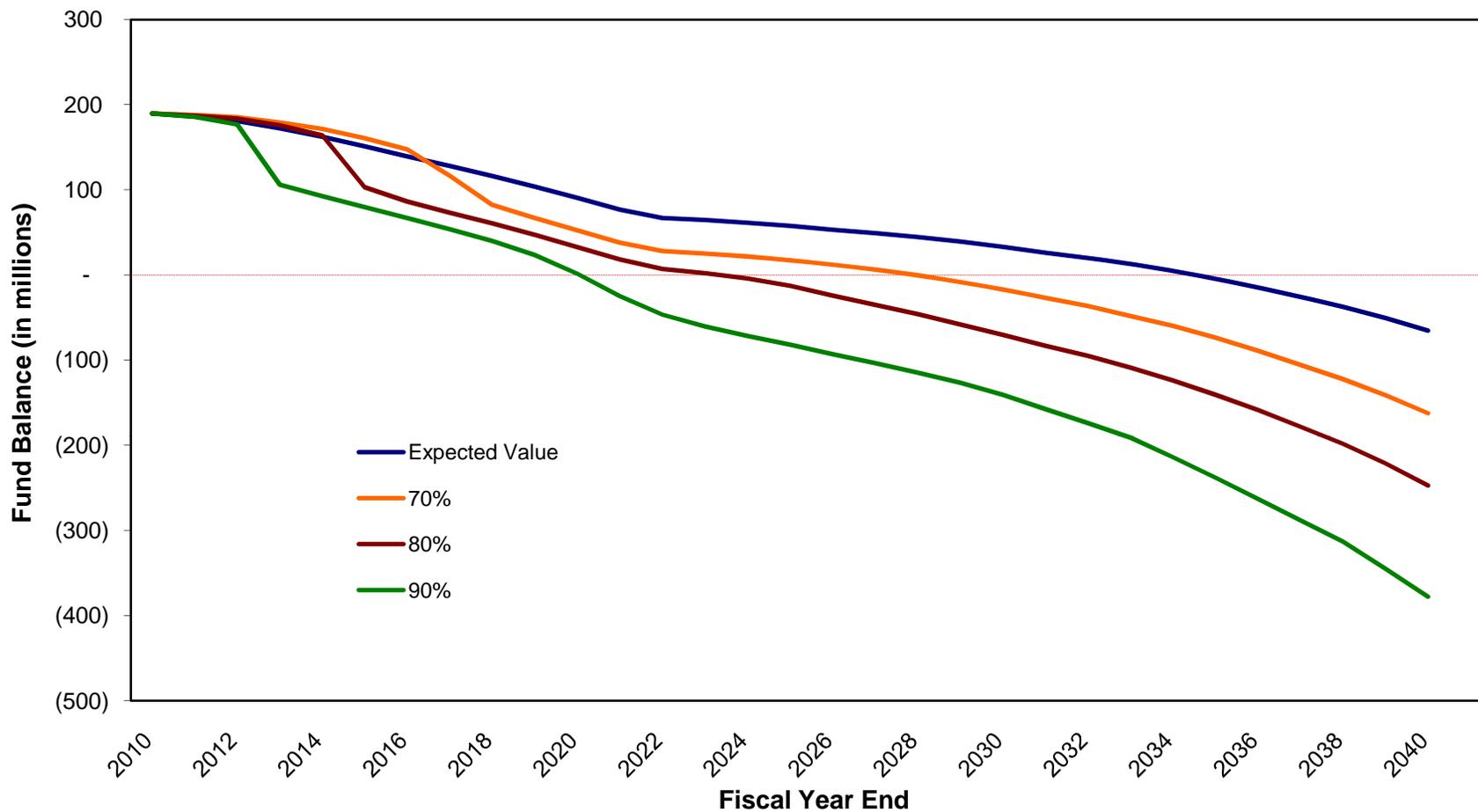
Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Projected Fiscal Year End Fund Balance
5% Probability of Catastrophe

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2009-6/30/2010	189,745,143	189,745,143	189,745,143	189,745,143
7/1/2010-6/30/2011	185,932,412	187,918,449	186,974,615	185,681,585
7/1/2011-6/30/2012	180,813,214	185,388,931	183,634,163	176,915,244
7/1/2012-6/30/2013	172,086,498	179,141,987	175,695,257	106,173,491
7/1/2013-6/30/2014	162,402,761	171,365,403	163,793,100	92,589,262
7/1/2014-6/30/2015	151,236,945	160,742,691	102,968,471	79,734,415
7/1/2015-6/30/2016	139,337,448	147,454,438	86,266,038	66,739,151
7/1/2016-6/30/2017	128,072,641	116,697,237	73,136,339	53,828,090
7/1/2017-6/30/2018	116,233,984	82,234,356	60,545,435	40,037,100
7/1/2018-6/30/2019	103,795,295	66,872,370	47,080,191	23,472,270
7/1/2019-6/30/2020	90,656,264	52,338,628	32,805,302	1,515,997
7/1/2020-6/30/2021	76,581,160	37,904,112	18,020,844	(25,012,753)
7/1/2021-6/30/2022	66,870,738	27,900,697	6,927,228	(46,649,660)
7/1/2022-6/30/2023	64,459,934	24,999,652	2,132,941	(60,323,106)
7/1/2023-6/30/2024	61,375,372	21,659,706	(4,165,774)	(71,649,754)
7/1/2024-6/30/2025	57,598,836	17,307,721	(12,854,590)	(81,722,592)
7/1/2025-6/30/2026	53,025,860	11,853,918	(24,316,883)	(93,188,177)
7/1/2026-6/30/2027	49,058,701	6,221,972	(35,026,634)	(103,511,432)
7/1/2027-6/30/2028	44,480,693	(147,776)	(45,996,677)	(114,893,146)
7/1/2028-6/30/2029	39,109,310	(8,503,138)	(58,114,374)	(126,733,598)
7/1/2029-6/30/2030	33,026,524	(17,027,812)	(70,229,249)	(140,655,001)
7/1/2030-6/30/2031	26,168,916	(27,025,489)	(83,177,576)	(157,462,806)
7/1/2031-6/30/2032	19,917,899	(36,609,048)	(94,942,904)	(173,993,146)
7/1/2032-6/30/2033	12,784,144	(48,235,281)	(108,847,958)	(191,053,825)
7/1/2033-6/30/2034	4,611,534	(59,927,679)	(123,947,023)	(214,170,038)
7/1/2034-6/30/2035	(4,681,248)	(73,557,411)	(140,669,556)	(238,316,904)
7/1/2035-6/30/2036	(15,186,715)	(88,968,093)	(158,934,285)	(263,070,940)
7/1/2036-6/30/2037	(25,619,250)	(105,459,961)	(178,277,852)	(288,215,487)
7/1/2037-6/30/2038	(37,416,320)	(122,460,174)	(198,357,538)	(313,254,078)
7/1/2038-6/30/2039	(50,645,757)	(141,453,878)	(221,491,774)	(345,141,649)
7/1/2039-6/30/2040	(65,500,845)	(162,451,449)	(247,440,687)	(378,012,441)

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

5% Probability of Catastrophe



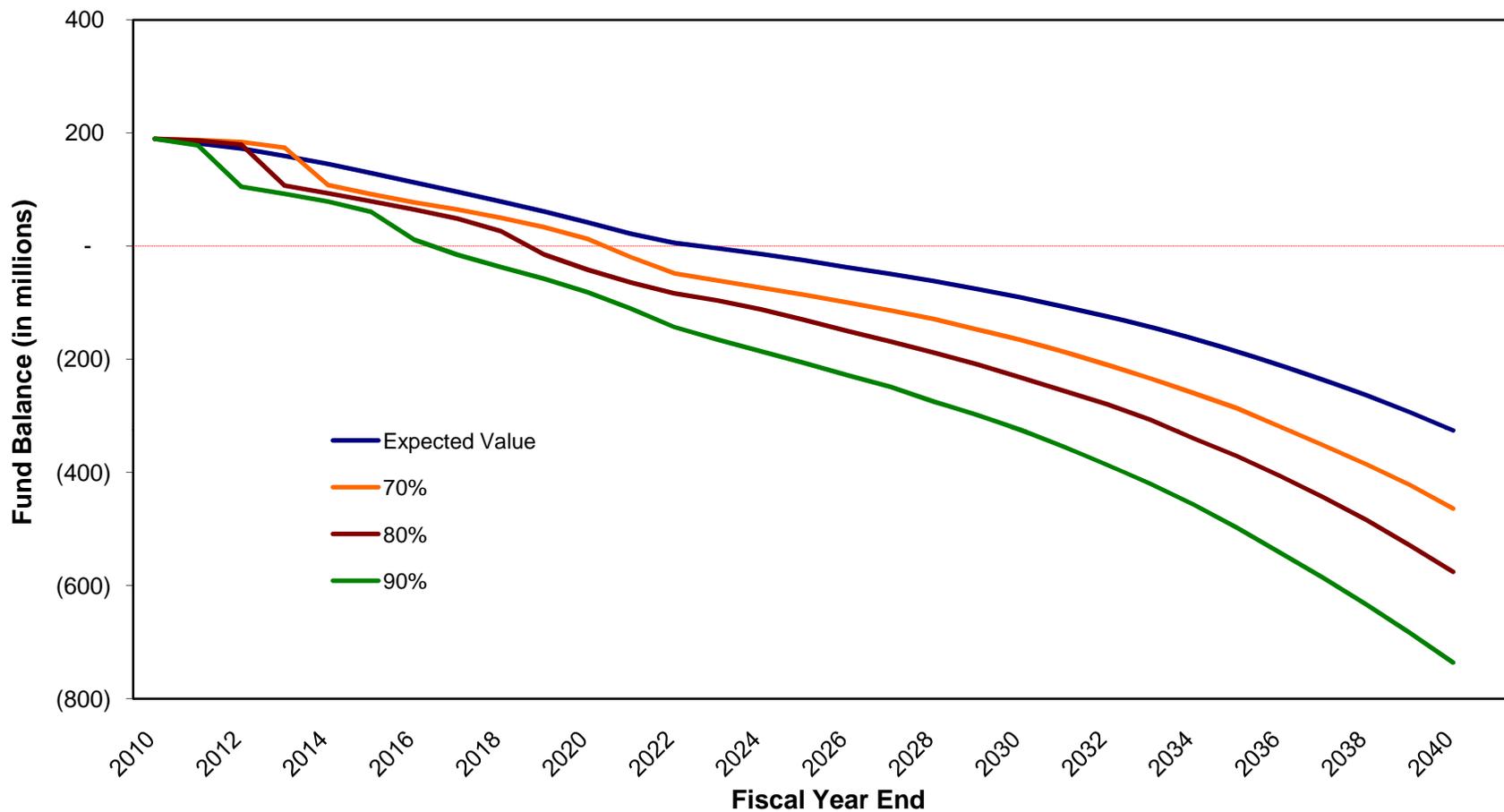
Cal-Mortgage Loan Insurance Division
California Health Facility Construction Loan Insurance Program

Projected Fiscal Year End Fund Balance
10% Probability of Catastrophe

Fiscal Year	Expected Value	Confidence Levels		
		70%	80%	90%
7/1/2009-6/30/2010	189,745,143	189,745,143	189,745,143	189,745,143
7/1/2010-6/30/2011	181,763,132	187,542,346	186,470,241	177,905,441
7/1/2011-6/30/2012	172,365,083	183,973,267	179,569,997	104,850,311
7/1/2012-6/30/2013	159,270,763	173,778,488	106,980,957	92,322,713
7/1/2013-6/30/2014	145,025,838	108,091,395	93,156,370	78,563,281
7/1/2014-6/30/2015	129,173,849	91,847,443	79,395,726	60,708,551
7/1/2015-6/30/2016	112,390,965	77,439,625	64,606,414	11,347,051
7/1/2016-6/30/2017	96,095,649	64,544,057	48,550,323	(15,514,030)
7/1/2017-6/30/2018	78,960,535	50,039,055	26,416,080	(36,957,731)
7/1/2018-6/30/2019	60,967,731	33,500,861	(15,027,531)	(57,846,035)
7/1/2019-6/30/2020	41,947,367	12,612,053	(41,595,857)	(81,747,353)
7/1/2020-6/30/2021	21,693,645	(19,441,077)	(64,158,811)	(110,979,822)
7/1/2021-6/30/2022	5,450,559	(48,161,831)	(83,439,880)	(143,024,743)
7/1/2022-6/30/2023	(3,824,832)	(60,839,701)	(96,245,950)	(165,148,572)
7/1/2023-6/30/2024	(14,056,218)	(73,271,196)	(111,673,667)	(185,925,931)
7/1/2024-6/30/2025	(25,225,647)	(86,150,992)	(130,288,567)	(206,582,374)
7/1/2025-6/30/2026	(37,437,106)	(99,774,305)	(150,240,346)	(227,995,547)
7/1/2026-6/30/2027	(49,175,245)	(113,544,778)	(168,617,904)	(248,649,429)
7/1/2027-6/30/2028	(61,858,256)	(128,685,568)	(188,329,097)	(274,982,475)
7/1/2028-6/30/2029	(75,735,911)	(147,338,544)	(209,233,369)	(298,569,073)
7/1/2029-6/30/2030	(90,778,349)	(165,644,659)	(232,345,719)	(324,733,579)
7/1/2030-6/30/2031	(107,344,733)	(186,872,744)	(256,027,586)	(354,815,895)
7/1/2031-6/30/2032	(124,216,314)	(209,780,813)	(279,773,176)	(386,910,545)
7/1/2032-6/30/2033	(142,847,311)	(233,882,835)	(307,321,421)	(420,103,907)
7/1/2033-6/30/2034	(163,588,393)	(259,690,301)	(340,053,598)	(456,927,348)
7/1/2034-6/30/2035	(186,379,096)	(286,683,423)	(371,498,612)	(497,977,071)
7/1/2035-6/30/2036	(211,103,229)	(319,396,145)	(406,441,120)	(542,155,573)
7/1/2036-6/30/2037	(236,449,491)	(352,292,844)	(443,940,813)	(586,637,547)
7/1/2037-6/30/2038	(263,725,600)	(385,929,345)	(484,372,219)	(633,727,822)
7/1/2038-6/30/2039	(293,489,149)	(422,305,540)	(528,780,622)	(683,745,145)
7/1/2039-6/30/2040	(325,828,989)	(464,144,989)	(575,709,102)	(736,327,757)

**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 6/30/2010

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	37.09%	4,998,600	4.72%
1982	8,153,200	1.22%	838,700	40.17%	8,991,900	4.85%
1983	8,817,100	0.31%	795,000	54.32%	9,612,100	4.78%
1984	7,589,500	0.29%	739,700	40.11%	8,329,200	3.83%
1985	23,821,200	1.08%	1,160,300	26.26%	24,981,500	2.25%
1986	7,184,300	3.88%	772,800	24.40%	7,957,100	5.87%
1987	11,121,100	1.92%	914,300	13.44%	12,035,400	2.80%
1988	10,757,500	0.49%	1,451,700	8.57%	12,209,200	1.45%
1989	13,397,300	0.65%	1,561,600	4.76%	14,958,900	1.08%
1990	12,003,000	0.82%	1,678,600	10.60%	13,681,600	2.02%
1991	15,968,000	2.81%	1,538,500	2.23%	17,506,500	2.76%
1992	20,414,100	2.82%	2,429,300	5.01%	22,843,400	3.05%
1993	29,001,500	1.96%	2,515,600	9.19%	31,517,100	2.54%
1994	13,536,700	1.15%	2,427,400	11.56%	15,964,100	2.73%
1995	11,442,100	0.52%	1,986,300	14.44%	13,428,400	2.58%
1996	16,356,200	3.41%	3,040,500	10.59%	19,396,700	4.53%
1997	22,036,300	0.96%	3,523,600	9.36%	25,559,900	2.12%
1998	33,623,500	0.53%	5,077,800	9.68%	38,701,300	1.74%
1999	21,678,800	0.14%	4,982,000	7.69%	26,660,800	1.55%
2000	14,147,100	0.18%	2,876,400	6.75%	17,023,500	1.29%
2001	20,193,300	0.13%	2,939,300	7.19%	23,132,600	1.03%
2002	21,961,100	0.70%	3,760,300	5.89%	25,721,400	1.46%
2003	25,228,700	1.57%	3,216,100	3.91%	28,444,800	1.83%
2004	25,796,600	0.47%	3,112,700	9.62%	28,909,300	1.46%
2005	34,263,900	0.95%	4,142,600	5.20%	38,406,500	1.41%
2006	32,684,400	0.95%	6,010,800	5.86%	38,695,200	1.71%
2007	41,004,000	2.71%	7,837,300	5.89%	48,841,300	3.22%
2008	58,156,400	0.00%	2,481,600	12.51%	60,638,000	0.51%
2009	43,771,800	0.00%	1,946,300	10.00%	45,718,100	0.43%

Indicated CV	
1981 - 1999	0.453
1997 - 2007	0.338
1981 - 2009	0.569
Prior	0.450
Selected	0.450

Notes:

- (1) From Thomson Reuters
- (2) From Section III, Exhibit 2, Page 2, Column (5)
- (3) From Thomson Reuters
- (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 6/30/2010**

	Distribution	Expected	Selected CV	Low	High
Default Rate	Truncated Lognormal	6.50%	45.00%	2.60%	16.25%
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	4.16%	1.70%		

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

**Ten Largest Borrowers Based on Original Insured Amount
As of 6/30/2010**

Borrower	Original Insured Amount	Current Principal Balance
#1	235,595,000	229,095,000
#2	150,000,000	150,000,000
#3	139,595,000	132,905,000
#4	129,895,000	119,200,000
#5	133,495,000	112,025,000
#6	90,000,000	79,110,000
#7	98,005,000	72,365,000
#8	54,310,000	53,730,000
#9	65,880,000	51,130,000
#10	49,600,000	45,000,000
Average	114,637,500	
Average Excluding High & Low	107,647,500	
Selected Catastrophic Loss	110,000,000	

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