

## Cal-Mortgage Loan Insurance Premium Fee Schedule

(a) The premium rate charged for the insurance of loans by the Office paid by all borrowers shall be three percent (3%) of the total amount of principal and interest payable over the term of the loan, unless the borrower requests and qualifies for a lower premium rate under subsection (b) below.

(b) Borrowers that choose to obtain and do obtain a credit rating of CCC or higher from one of the three rating agencies listed below shall qualify for the discounted premium rate corresponding to the rating. If the Office determines that it is in its best interest, it may allow the use of a credit assessment, credit opinion or equivalent from one of the three rating agencies listed below, using the rating assigned therein instead of the credit rating for this purpose. The borrower shall direct the credit rating agency to send the rating (or credit assessment, opinion, or equivalent) to the Office, with a copy to the borrower.

Rating Agencies			Insurance Premium Rate
Standard & Poor's	Moody's	Fitch	
AAA	Aaa	AAA	
AA+	Aa1	AA+	0.80%
AA	Aa2	AA	0.85%
AA-	Aa3	AA-	0.90%
A+	A1	A+	1.15%
A	A2	A	1.20%
A-	A3	A-	1.25%
BBB+	Baa1	BBB+	1.80%
BBB	Baa2	BBB	1.85%
BBB-	Baa3	BBB-	1.90%
Below Investment Grade			
BB+	Ba1	BB+	2.65%
BB	Ba2	BB	2.70%
BB-	Ba3	BB-	2.75%
B+	B1	B+	2.80%
B	B2	B	2.85%
B-	B3	B-	2.90%
CCC	CCC	CCC	2.95%
Lower than CCC			3.00%

(c) The rating will be used only to determine what premium rate the Office will charge that borrower, if the Office decides to insure a loan to that borrower. The fact that a borrower is able to obtain a CCC rating or above does not entitle that borrower to insurance.

## Cal-Mortgage Loan Insurance Refinancing Proceeds Premium Rate Fee Schedule

(a) Borrowers that use proceeds of a loan newly insured by the Office to refinance a prior loan insured by the Office, or refund bonds insured by the Office, the proceeds of which were used to fund a prior loan (the "Prior Insured Loan") on which the Borrower paid a one-time nonrefundable premium shall pay a Refinancing Proceeds Premium rate of 2.2% of the total amount of the principal and interest thereon payable over the term of the loan, which term shall be the same as the remaining term of the loan refinanced, unless the borrower requests and qualifies for a lower Refinancing Proceeds Premium rate under subsection (b). If a portion of the proceeds of the loan or bonds to be newly insured is to be used to refinance the principal balance of a Prior Insured Loan (the "Refinanced Principal") and a portion for new construction, improvements or expansion, reimbursements, or refinancing other debt, the Refinancing Proceeds Premium rate will be applied to the Refinancing Proceeds Principal (defined below) and the applicable premium under subsection (b) or under Cal-Mortgage Loan Insurance Premium Fee Schedule shall be applied to the balance of proceeds of the newly insured loan or bonds. The amount of Refinancing Proceeds Principal shall be determined by applying a fraction, the numerator of which is the dollar amount of Refinanced Principal and the denominator of which is equal to the sum of the Refinanced Principal plus the dollar amount of proceeds used for new construction, improvements or expansion (including related contingency funds and capitalized interest), reimbursements, or refinancing other debt, to the total amount of proceeds of the newly insured loan or bonds including proceeds used for debt service reserve funds, costs of issuance, counsel fees, underwriter's discount, original issue discount, and Cal-Mortgage insurance premiums and fees.

Rating Agencies			Refinancing Proceeds Premium Rate
Standard & Poor's	Moody's	Fitch	
AAA	Aaa	AAA	
AA+	Aa1	AA+	0.50%
AA	Aa2	AA	0.55%
AA-	Aa3	AA-	0.60%
A+	A1	A+	0.65%
A	A2	A	0.70%
A-	A3	A-	0.75%
BBB+	Baa1	BBB+	1.00%
BBB	Baa2	BBB	1.05%
BBB-	Baa3	BBB-	1.10%
Below Investment Grade			
BB+	Ba1	BB+	1.85%
BB	Ba2	BB	1.90%
BB-	Ba3	BB-	1.95%
B+	B1	B+	2.00%
B	B2	B	2.05%
B-	B3	B-	2.10%
CCC	CCC	CCC	2.15%
Lower than CCC			2.20%

(b)

Borrowers that choose to obtain and do obtain a credit rating of CCC or higher from one of the three rating agencies listed above shall qualify for the Refinancing Proceeds Premium rate, as applicable, corresponding to the rating. If the Office determines that it is in its best interest, it may allow the use of a credit assessment, credit opinion or equivalent from one of the three rating agencies listed above, using the rating assigned therein instead of the credit rating for this purpose. The borrower shall direct the credit rating agency to send the rating (or credit assessment, opinion, or equivalent) to the Office, with a copy to the borrower.

(c) The rating will be used only to determine what premium rate the Office will charge that borrower, if the Office decides to insure a loan to that borrower. The fact that a borrower is able to obtain a CCC rating or above does not entitle that borrower to insurance.

Note: Authority cited: Sections 127010 and 129015, Health and Safety Code; and Section 11152, Government Code. Reference: Section 129040, Health and Safety Code. Or Res. Sec 91477.