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STATE LOAN INSURANCE PROGRAM LOWERS PREMIUM RATE

SACRAMENTO – The Office of Statewide Health Planning and Development's (OSHPD) Cal-Mortgage Loan Insurance Program has lowered its loan insurance premium rate for non-profit health care facilities.

OSHPD's normal premium rate is equal to three percent of the principal and interest payable over the term of the loan. Now qualified borrowers with assigned credit ratings from a national credit rating agency may be eligible for lower premiums ranging from eight-tenths of one percent to a maximum of three percent. The rate change was effective March 20, 2001.

Modeled after federal home mortgage programs, the Cal-Mortgage Loan Insurance Program has made it possible for non-profit health care facilities to obtain private financing to develop or expand their facilities in communities throughout California. Cal-Mortgage currently insures loans totaling $967.5 million dollars; approximately 28 percent of these loans have been issued to hospitals.

For more information on the Cal-Mortgage Loan Insurance Program, access the Office of Statewide Health Planning and Development's web site at www.oshpd.state.ca.us or contact Dale Flournoy or Tacia Carroll in the Cal-Mortgage Loan Insurance Division, Office of Statewide Health Planning and Development, (916) 324-9957.

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