

**California Housing Loan Insurance Fund**  
**GAAP Balance Sheet**  
**For the period ending 9-30-10**

|   | For YTD<br>Ended<br><b>September 30, 2010</b> | For YTD<br>Ended<br><b>September 30, 2009</b> | <b>Difference</b> |
|---|---|---|-------------------|
| <b>ASSETS</b>   |   |   |                   |
| Cash and cash equivalents                               | 84,105.82                                     | 40,313.86                                     | 43,791.96         |
| Investment in Surplus Money Investment Fund             | 38,538,000.00                                 | 70,937,000.00                                 | (32,399,000.00)   |
| Interest receivable                                     | 57,309.36                                     | 164,751.18                                    | (107,441.82)      |
| Due from CalHFA and other govt entities                 | 0.00  | 0.00  | 0.00              |
| Other assets  | 1,065,660.38                                  | 1,503,021.68                                  | (437,361.30)      |
|   | <hr/>   |   |                   |
| Total Assets  | 39,745,075.56                                 | 72,645,086.72                                 | (32,900,011.16)   |
| <hr/>   |   |   |                   |
| <b>LIABILITIES AND FUND EQUITY</b>                      |   |   |                   |
| <b>Liabilities</b>                                      |   |   |                   |
| Reserves for unpaid losses and loss adjustment expenses | 52,986,024.10                                 | 56,769,140.55                                 | (3,783,116.45)    |
| Unearned premiums                                       | 177,113.38                                    | 243,071.12                                    | (65,957.74)       |
| Reinsurance payable                                     | 3,183,779.82                                  | 2,671,613.33                                  | 512,166.49        |
| Accounts payable and other liabilities                  | 0.00  | 4,678.98                                      | (4,678.98)        |
| Compensated absences                                    | 126,861.61                                    | 0.00  | 126,861.61        |
| Due to CalHFA and other government entities             | 460,641.66                                    | 554,233.98                                    | (93,592.32)       |
|   | <hr/>   |   |                   |
| Total Liabilities                                       | 56,934,420.57                                 | 60,242,737.96                                 | (3,308,317.39)    |
| <b>Fund Equity</b>                                      |   |   |                   |
| Invested in capital assets                              | 29,373.93                                     | 34,803.12                                     | (5,429.19)        |
| Restricted by statute                                   | (17,218,718.94)                               | 12,367,545.64                                 | (29,586,264.58)   |
|   | <hr/>   |   |                   |
| Total Fund Equity                                       | (17,189,345.01)                               | 12,402,348.76                                 | (29,591,693.77)   |
|   | <hr/>   |   |                   |
| Total Liabilities and Fund Equity                       | 39,745,075.56                                 | 72,645,086.72                                 | (32,900,011.16)   |
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**California Housing Loan Insurance Fund**  
**GAAP Income Statement**  
**For the period ending 9-30-10**

|                                      | For YTD<br>Ended<br><b>September 30, 2010</b> | For YTD<br>Ended<br><b>September 30, 2009</b> | <b>Difference</b>      |
|--------------------------------------|---|---|------------------------|
| <b>REVENUES</b>                      |   |   |                        |
| Premium earned                       | 12,720,035.59                                 | 16,012,561.15                                 | (3,292,525.56)         |
| Investment income                    | 216,244.04                                    | 822,514.76                                    | (606,270.72)           |
| Other revenues                       | 6,750.00                                      | 1,708.46                                      | 5,041.54               |
|                                      | <hr/>   |   |                        |
| Total Revenues                       | 12,943,029.63                                 | 16,836,784.37                                 | (3,893,754.74)         |
| <b>EXPENSES</b>                      |   |   |                        |
| Loss and loss adjustment expenses    | 21,196,985.82                                 | 46,906,262.18                                 | (25,709,276.36)        |
| Operating expenses                   | 9,129,085.95                                  | 11,647,795.12                                 | (2,518,709.17)         |
| Other expenses                       | 829.72  | 33,681.04                                     | (32,851.32)            |
|                                      | <hr/>   |   |                        |
| Total Expenses                       | 30,326,901.49                                 | 58,587,738.34                                 | (28,260,836.85)        |
| <b>OPERATING INCOME/(LOSS)</b>       | <b>(17,383,871.86)</b>                        | <b>(41,750,953.97)</b>                        | <b>24,367,082.11</b>   |
| Fund Equity at the Beginning of Year | 194,526.85                                    | 54,153,302.73                                 | (53,958,775.88)        |
|                                      | <hr/>   |   |                        |
| Fund Equity at the End of Year       | <b>(17,189,345.01)</b>                        | <b>12,402,348.76</b>                          | <b>(29,591,693.77)</b> |
|                                      | <hr/> <hr/>                                   |   |                        |