



August 28, 2009

Interested Parties;

**Subject:** Summary of California Housing Finance Fund Financial Statements –  
As of and for the period ending March 31, 2009

### **Operating Results**

The Agency is reporting an operating loss of \$36.9 million in the combined statements of revenue, expenses and changes in fund equity for the California Housing Finance Fund (Finance Fund) for the quarter ending March 31, 2009. For the nine month period ending March 31, 2009 there was an operating loss of \$85.8 million. Operating results of the Finance Fund fell by approximately \$118.3 million when comparing the nine month results as of March 31, 2009 to the operating income of \$32.5 million for the nine month results ending March 31, 2008. The operating loss for the quarter is primarily attributable to the continuing decline of the California real estate market, basis mismatch on variable rate bonds and the charge against income for the market value adjustment of unmatched swaps.

During the quarter, the Agency made an accounting change in the recording of Home Mortgage Revenue Bonds (HMRB) hedging activity. Swap expenses, swap expenses (fair value), swap termination fees and the gain of termination of swaps previously recorded in homeownership programs have been reclassified and are now being recorded in other programs and accounts. This change did not affect the Agency's total net equity although it has affected the overall presentation of operating results within the financial statement categories. While these swap contracts hedge floating rate bonds issued within the HMRB indenture, hedging expenses are a general obligation of the Agency that is often reimbursed with excess revenue transfers from the HMRB Indenture.

Revised operating results for the first quarter by program were as follows: The homeownership bond programs realized net gain of \$19.6 million (with the Agency's HMRB Indenture accounting for \$20 million gain, HPB Indenture accounting for \$1.2 million loss, and SF2 Indenture accounting for \$0.8 million gain), the Multifamily bond programs realized net gains of \$2.9 million and other programs and accounts recorded an operating loss of \$44.5 million.

Revised operating results for the second quarter by program were as follows: The homeownership bond programs realized net gain of \$14.9 million (with the Agency's HMRB Indenture accounting for \$17.4 million gain, HPB Indenture accounting for \$3.2 million loss, and SF2 Indenture accounting for \$0.7 million gain), the Multifamily bond programs realized net loss of \$8.7 million and other programs and accounts recorded an operating loss of \$33 million. Net operating results for the six month period ending December 31, 2008 were \$34.5 million gain, \$5.9 million loss and \$77.5 million loss, respectively.

Operating results for the third quarter by program were as follows: The homeownership bond programs realized net gain of \$19.1 million (with the Agency's HMRB Indenture accounting for \$20.6 million of the gain, HPB Indenture accounting for \$2.3 million loss, and SF2 Indenture accounting for \$0.8 million gain), the multifamily bond programs realized net gains of \$1.4 million and other programs and accounts recorded an operating loss of \$57.4 million. Net operating results for the nine month period ending March 31, 2009 were \$53.6 million gain, \$4.5 million loss and \$134.9 million loss, respectively. These losses are largely due to expected losses stemming from real estate exposure.

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## **The California Real Estate Market**

Throughout calendar year 2008 and continuing through the beginning of calendar year 2009, single family loan delinquencies have been on the increase and 4,076 borrowers, or 12% of single family borrowers, were delinquent on one or more first mortgage payments on March 31, 2009. By comparison, 1,893 borrowers, or 5.9% of all single family borrowers, were delinquent on their first mortgages as of March 31, 2008. In addition, the number of foreclosures has increased significantly from recent years and for the period from January 1, 2008 through December 31, 2008, 486 CalHFA borrowers had lost their homes through foreclosure (231 loans that were insured by FHA and 255 loans that were conventionally insured or without mortgage insurance). For the period January 1, 2009 through March 31, 2009, 234 CalHFA borrowers lost their homes through foreclosure (114 loans that were insured by FHA and 120 loans that were conventionally insured or without mortgage insurance).

The continued rise in loan delinquencies, increases in foreclosures and additional home price depreciation in California have contributed directly to increased allowances for loan losses and other reserves. For the quarter ending March 31, 2009 for homeownership programs, the allowance for loan losses on delinquent loans was increased by \$900 thousand and foreclosed properties were written down by \$4.3 million to reflect anticipated losses, net of insurance payment, upon sale of the properties.

The Finance Fund has also established loss reserves to cover anticipated indemnification payments to the California Housing Loan Insurance Fund for loans subject to what is frequently referred to as “gap” insurance. The indemnification payments are for losses up to 50% of the outstanding principal balance of each loan for which either the primary mortgage insurance covers less than 50% of loan principal or primary mortgage insurance may not be required because the loan-to-value ratio was below 80% at loan origination or because the borrower demonstrated equity of 20% or more in the property. The gap insurance loss reserve expense increased by \$17.1 million during the quarter and by \$54.3 million for the nine-month period ending March 31, 2009. The actual gap insurance claims paid during the first three quarters of the fiscal year were \$500 thousand, \$406 thousand and \$1.15 million, respectively. The reserves and payments are charged to the Supplementary Bond Security Account, an account that is part of the Agency’s general obligation capital base, not the HMRB Indenture.

## **Basis Mismatch**

In addition to losses attributable to the California real estate market, the Finance Fund incurred losses due to basis mismatch, the difference between the actual interest rates paid to bondholders on floating rate securities (variable rate demand obligations and auction rate securities) and the variable rates received from swap counterparties on interest rate swaps entered into to hedge the Agency’s variable rate exposure. The mismatch is a result of higher interest rate resets on variable rate bonds, including rates resulting from failed auctions and rates paid to liquidity banks when bondholders put their variable rate demand obligations to the remarketing agents and other investors are unwilling to purchase the securities. In addition a dysfunctional municipal bond market resulted in an unusually high SIFMA/LIBOR ratio and interest rate compression has continued this relationship. The basis mismatch for the September 30, 2008, December 31, 2008 and March 31, 2009 quarters were \$9.3 million, \$12.9 million, and \$9 million, respectively, and are reflected in the income statements for the Other Program and Accounts (Operating) and the Multifamily Housing Revenue Bond III Indenture. By comparison, the basis mismatch for the period from July 1, 2007 to March 31, 2008 was \$9.6 million.

## **Interest Rate Swaps**

Generally accepted accounting principles require the Agency to record the current market value of the unmatched portion or otherwise overhedged interest rate swap position as an adjustment to other expenses or other revenues on the financial statements. As of March 31, 2009 the notional amount of interest rates swaps that are not matched or otherwise hedging variable rate bonds totaled \$122.6 million. The swap expense (net current market value) for these overhedged positions as of September 30, 2008, December 31, 2008 and March 31, 2009 quarters were \$1.1 million, \$1.9 million, and \$9.1 million, respectively.

**Balance Sheet Results**

During the quarter ending March 31, 2009 the Finance Fund's total assets decreased by \$517.1 million primarily due to the disbursement of funds for the February 1, 2009 debt service, the early redemption of bonds and repayment of \$100 million to the state for the PMIB loan. Cash and investments decreased by \$411.8 million and Program Loans Receivable decreased by \$97.6 million resulting in a nine month decrease of \$267 million and increase of \$81.2 million, respectively. The Finance Fund's total liabilities decreased by \$487.3 million for the quarter and decreased \$509.5 million for the nine month period. Bonds outstanding decreased by \$306.9 million, the PMIB loan decreased by \$100 million and loss reserves increased by \$17.1 million for the quarter. Fund equity increased by \$330.7 million to \$1.78 billion for the nine month period. The primary reason for the increase in equity was transfers into the fund of \$416.5 million of which \$377.5 million was from the state Department of Mental Health and \$39 million was from the state Department of Housing and Community Development. CalHFA has contracted with the state to use the transferred amount of \$377.5 million in administering a loan and operating subsidy program that will provide housing for the mentally ill homeless and use the transferred amount of \$39 million in administering loan programs under Proposition 46 and Proposition 1C. Under applicable statutes such amounts are not available for other Finance Fund purposes.

**Summary**

While fiscal year operating results as of March 31, 2009 were disappointing, the Finance Fund would have realized an operating gain of approximately \$41.8 million for the nine month period were it not for charges for loan losses and insurance reserves, experiencing extraordinarily high basis mismatch, early termination of interest rate swaps, and fair valuing of unmatched/overhedged swaps.

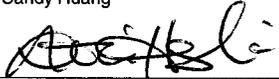
# CALIFORNIA HOUSING FINANCE AGENCY

## FINANCIAL STATEMENT SUMMARY

MARCH 31, 2009

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Report Date: 14-Aug-09

**CALIFORNIA HOUSING FINANCE FUND  
COMBINED BALANCE SHEET  
WITH ADDITIONAL COMBINING INFORMATION**

March 31, 2009

ADDITIONAL COMBINING INFORMATION				
	HOMEOWNERSHIP PROGRAMS	MULTIFAMILY RENTAL HOUSING PROGRAMS	OTHER PROGRAMS AND ACCOUNTS	COMBINED TOTALS
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents .....	16,103,792.87	5,520,438.24	57,135,589.94	78,759,821.05
Investments .....	534,785,836.48	123,166,421.59	1,032,635,716.42	1,690,587,974.49
Current portion - program loans receivable .....	113,619,393.06	120,835,591.40	74,384,220.56	308,839,205.02
Interest receivable - Program loans .....	27,059,141.88	7,298,639.11	2,393,357.43	36,751,138.42
Interest receivable - Investments .....	4,265,027.16	787,305.90	6,256,727.80	11,309,060.86
Accounts receivable .....	10,922,877.70	0.00	6,767,652.14	17,690,529.84
Due from (to) other funds .....	(55,718,067.70)	(16,442,709.75)	72,160,777.45	0.00
Other assets .....	365,302.07	582,485.28	61,236.21	1,009,023.56
<b>Total current assets .....</b>	<b>651,403,303.52</b>	<b>241,748,171.77</b>	<b>1,251,795,277.95</b>	<b>2,144,946,753.24</b>
<b>Noncurrent assets:</b>				
Investments .....	170,839,601.81	16,913,963.00	54,040,944.65	241,794,509.46
Program loans receivable .....	6,421,283,315.97	1,170,951,936.39	599,922,052.36	8,192,157,304.72
Due from (to) other funds .....	0.00	0.00	0.00	0.00
Deferred financing costs .....	31,861,917.62	6,200,700.69	31,398.61	38,094,016.92
Other assets .....	71,896,004.88	0.00	780,818.82	72,676,823.70
<b>Total Noncurrent assets .....</b>	<b>6,695,880,840.28</b>	<b>1,194,066,600.08</b>	<b>654,775,214.44</b>	<b>8,544,722,654.80</b>
<b>Total Assets .....</b>	<b>7,347,284,143.80</b>	<b>1,435,814,771.85</b>	<b>1,906,570,492.39</b>	<b>10,689,669,408.04</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Current liabilities:</b>				
Bonds payable .....	109,633,765.00	26,107,139.71	0.00	135,740,904.71
Interest payable .....	33,961,150.81	11,103,198.02	22,603,258.47	67,667,607.30
Due to (from) other government entities .....	(25,802.57)	0.00	253,502,714.53	253,476,911.96
Compensated absences .....	0.00	0.00	2,399,321.89	2,399,321.89
Deposits and other liabilities .....	5,880,300.53	577,640.84	312,313,237.24	318,771,178.61
<b>Total current liabilities .....</b>	<b>149,449,413.77</b>	<b>37,787,978.57</b>	<b>590,818,532.13</b>	<b>778,055,924.47</b>
<b>Noncurrent liabilities:</b>				
Bonds and debenture notes payable .....	6,744,339,743.30	1,305,162,917.34	23,133,890.32	8,072,636,550.96
Due to (from) other government entities .....	21,534,030.90	12,397,208.09	0.00	33,931,238.99
Deferred revenue .....	4,050,362.35	13,732.15	25,150,933.10	29,215,027.60
<b>Total noncurrent liabilities .....</b>	<b>6,769,924,136.55</b>	<b>1,317,573,857.58</b>	<b>48,284,823.42</b>	<b>8,135,782,817.55</b>
<b>Total Liabilities .....</b>	<b>6,919,373,550.32</b>	<b>1,355,361,836.15</b>	<b>639,103,355.55</b>	<b>8,913,838,742.02</b>
<b>Fund equity</b>				
Invested in capital assets .....	0.00	0.00	838,829.83	838,829.83
Restricted by indenture .....	427,910,593.48	80,452,935.70	0.00	508,363,529.18
Restricted by statute .....	0.00	0.00	1,266,628,307.01	1,266,628,307.01
<b>Total Fund equity .....</b>	<b>427,910,593.48</b>	<b>80,452,935.70</b>	<b>1,267,457,136.84</b>	<b>1,775,830,666.02</b>
<b>Total Liabilities and Fund equity .....</b>	<b>7,347,284,143.80</b>	<b>1,435,814,771.85</b>	<b>1,906,570,492.39</b>	<b>10,689,669,408.04</b>

**CALIFORNIA HOUSING FINANCE FUND  
 COMBINED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND EQUITY  
 WITH ADDITIONAL COMBINING INFORMATION**

March 31, 2009

	ADDITIONAL COMBINING INFORMATION			
	HOMEOWNERSHIP PROGRAMS	MULTIFAMILY RENTAL HOUSING PROGRAMS	OTHER PROGRAMS AND ACCOUNTS	COMBINED TOTALS
<b>OPERATING REVENUES</b>				
Interest income:				
Program loans and loan agreements -- net.....	252,114,836.15	64,700,829.01	16,624,587.65	333,440,252.81
Interest income - Investments -- net .....	24,647,838.55	5,493,066.74	23,951,098.94	54,092,004.23
Increase (decrease) in fair value of investments .....	6,971,342.88	618,131.58	(741,806.68)	6,847,667.78
Loan commitment fees .....	142,619.68	3,109.71	1,446,929.22	1,592,658.61
Other loan fees .....	606,691.49	137,719.00	12,827,836.36	13,572,246.85
Other revenues .....	143,899.67	9,905,640.41	74,924,820.32	84,974,360.40
<b>Total Operating revenues .....</b>	<b><u>284,627,228.42</u></b>	<b><u>80,858,496.45</u></b>	<b><u>129,033,465.81</u></b>	<b><u>494,519,190.68</u></b>
<b>OPERATING EXPENSES</b>				
Interest .....	189,603,842.04	54,984,868.48	79,136,382.57	323,725,093.09
Amortization of bond discount and bond premium .....	(768,662.94)	425,977.66	0.00	(342,685.28)
Mortgage servicing fees .....	14,756,658.19	5,243.31	124,791.71	14,886,693.21
Provision (reversal) for estimated loan losses .....	13,926,956.07	(393,906.78)	(2,464,313.55)	11,068,735.74
Operating expenses .....	0.00	0.00	26,815,022.03	26,815,022.03
Other expenses .....	13,469,243.00	30,323,505.60	160,362,744.32	204,155,492.92
<b>Total Operating expenses .....</b>	<b><u>230,988,036.36</u></b>	<b><u>85,345,688.27</u></b>	<b><u>263,974,627.08</u></b>	<b><u>580,308,351.71</u></b>
<b>Operating income (loss) before transfers .....</b>	<b>53,639,192.06</b>	<b>(4,487,191.82)</b>	<b>(134,941,161.27)</b>	<b>(85,789,161.03)</b>
Transfers (interfund).....	0.00	0.00	416,515,700.00	416,515,700.00
Transfers (intrafund).....	(42,266,218.69)	(3,891,929.79)	46,158,148.48	0.00
Increase (decrease) in fund equity.....	11,372,973.37	(8,379,121.61)	327,732,687.21	330,726,538.97
Fund equity at beginning of year .....	416,537,620.11	88,832,057.31	939,734,449.63	1,445,104,127.05
<b>Fund equity at end of year .....</b>	<b><u>427,910,593.48</u></b>	<b><u>80,452,935.70</u></b>	<b><u>1,267,467,136.84</u></b>	<b><u>1,775,830,666.02</u></b>

**CALIFORNIA HOUSING FINANCE FUND  
COMBINING STATEMENT OF CASH FLOWS  
WITH ADDITIONAL COMBINING INFORMATION**

March 31, 2009

ADDITIONAL COMBINING INFORMATION				
	HOMEOWNERSHIP PROGRAMS	MULTIFAMILY RENTAL HOUSING PROGRAMS	OTHER PROGRAMS AND ACCOUNTS	COMBINED TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers .....	253,805,869.53	64,002,207.09	20,063,310.44	337,871,387.06
Payments to suppliers .....	(15,575,399.53)	(156,279.21)	(9,370,484.90)	(25,102,163.64)
Payments to employees .....	0.00	0.00	(18,441,431.52)	(18,441,431.52)
Internal activity - payments other funds .....	0.00	0.00	0.00	0.00
Other receipts (payments) .....	(366,614,925.30)	68,477,999.83	164,523,951.53	(133,612,973.94)
<b>Net cash provided by (used in) operating activities .....</b>	<b>(128,384,455.30)</b>	<b>132,323,927.71</b>	<b>156,775,345.55</b>	<b>160,714,817.96</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intrafund transfers .....	(42,266,218.69)	(3,891,929.79)	46,158,148.48	0.00
Changes in due to (from) other government entities .....	(25,802.57)	0.00	(99,103,537.08)	(99,129,339.65)
<b>Net cash provided by (used for) noncapital financing activities .....</b>	<b>(42,292,021.26)</b>	<b>(3,891,929.79)</b>	<b>(52,945,388.60)</b>	<b>(99,129,339.65)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sales of bonds .....	250,000,000.00	0.00	0.00	250,000,000.00
Payment of bond principal .....	(75,340,230.61)	(42,202,876.72)	0.00	(117,543,107.33)
Early bond redemptions .....	(355,847,836.82)	(186,080,000.00)	0.00	(541,927,836.82)
Interest paid on debt .....	(276,212,510.03)	(68,231,857.62)	(60,425,940.91)	(404,870,308.56)
Interfund transfers .....	0.00	0.00	416,515,700.00	416,515,700.00
Decrease (increase) in deferred financing costs .....	(2,035,008.38)	(12,444.53)	27,233.22	(2,020,219.69)
<b>Net cash provided by (used for) capital and related financing activities .....</b>	<b>(459,435,585.84)</b>	<b>(296,527,178.87)</b>	<b>356,116,992.31</b>	<b>(399,845,772.40)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from maturity and sale of investments.....	1,920,747,876.63	377,016,648.10	1,160,663,494.13	3,458,428,018.86
Purchase of investments .....	(1,386,301,157.13)	(217,305,708.76)	(1,666,969,689.00)	(3,270,576,554.89)
Interest on investments .....	33,386,960.39	8,020,456.65	22,987,850.96	64,395,268.00
<b>Net cash provided by (used for) investing activities .....</b>	<b>567,833,679.89</b>	<b>167,731,395.99</b>	<b>(483,318,343.91)</b>	<b>252,246,731.97</b>
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>(62,278,382.51)</b>	<b>(363,784.96)</b>	<b>(23,371,394.65)</b>	<b>(86,013,562.12)</b>
<b>Cash and cash equivalents at beginning of year .....</b>	<b>78,382,175.38</b>	<b>5,884,223.20</b>	<b>80,506,984.59</b>	<b>164,773,383.17</b>
<b>Cash and cash equivalents at end of year .....</b>	<b>16,103,792.87</b>	<b>5,520,438.24</b>	<b>57,135,589.94</b>	<b>78,759,821.05</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>				
Operating income (loss) .....	53,639,192.06	(4,487,191.82)	(134,941,161.27)	(85,789,161.03)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Interest expense on debt .....	189,603,842.04	54,984,868.48	79,136,382.57	323,725,093.09
Interest on investments .....	(24,647,838.55)	(5,493,066.74)	(23,951,098.94)	(54,092,004.23)
Changes in fair value of investments.....	(6,971,342.88)	(618,131.58)	741,806.68	(6,847,667.78)
Accretion of capital appreciation bonds .....	611,841.93	0.00	0.00	611,841.93
Amortization of bond discount .....	27,214.82	21,314.87	0.00	48,529.69
	201,104.82	404,662.79	0.00	605,767.61
Amortization of deferred losses .....	3,564,538.79	1,408,103.42	11,878.38	4,984,520.59
Amortization of bond issuance costs .....	(996,982.58)	0.00	0.00	(996,982.58)
Amortization of deferred revenue .....	(142,619.68)	(3,109.71)	(1,446,929.22)	(1,592,658.61)
Depreciation .....	0.00	0.00	146,117.43	146,117.43
Provision (reversal for estimated loan losses .....	16,148,463.59	1,427,380.78	(1,095,982.91)	16,479,861.46
Provision for yield reduction payments .....	0.00	0.00	0.00	0.00
Provision for nonmortgage investment excess .....	(985,454.32)	0.00	0.00	(985,454.32)

**CALIFORNIA HOUSING FINANCE FUND  
COMBINING STATEMENT OF CASH FLOWS  
WITH ADDITIONAL COMBINING INFORMATION**

**March 31, 2009**

ADDITIONAL COMBINING INFORMATION				
	HOMEOWNERSHIP PROGRAMS	MULTIFAMILY RENTAL HOUSING PROGRAMS	OTHER PROGRAMS AND ACCOUNTS	COMBINED TOTALS
<b>Changes in certain assets and liabilities:</b>				
Purchase of program loans .....	(460,649,460.31)	(69,108,199.27)	73,384,863.63	(456,372,795.95)
Collection of principal from program loans - net .....	146,892,092.44	140,875,610.85	53,411,706.78	341,179,410.07
Interest receivable .....	1,691,033.38	(698,621.92)	3,438,722.79	4,431,134.25
Accounts receivable .....	(2,481,959.37)	338.55	(4,519,222.51)	(7,000,843.33)
Due from (to) other funds .....	(42,164,005.89)	14,621,050.91	27,542,954.98	0.00
Other assets .....	(245,595.96)	(85,211.87)	(4,767.08)	(335,574.91)
Compensated absences .....	0.00	0.00	(75,967.51)	(75,967.51)
Deposits and other liab .....	1,694,913.68	(925,870.03)	84,237,319.77	85,006,363.42
Due to other governments.....	0.00	0.00	(322.52)	(322.52)
Deferred revenue .....	(3,173,433.31)	0.00	759,044.50	(2,414,388.81)
<b>Net cash provided by (used for) operating activities .....</b>	<b><u>(128,384,455.30)</u></b>	<b><u>132,323,927.71</u></b>	<b><u>156,775,345.55</u></b>	<b><u>160,714,817.96</u></b>

**CALIFORNIA HOUSING FINANCE FUND  
SUMMARY BALANCE SHEET  
HOMEOWNERSHIP PROGRAMS**

March 31, 2009

	HOME MORTGAGE REVENUE BONDS	SINGLE FAMILY MORTGAGE BONDS II	DRAW DOWN BONDS	SINGLE FAMILY HOUSING PROGRAM BONDS	TOTAL HOMEOWNERSHIP PROGRAMS
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents .....	15,400,324.13	616,752.85	21,592.97	65,122.92	16,103,792.87
Investments .....	518,841,807.85	7,825,028.63	88,000.00	8,031,000.00	534,785,836.48
Current portion - program loans receivable .....	111,448,712.83	2,170,680.23	0.00	0.00	113,619,393.06
Interest receivable - Program loans .....	26,629,875.96	265,177.45	0.00	164,088.47	27,059,141.88
Interest receivable - Investments .....	4,166,660.52	59,472.60	412.98	38,481.06	4,265,027.16
Accounts receivable .....	10,732,578.87	190,298.83	0.00	0.00	10,922,877.70
Due from (to) other funds .....	(55,808,406.03)	(58,626.11)	0.00	148,964.44	(55,718,067.70)
Other assets .....	363,425.29	1,876.78	0.00	0.00	365,302.07
<b>Total current assets .....</b>	<b>631,774,979.42</b>	<b>11,070,661.26</b>	<b>110,005.95</b>	<b>8,447,656.89</b>	<b>651,403,303.52</b>
<b>Noncurrent assets:</b>					
Investments .....	170,278,526.39	561,075.42	0.00	0.00	170,839,601.81
Program loans receivable .....	6,293,001,794.14	48,690,642.20	0.00	79,590,879.63	6,421,283,315.97
Due from (to) other funds .....	0.00	0.00	0.00	0.00	0.00
Deferred financing costs .....	31,084,102.98	138,999.15	0.00	638,815.49	31,861,917.62
Other assets .....	71,896,004.88	0.00	0.00	0.00	71,896,004.88
<b>Total Noncurrent assets .....</b>	<b>6,566,260,428.39</b>	<b>49,390,716.77</b>	<b>0.00</b>	<b>80,229,695.12</b>	<b>6,695,880,840.28</b>
<b>Total Assets .....</b>	<b>7,198,035,407.81</b>	<b>60,461,378.03</b>	<b>110,005.95</b>	<b>88,677,352.01</b>	<b>7,347,284,143.80</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Current liabilities:</b>					
Bonds payable .....	106,629,135.37	3,004,629.63	0.00	0.00	109,633,765.00
Interest payable .....	32,762,617.30	278,850.41	0.00	919,683.10	33,961,150.81
Due to (from) other government entities .....	(25,802.57)	0.00	0.00	0.00	(25,802.57)
Compensated absences .....	0.00	0.00	0.00	0.00	0.00
Deposits and other liabilities .....	5,533,095.22	17,612.24	0.00	329,593.07	5,880,300.53
<b>Total current liabilities .....</b>	<b>144,899,045.32</b>	<b>3,301,092.28</b>	<b>0.00</b>	<b>1,249,276.17</b>	<b>149,449,413.77</b>
<b>Noncurrent liabilities:</b>					
Bonds and debenture notes payable .....	6,627,112,927.86	27,526,815.44	0.00	89,700,000.00	6,744,339,743.30
Due to (from) other government entities .....	20,113,114.56	927,980.84	0.00	492,935.50	21,534,030.90
Deferred revenue .....	8,332,200.06	(4,281,837.71)	0.00	0.00	4,050,362.35
<b>Total noncurrent liabilities .....</b>	<b>6,655,558,242.48</b>	<b>24,172,958.57</b>	<b>0.00</b>	<b>90,192,935.50</b>	<b>6,769,924,136.55</b>
<b>Total Liabilities .....</b>	<b>6,800,457,287.80</b>	<b>27,474,050.85</b>	<b>0.00</b>	<b>91,442,211.67</b>	<b>6,919,373,550.32</b>
<b>Fund equity</b>					
Invested in capital assets .....	0.00	0.00	0.00	0.00	0.00
Restricted by indenture .....	397,578,120.01	32,987,327.18	110,005.95	(2,764,859.66)	427,910,593.48
Restricted by statute .....	0.00	0.00	0.00	0.00	0.00
<b>Total Fund equity .....</b>	<b>397,578,120.01</b>	<b>32,987,327.18</b>	<b>110,005.95</b>	<b>(2,764,859.66)</b>	<b>427,910,593.48</b>
<b>Total Liabilities and Fund equity .....</b>	<b>7,198,035,407.81</b>	<b>60,461,378.03</b>	<b>110,005.95</b>	<b>88,677,352.01</b>	<b>7,347,284,143.80</b>

**CALIFORNIA HOUSING FINANCE FUND  
COMBINED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND EQUITY  
HOMEOWNERSHIP PROGRAM**

March 31, 2009

	HOME MORTGAGE REVENUE BONDS	SINGLE FAMILY MORTGAGE BONDS II	DRAW DOWN BONDS	SINGLE FAMILY HOUSING PROGRAM BONDS	TOTAL HOMEOWNERSHIP PROGRAMS
<b>OPERATING REVENUES</b>					
Interest income:					
Program loans and loan agreements -- net.....	249,325,903.18	2,519,390.49	0.00	269,542.48	252,114,836.15
Interest income - Investments -- net .....	23,855,913.52	284,251.89	3,131.56	504,541.58	24,647,838.55
Increase (decrease) in fair value of investments .....	6,950,709.43	20,633.45	0.00	0.00	6,971,342.88
Loan commitment fees .....	129,159.72	13,459.96	0.00	0.00	142,619.68
Other loan fees .....	606,691.49	0.00	0.00	0.00	606,691.49
Other revenues .....	143,899.67	0.00	0.00	0.00	143,899.67
<b>Total Operating revenues .....</b>	<b>281,012,277.01</b>	<b>2,837,735.79</b>	<b>3,131.56</b>	<b>774,084.06</b>	<b>284,627,228.42</b>
<b>OPERATING EXPENSES</b>					
Interest .....	185,038,690.68	1,335,613.58	0.00	3,229,537.78	189,603,842.04
Amortization of bond discount and bond premium .....	(773,468.08)	4,805.14	0.00	0.00	(768,662.94)
Mortgage servicing fees .....	14,610,026.25	146,631.94	0.00	0.00	14,756,658.19
Provision (reversal) for estimated loan losses .....	12,556,889.19	(5,301.39)	0.00	1,375,368.27	13,926,956.07
Operating expenses .....	0.00	0.00	0.00	0.00	0.00
Other expenses .....	11,565,099.96	(914,002.99)	0.00	2,818,146.03	13,469,243.00
<b>Total Operating expenses .....</b>	<b>222,997,238.00</b>	<b>567,746.28</b>	<b>0.00</b>	<b>7,423,052.08</b>	<b>230,988,036.36</b>
<b>Operating income (loss) before transfers .....</b>	<b>58,015,039.01</b>	<b>2,269,989.51</b>	<b>3,131.56</b>	<b>(6,648,968.02)</b>	<b>53,639,192.06</b>
Transfers (interfund).....	0.00	0.00	0.00	0.00	0.00
Transfers (intrafund).....	(49,046,230.92)	0.00	(440,438.30)	7,220,450.53	(42,266,218.69)
Increase (decrease) in fund equity.....	8,968,808.09	2,269,989.51	(437,306.74)	571,482.51	11,372,973.37
Fund equity at beginning of year .....	388,609,311.92	30,717,337.67	547,312.69	(3,336,342.17)	416,537,620.11
<b>Fund equity at end of year .....</b>	<b>397,578,120.01</b>	<b>32,987,327.18</b>	<b>110,005.95</b>	<b>(2,764,859.66)</b>	<b>427,910,593.48</b>

**CALIFORNIA HOUSING FINANCE FUND  
SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS -  
HOMEOWNERSHIP PROGRAMS**

March 31, 2009

	HOME MORTGAGE REVENUE BONDS	SINGLE FAMILY MORTGAGE BONDS II	DRAW DOWN BONDS	SINGLE FAMILY HOUSING PROGRAM BONDS	TOTAL HOMEOWNERSHIP PROGRAMS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers .....	250,984,302.80	2,549,330.05	0.00	272,236.68	253,805,869.53
Payments to suppliers .....	(15,409,588.31)	(152,847.76)	0.00	(12,963.46)	(15,575,399.53)
Payments to employees .....	0.00	0.00	0.00	0.00	0.00
Internal activity - payments other funds .....	0.00	0.00	0.00	0.00	0.00
Other receipts (payments) .....	(345,045,900.74)	3,971,783.50	(102,181.97)	(25,438,626.09)	(366,614,925.30)
<b>Net cash provided by (used in) operating activities .....</b>	<b>(109,471,186.25)</b>	<b>6,368,265.79</b>	<b>(102,181.97)</b>	<b>(25,179,352.87)</b>	<b>(128,384,455.30)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intrafund transfers .....	(49,046,230.92)	0.00	(440,438.30)	7,220,450.53	(42,266,218.69)
Changes in due to (from) other government entities .....	(25,802.57)	0.00	0.00	0.00	(25,802.57)
<b>Net cash provided by (used for) noncapital financing activities .....</b>	<b>(49,072,033.49)</b>	<b>0.00</b>	<b>(440,438.30)</b>	<b>7,220,450.53</b>	<b>(42,292,021.26)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sales of bonds .....	250,000,000.00	0.00	0.00	0.00	250,000,000.00
Payment of bond principal .....	(71,880,230.61)	(3,460,000.00)	0.00	0.00	(75,340,230.61)
Early bond redemptions .....	(335,467,836.82)	(1,880,000.00)	0.00	(18,500,000.00)	(355,847,836.82)
Interest paid on debt .....	(270,431,263.44)	(1,876,141.50)	0.00	(3,905,105.09)	(276,212,510.03)
Interfund transfers .....	0.00	0.00	0.00	0.00	0.00
Decrease (increase) in deferred financing costs .....	(2,035,008.38)	0.00	0.00	0.00	(2,035,008.38)
<b>Net cash provided by (used for) capital and related financing activities .....</b>	<b>(429,814,339.25)</b>	<b>(7,216,141.50)</b>	<b>0.00</b>	<b>(22,405,105.09)</b>	<b>(459,435,585.84)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from maturity and sale of investments .....	1,865,568,145.35	8,497,731.28	0.00	46,682,000.00	1,920,747,876.63
Purchase of investments .....	(1,370,712,187.03)	(8,389,970.10)	(2,000.00)	(7,197,000.00)	(1,386,301,157.13)
Interest on investments .....	32,196,863.97	354,822.12	3,960.39	831,313.91	33,386,960.39
<b>Net cash provided by (used for) investing activities .....</b>	<b>527,052,822.29</b>	<b>462,583.30</b>	<b>1,960.39</b>	<b>40,316,313.91</b>	<b>567,833,679.89</b>
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>(61,304,736.70)</b>	<b>(385,292.41)</b>	<b>(540,659.88)</b>	<b>(47,693.52)</b>	<b>(62,278,382.51)</b>
<b>Cash and cash equivalents at beginning of year .....</b>	<b>76,705,060.83</b>	<b>1,002,045.26</b>	<b>562,252.85</b>	<b>112,816.44</b>	<b>78,382,175.38</b>
<b>Cash and cash equivalents at end of year .....</b>	<b>15,400,324.13</b>	<b>616,752.85</b>	<b>21,592.97</b>	<b>65,122.92</b>	<b>16,103,792.87</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>					
Operating income (loss) .....	58,015,039.01	2,269,989.51	3,131.56	(6,648,968.02)	53,639,192.06
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>					
Interest expense on debt .....	185,038,690.68	1,335,613.58	0.00	3,229,537.78	189,603,842.04
Interest on investments .....	(23,855,913.52)	(284,251.89)	(3,131.56)	(504,541.58)	(24,647,838.55)
Changes in fair value of investments .....	(6,950,709.43)	(20,633.45)	0.00	0.00	(6,971,342.88)
Accretion of capital appreciation bonds .....	611,841.93	0.00	0.00	0.00	611,841.93
Amortization of bond discount .....	27,068.65	146.17	0.00	0.00	27,214.82
Amortization of deferred losses .....	196,445.85	4,658.97	0.00	0.00	201,104.82
Amortization of bond issuance costs .....	3,413,219.79	17,882.20	0.00	133,436.80	3,564,538.79
Amortization of bond premium .....	(996,982.58)	0.00	0.00	0.00	(996,982.58)
Amortization of deferred revenue .....	(129,159.72)	(13,459.96)	0.00	0.00	(142,619.68)
Depreciation .....	0.00	0.00	0.00	0.00	0.00
Provision (reversal) for estimated loan losses .....	12,556,889.19	(5,301.39)	0.00	3,596,875.79	16,148,463.59
Provision for yield reduction payments .....	0.00	0.00	0.00	0.00	0.00
Provision for nonmortgage investment excess .....	(985,454.32)	0.00	0.00	0.00	(985,454.32)

**CALIFORNIA HOUSING FINANCE FUND  
SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS -  
HOMEOWNERSHIP PROGRAMS**

March 31, 2009

	HOME MORTGAGE REVENUE BONDS	SINGLE FAMILY MORTGAGE BONDS II	DRAW DOWN BONDS	SINGLE FAMILY HOUSING PROGRAM BONDS	TOTAL HOMEOWNERSHIP PROGRAMS
<b>Changes in certain assets and liabilities:</b>					
Purchase of program loans .....	(434,325,598.74)	0.00	0.00	(26,323,861.57)	(460,649,460.31)
Collection of principal from program loans - net .....	141,938,204.38	4,073,625.92	0.00	880,262.14	146,892,092.44
Interest receivable .....	1,658,399.62	29,939.56	0.00	2,694.20	1,691,033.38
Accounts receivable .....	(2,387,495.29)	(94,464.08)	0.00	0.00	(2,481,959.37)
Due from (to) other funds .....	(42,235,888.91)	32,748.87	(102,181.97)	141,316.12	(42,164,005.89)
Other assets .....	(245,485.94)	(110.02)	0.00	0.00	(245,595.96)
Compensated absences .....	0.00	0.00	0.00	0.00	0.00
Deposits and other liab .....	1,382,122.47	(1,104.26)	0.00	313,895.47	1,694,913.68
Due to other governments.....	0.00	0.00	0.00	0.00	0.00
Deferred revenue .....	(2,196,419.37)	(977,013.94)	0.00	0.00	(3,173,433.31)
<b>Net cash provided by (used for) operating activities .....</b>	<b><u>(109,471,186.25)</u></b>	<b><u>6,368,265.79</u></b>	<b><u>(102,181.97)</u></b>	<b><u>(25,179,352.87)</u></b>	<b><u>(128,384,455.30)</u></b>

**CALIFORNIA HOUSING FINANCE FUND  
SUMMARY BALANCE SHEET  
MULTIFAMILY RENTAL HOUSING PROGRAMS**

March 31, 2009

	MULTIFAMILY LOAN PURCHASE BONDS	MULTIFAMILY HOUSING REVENUE BONDS II	MULTIFAMILY HOUSING REVENUE BONDS III	MULTIFAMILY DRAW DOWN BONDS	MULTIFAMILY HOUSING PROGRAM BONDS	TOTAL MULTIFAMILY RENTAL HOUSING PROGRAMS
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and cash equivalents .....	1,565,661.44	54,584.00	3,806,887.41	0.00	93,305.39	5,520,438.24
Investments .....	0.00	6,694,000.00	112,148,421.59	0.00	4,324,000.00	123,166,421.59
Current portion - program loans receivable .....	24,000,000.00	1,043,524.76	91,503,225.93	0.00	4,288,840.71	120,835,591.40
Interest receivable - Program loans .....	0.00	370,398.66	5,550,090.81	0.00	1,378,149.64	7,298,639.11
Interest receivable - Investments .....	0.00	36,621.97	731,981.00	0.00	18,702.93	787,305.90
Accounts receivable .....	0.00	0.00	0.00	0.00	0.00	0.00
Due from (to) other funds .....	(773.63)	0.00	(16,441,936.12)	0.00	0.00	(16,442,709.75)
Other assets .....	0.00	79,617.51	502,401.36	0.00	466.41	582,485.28
<b>Total current assets .....</b>	<b>25,564,887.81</b>	<b>8,278,746.90</b>	<b>197,801,071.98</b>	<b>0.00</b>	<b>10,103,465.08</b>	<b>241,748,171.77</b>
<b>Noncurrent assets:</b>						
Investments .....	0.00	0.00	16,913,963.00	0.00	0.00	16,913,963.00
Program loans receivable .....	36,759,438.88	54,317,354.42	1,036,686,849.19	0.00	43,188,293.90	1,170,951,936.39
Due from (to) other funds .....	0.00	0.00	0.00	0.00	0.00	0.00
Deferred financing costs .....	0.00	85,636.40	5,865,809.86	0.00	249,254.43	6,200,700.69
Other assets .....	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Noncurrent assets .....</b>	<b>36,759,438.88</b>	<b>54,402,990.82</b>	<b>1,059,466,622.05</b>	<b>0.00</b>	<b>43,437,548.33</b>	<b>1,194,066,600.08</b>
<b>Total Assets .....</b>	<b>62,324,326.69</b>	<b>62,681,737.72</b>	<b>1,257,267,694.03</b>	<b>0.00</b>	<b>53,541,013.41</b>	<b>1,435,814,771.85</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Current liabilities:</b>						
Bonds payable .....	0.00	674,906.29	25,432,233.42	0.00	0.00	26,107,139.71
Interest payable .....	401,193.80	670,112.49	9,639,615.68	0.00	392,276.05	11,103,198.02
Due to (from) other government entities .....	0.00	0.00	0.00	0.00	0.00	0.00
Compensated absences .....	0.00	0.00	0.00	0.00	0.00	0.00
Deposits and other liabilities .....	1,300.11	2,866.68	573,474.05	0.00	0.00	577,640.84
<b>Total current liabilities .....</b>	<b>402,493.91</b>	<b>1,347,885.46</b>	<b>35,645,323.15</b>	<b>0.00</b>	<b>392,276.05</b>	<b>37,787,978.57</b>
<b>Noncurrent liabilities:</b>						
Bonds and debenture notes payable .....	61,924,637.57	58,503,042.64	1,135,510,237.13	0.00	49,225,000.00	1,305,162,917.34
Due to (from) other government entities .....	0.00	0.00	12,397,208.09	0.00	0.00	12,397,208.09
Deferred revenue .....	0.00	0.00	13,732.15	0.00	0.00	13,732.15
<b>Total noncurrent liabilities .....</b>	<b>61,924,637.57</b>	<b>58,503,042.64</b>	<b>1,147,921,177.37</b>	<b>0.00</b>	<b>49,225,000.00</b>	<b>1,317,573,857.58</b>
<b>Total Liabilities .....</b>	<b>62,327,131.48</b>	<b>59,850,928.10</b>	<b>1,183,566,500.52</b>	<b>0.00</b>	<b>49,617,276.05</b>	<b>1,355,361,836.15</b>
<b>Fund equity</b>						
Invested in capital assets .....	0.00	0.00	0.00	0.00	0.00	0.00
Restricted by indenture .....	(2,804.79)	2,830,809.62	73,701,193.51	0.00	3,923,737.36	80,452,935.70
Restricted by statute .....	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Fund equity .....</b>	<b>(2,804.79)</b>	<b>2,830,809.62</b>	<b>73,701,193.51</b>	<b>0.00</b>	<b>3,923,737.36</b>	<b>80,452,935.70</b>
<b>Total Liabilities and Fund equity .....</b>	<b>62,324,326.69</b>	<b>62,681,737.72</b>	<b>1,257,267,694.03</b>	<b>0.00</b>	<b>53,541,013.41</b>	<b>1,435,814,771.85</b>

**CALIFORNIA HOUSING FINANCE FUND  
COMBINED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND EQUITY  
MULTIFAMILY PROGRAM**

March 31, 2009

	MULTIFAMILY LOAN PURCHASE BONDS	MULTIFAMILY HOUSING REVENUE BONDS II	MULTIFAMILY HOUSING REVENUE BONDS III	MULTIFAMILY DRAW DOWN BONDS	MULTIFAMILY HOUSING PROGRAM BONDS	TOTAL MULTIFAMILY RENTAL HOUSING PROGRAMS
<b>OPERATING REVENUES</b>						
Interest income:						
Program loans and loan agreements -- net.....	3,969,018.95	3,297,698.33	54,406,963.44	0.00	3,027,148.29	64,700,829.01
Interest income - Investments -- net .....	3,071.57	273,942.92	5,012,132.47	11.69	203,908.09	5,493,066.74
Increase (decrease) in fair value of investments .....	0.00	0.00	618,131.58	0.00	0.00	618,131.58
Loan commitment fees .....	0.00	0.00	3,109.71	0.00	0.00	3,109.71
Other loan fees .....	0.00	0.00	137,719.00	0.00	0.00	137,719.00
Other revenues .....	0.00	0.00	9,905,640.41	0.00	0.00	9,905,640.41
<b>Total Operating revenues .....</b>	<b>3,972,090.52</b>	<b>3,571,641.25</b>	<b>70,083,696.61</b>	<b>11.69</b>	<b>3,231,056.38</b>	<b>80,858,496.45</b>
<b>OPERATING EXPENSES</b>						
Interest .....	3,958,233.92	3,029,289.99	46,839,566.01	0.00	1,157,778.56	54,984,868.48
Amortization of bond discount and bond premium .....	0.00	21,314.87	404,662.79	0.00	0.00	425,977.66
Mortgage servicing fees .....	0.00	0.00	5,243.31	0.00	0.00	5,243.31
Provision (reversal) for estimated loan losses .....	0.00	(12,212.00)	(324,348.00)	0.00	(57,346.78)	(393,906.78)
Operating expenses .....	0.00	0.00	0.00	0.00	0.00	0.00
Other expenses .....	13,856.60	145,191.14	30,157,000.79	0.00	7,457.07	30,323,505.60
<b>Total Operating expenses .....</b>	<b>3,972,090.52</b>	<b>3,183,584.00</b>	<b>77,082,124.90</b>	<b>0.00</b>	<b>1,107,888.85</b>	<b>85,345,688.27</b>
<b>Operating income (loss) before transfers .....</b>	<b>0.00</b>	<b>388,057.25</b>	<b>(6,998,428.29)</b>	<b>11.69</b>	<b>2,123,167.53</b>	<b>(4,487,191.82)</b>
Transfers (interfund).....	0.00	0.00	0.00	0.00	0.00	0.00
Transfers (intrafund).....	0.00	(4,000,000.00)	339,256.24	(2,542.25)	(228,643.78)	(3,891,929.79)
Increase (decrease) in fund equity.....	0.00	(3,611,942.75)	(6,659,172.05)	(2,530.56)	1,894,523.75	(8,379,121.61)
Fund equity at beginning of year .....	(2,804.79)	6,333,253.05	80,469,864.88	2,530.56	2,029,213.61	88,832,057.31
<b>Fund equity at end of year .....</b>	<b>(2,804.79)</b>	<b>2,721,310.30</b>	<b>73,810,692.83</b>	<b>0.00</b>	<b>3,923,737.36</b>	<b>80,452,935.70</b>



**CALIFORNIA HOUSING FINANCE FUND  
SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS -  
MULTIFAMILY RENTAL HOUSING PROGRAMS**

**March 31, 2009**

	MULTIFAMILY LOAN PURCHASE BONDS	MULTIFAMILY HOUSING REVENUE BONDS II	MULTIFAMILY HOUSING REVENUE BONDS III	MULTIFAMILY DRAW DOWN BONDS	MULTIFAMILY HOUSING PROGRAM BONDS	TOTAL MULTIFAMILY RENTAL HOUSING PROGRAMS
<b>Changes in certain assets and liabilities:</b>						
Purchase of program loans .....	0.00	0.00	(54,497,534.52)	0.00	(14,610,664.75)	(69,108,199.27)
Collection of principal from program loans - net .....	13,223,299.34	784,113.41	125,739,867.46	0.00	2,042,724.42	141,790,004.63
Interest receivable .....	0.00	4,913.30	372,187.32	0.00	(1,075,722.54)	(698,621.92)
Accounts receivable .....	0.00	0.00	338.55	0.00	0.00	338.55
Due from (to) other funds .....	(164.36)	0.00	14,621,215.27	0.00	0.00	14,621,050.91
Other assets .....	0.00	(128,212.84)	43,153.62	0.00	(152.65)	(85,211.87)
Compensated absences .....	0.00	0.00	0.00	0.00	0.00	0.00
Deposits and other liab .....	(274.02)	0.00	(925,596.01)	0.00	0.00	(925,870.03)
Due to other governments.....	0.00	0.00	0.00	0.00	0.00	0.00
Deferred revenue .....	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net cash provided by (used for) operating activiti</b>	<b><u>17,178,023.31</u></b>	<b><u>3,927,282.98</u></b>	<b><u>120,929,043.29</u></b>	<b><u>0.00</u></b>	<b><u>(9,710,421.87)</u></b>	<b><u>132,323,927.71</u></b>

**CALIFORNIA HOUSING FINANCE FUND  
SUMMARY BALANCE SHEET  
OTHER PROGRAMS AND ACCOUNTS**

March 31, 2009

	HOUSING ASSISTANCE TRUST	CONTRACT ADMINISTRATION PROGRAMS	SUPPLEMENTAL BOND SECURITY ACCOUNT	EMERGENCY RESERVE ACCOUNT	LOAN SERVICING	LOAN WAREHOUSING	OPERATING ACCOUNT	TOTAL OTHER PROGRAMS AND ACCOUNTS
<b>ASSETS</b>								
<b>Current assets:</b>								
Cash and cash equivalents .....	9,419,838.65	848,688.68	519.87	358.24	42,379,936.15	4,178,885.97	307,362.38	57,135,589.94
Investments .....	147,514,281.37	448,742,000.00	40,640,000.00	69,390,000.00	137,925,000.00	132,246,435.05	56,178,000.00	1,032,635,716.42
Current portion - program loans receivable .....	54,158,567.71	0.00	0.00	0.00	0.00	20,225,652.85	0.00	74,384,220.56
Interest receivable - Program loans .....	918,183.31	574,195.79	0.00	0.00	0.00	900,978.33	0.00	2,393,357.43
Interest receivable - Investments .....	726,363.93	2,106,996.19	193,222.34	321,906.04	666,182.24	1,267,542.79	974,514.27	6,256,727.80
Accounts receivable .....	17,331.82	0.00	0.00	59,802.98	6,572,283.70	88,310.84	29,922.80	6,767,652.14
Due from (to) other funds .....	49,803,355.61	(11,820,290.86)	25,007,563.23	14,618,783.04	(5,277,268.08)	(2,374,189.21)	2,202,823.72	72,160,777.45
Other assets .....	4,398.05	0.00	0.00	0.00	0.00	0.00	56,838.16	61,236.21
<b>Total current assets .....</b>	<b>262,562,320.45</b>	<b>440,451,589.80</b>	<b>65,841,305.44</b>	<b>84,390,850.30</b>	<b>182,266,134.01</b>	<b>156,533,616.62</b>	<b>59,749,461.33</b>	<b>1,251,795,277.95</b>
<b>Noncurrent assets:</b>								
Investments .....	2,053,899.55	0.00	0.00	0.00	0.00	51,987,045.10	0.00	54,040,944.65
Program loans receivable .....	290,773,458.75	200,402,024.36	0.00	0.00	0.00	108,746,569.25	0.00	599,922,052.36
Due from (to) other funds .....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred financing costs .....	0.00	0.00	0.00	0.00	0.00	0.00	31,398.61	31,398.61
Other assets .....	0.00	0.00	0.00	0.00	0.00	0.00	780,818.82	780,818.82
<b>Total Noncurrent assets .....</b>	<b>292,827,358.30</b>	<b>200,402,024.36</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>160,733,614.35</b>	<b>812,217.43</b>	<b>654,775,214.44</b>
<b>Total Assets .....</b>	<b>555,389,678.75</b>	<b>640,853,614.16</b>	<b>65,841,305.44</b>	<b>84,390,850.30</b>	<b>182,266,134.01</b>	<b>317,267,230.97</b>	<b>60,561,678.76</b>	<b>1,906,570,492.39</b>
<b>LIABILITIES AND FUND EQUITY</b>								
<b>Current liabilities:</b>								
Bonds payable .....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest payable .....	1,305,084.14	0.00	0.00	0.00	0.00	156,616.34	21,141,557.99	22,603,258.47
Due to (from) other government entities .....	5,105.63	684,613.72	179,636.07	0.00	0.00	250,000,000.00	2,633,359.11	253,502,714.53
Compensated absences .....	0.00	0.00	0.00	0.00	0.00	0.00	2,399,321.89	2,399,321.89
Deposits and other liabilities .....	5,037.84	7,769,850.63	61,973,984.77	0.00	169,505,123.16	60,610,189.68	12,449,051.16	312,313,237.24
<b>Total current liabilities .....</b>	<b>1,315,227.61</b>	<b>8,454,464.35</b>	<b>62,153,620.84</b>	<b>0.00</b>	<b>169,505,123.16</b>	<b>310,766,806.02</b>	<b>38,623,290.15</b>	<b>590,818,532.13</b>
<b>Noncurrent liabilities:</b>								
Bonds and debenture notes payable .....	23,133,890.32	0.00	0.00	0.00	0.00	0.00	0.00	23,133,890.32
Due to (from) other government entities .....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred revenue .....	0.00	0.00	0.00	0.00	0.00	102,589.22	25,048,343.88	25,150,933.10
<b>Total noncurrent liabilities .....</b>	<b>23,133,890.32</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>102,589.22</b>	<b>25,048,343.88</b>	<b>48,284,823.42</b>
<b>Total Liabilities .....</b>	<b>24,449,117.93</b>	<b>8,454,464.35</b>	<b>62,153,620.84</b>	<b>0.00</b>	<b>169,505,123.16</b>	<b>310,869,395.24</b>	<b>63,671,634.03</b>	<b>639,103,355.55</b>
<b>Fund equity</b>								
Invested in capital assets .....	0.00	0.00	0.00	0.00	0.00	0.00	838,829.83	838,829.83
Restricted by indenture .....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restricted by statute .....	530,940,560.82	632,399,149.81	3,687,684.60	84,390,850.30	12,761,010.85	6,397,835.73	(3,948,785.10)	1,266,628,307.01
<b>Total Fund equity .....</b>	<b>530,940,560.82</b>	<b>632,399,149.81</b>	<b>3,687,684.60</b>	<b>84,390,850.30</b>	<b>12,761,010.85</b>	<b>6,397,835.73</b>	<b>(3,109,955.27)</b>	<b>1,267,467,136.84</b>
<b>Total Liabilities and Fund equity .....</b>	<b>555,389,678.75</b>	<b>640,853,614.16</b>	<b>65,841,305.44</b>	<b>84,390,850.30</b>	<b>182,266,134.01</b>	<b>317,267,230.97</b>	<b>60,561,678.76</b>	<b>1,906,570,492.39</b>

**CALIFORNIA HOUSING FINANCE FUND  
 COMBINED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND EQUITY  
 OTHER PROGRAMS AND ACCOUNTS**

March 31, 2009

	HOUSING ASSISTANCE TRUST	CONTRACT ADMINISTRATION PROGRAMS	SUPPLEMENTAL BOND SECURITY ACCOUNT	EMERGENCY RESERVE ACCOUNT	LOAN SERVICING	LOAN WAREHOUSING	OPERATING ACCOUNT	TOTAL OTHER PROGRAMS AND ACCOUNTS
<b>OPERATING REVENUES</b>								
Interest income:								
Program loans and loan agreements -- net.....	15,804,113.96	411,902.49	0.00	0.00	0.00	408,571.20	0.00	16,624,587.65
Interest income - Investments -- net .....	2,593,577.60	7,548,558.96	1,196,498.31	1,776,805.61	144,693.49	9,014,680.72	1,676,284.25	23,951,098.94
Increase (decrease) in fair value of investments .....	91,459.57	0.00	0.00	0.00	0.00	(833,266.25)	0.00	(741,806.68)
Loan commitment fees .....	0.00	0.00	0.00	0.00	0.00	0.00	1,446,929.22	1,446,929.22
Other loan fees .....	237,069.00	0.00	0.00	0.00	6,297,457.82	0.00	6,293,309.54	12,827,836.36
Other revenues .....	1,792,124.16	10,000.00	0.00	0.00	52,263,582.44	0.00	20,859,113.72	74,924,820.32
<b>Total Operating revenues .....</b>	<b>20,518,344.29</b>	<b>7,970,461.45</b>	<b>1,196,498.31</b>	<b>1,776,805.61</b>	<b>58,705,733.75</b>	<b>8,589,985.67</b>	<b>30,275,636.73</b>	<b>129,033,465.81</b>
<b>OPERATING EXPENSES</b>								
Interest .....	1,107,099.24	0.00	0.00	0.00	0.00	8,533,306.64	69,495,976.69	79,136,382.57
Amortization of bond discount and bond premium .....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage servicing fees .....	18,796.26	0.00	0.00	0.00	0.00	105,995.45	0.00	124,791.71
Provision (reversal) for estimated loan losses .....	(2,684,290.18)	1,341,214.30	0.00	0.00	0.00	(1,121,237.67)	0.00	(2,464,313.55)
Operating expenses .....	0.00	0.00	0.00	0.00	0.00	0.00	26,815,022.03	26,815,022.03
Other expenses .....	46,988.22	14,767,931.48	56,314,774.53	0.00	54,286,095.69	115,506.76	34,831,447.64	160,362,744.32
<b>Total Operating expenses .....</b>	<b>(1,511,406.46)</b>	<b>16,109,145.78</b>	<b>56,314,774.53</b>	<b>0.00</b>	<b>54,286,095.69</b>	<b>7,633,571.18</b>	<b>131,142,446.36</b>	<b>263,974,627.08</b>
<b>Operating income (loss) before transfers .....</b>	<b>22,029,750.75</b>	<b>(8,138,684.33)</b>	<b>(55,118,276.22)</b>	<b>1,776,805.61</b>	<b>4,419,638.06</b>	<b>956,414.49</b>	<b>(100,866,809.63)</b>	<b>(134,941,161.27)</b>
Transfers (interfund).....	0.00	416,515,700.00	0.00	0.00	0.00	0.00	0.00	416,515,700.00
Transfers (intrafund).....	439,183.02	0.00	0.00	0.00	498,773.00	612,232.95	44,607,959.51	46,158,148.48
Increase (decrease) in fund equity.....	22,468,933.77	408,377,015.67	(55,118,276.22)	1,776,805.61	4,918,411.06	1,568,647.44	(56,258,850.12)	327,732,687.21
Fund equity at beginning of year .....	508,471,627.05	224,022,134.14	58,805,960.82	82,614,044.69	7,842,599.79	4,829,188.29	53,148,894.85	939,734,449.63
<b>Fund equity at end of year .....</b>	<b>530,940,560.82</b>	<b>632,399,149.81</b>	<b>3,687,684.60</b>	<b>84,390,850.30</b>	<b>12,761,010.85</b>	<b>6,397,835.73</b>	<b>(3,109,955.27)</b>	<b>1,267,467,136.84</b>



**CALIFORNIA HOUSING FINANCE FUND  
SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS -  
OTHER PROGRAMS AND ACCOUNTS**

March 31, 2009

	HOUSING ASSISTANCE TRUST	CONTRACT ADMINISTRATION PROGRAMS	SUPPLEMENTAL BOND SECURITY ACCOUNT	EMERGENCY RESERVE ACCOUNT	LOAN SERVICING	LOAN WAREHOUSING	OPERATING ACCOUNT	TOTAL OTHER PROGRAMS AND ACCOUNTS
<b>Changes in certain assets and liabilities:</b>								
Purchase of program loans .....	(62,499,598.73)	(34,758,548.91)	0.00	0.00	0.00	170,643,011.27	0.00	73,384,863.63
Collection of principal from program loans - net .....	47,328,314.14	2,498,865.54	0.00	0.00	0.00	3,584,527.10	0.00	53,411,706.78
Interest receivable .....	3,397,829.57	(272,233.13)	0.00	0.00	0.00	313,126.35	0.00	3,438,722.79
Accounts receivable .....	(3,652.66)	0.00	0.00	(54,899.41)	(4,692,877.43)	233,595.00	(1,388.01)	(4,519,222.51)
Due from (to) other funds .....	(11,977,702.18)	(525,341.24)	4,680.76	4,189,908.11	403,830.22	703,757.12	34,743,822.19	27,542,954.98
Other assets .....	19,755.00	0.00	0.00	0.00	0.00	0.00	(24,522.08)	(4,767.08)
Compensated absences .....	0.00	0.00	0.00	0.00	0.00	0.00	(75,967.51)	(75,967.51)
Deposits and other liab .....	(334.06)	950,918.77	54,257,542.94	0.00	(1,654,482.64)	20,183,347.01	10,500,327.75	84,237,319.77
Due to other governments.....	(322.52)	0.00	0.00	0.00	0.00	0.00	0.00	(322.52)
Deferred revenue .....	0.00	0.00	0.00	0.00	0.00	53,361.68	705,682.82	759,044.50
<b>Net cash provided by (used for) operating activities .....</b>	<b>(6,571,280.46)</b>	<b>(43,307,122.48)</b>	<b>(2,052,550.83)</b>	<b>4,135,008.70</b>	<b>(1,668,585.28)</b>	<b>194,727,971.34</b>	<b>11,511,904.56</b>	<b>156,775,345.55</b>