

2024 Annual Information Security Update

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- Information Security Management Goals at CalHFA
- Key Points
- Business Execution
- Material Risks
- External Factors
- Security Strategy
- Cyber Security Maturity
- Action Plan for FY 24/25 Beyond





Information Security Management Goals at CalHFA

- Minimize fear, uncertainty, and doubt, while focusing on the business and CalHFA readiness to deal with information security threats.
- Balance the need to protect CalHFA against the requirements for operating the business.
- Involve all relevant stakeholders in our Information Security
 Management process



Key Points

Business Execution	Bright spots, including continued remedial work in several areas to enhance our business performance and security maturity
Material Risks	No CalHFA systems saw a security event in FY 23/24, Vendor partners (2) saw breaches, however, it didn't impact or change our risk position. All other material risks are stable.
External Environment	External events require moderate tactical responses
Security Strategy	Current security strategy is on target. Our processes continue to mature and exceeds peer benchmarks.
Recommendations	Communicate the current state and endorse action plan (Security Strategy)



Business Domain	Bright spots	Remedial Work
Data Protection	Implementing Cyber Security Resilience Update end point protection Implementing Privilege Access Management System Updated Core Network Switch	Data Encryption work continues Data Resilience work continues Network Segmentation Phase 2 Tailored Information Security Training
Regulatory Compliance	Completed mandatory updates per State guidelines	Remediation work continues in partnership with State, Internal and External partners
Maintaining Customer Trust	Protected sensitive data, systems and network by engaging stakeholders and customers	Build trust with creditability with customers
Business Continuity	Updated our Business Continuity Plan	Overall Testing of the Business Continuity Plan
Operational Efficiencies	Al Acceptable Use Policy 10 Phishing Campaigns 15 different IS Training Modules across CalHFA Created new IS Policies (5) Updated numerous Policies and Procedures	Creating various new procedures, policies and templates throughout the Agency

- Zero Information Security Incidents on CalHFA systems in FY 23/24
- External 2 Business Partner's had Data Breaches
 - No direct impact on CalHFA's financial or operations
 - Business Partner's performed actions per State guidelines
 - Breach notifications
 - Offered credit monitoring





External Factors

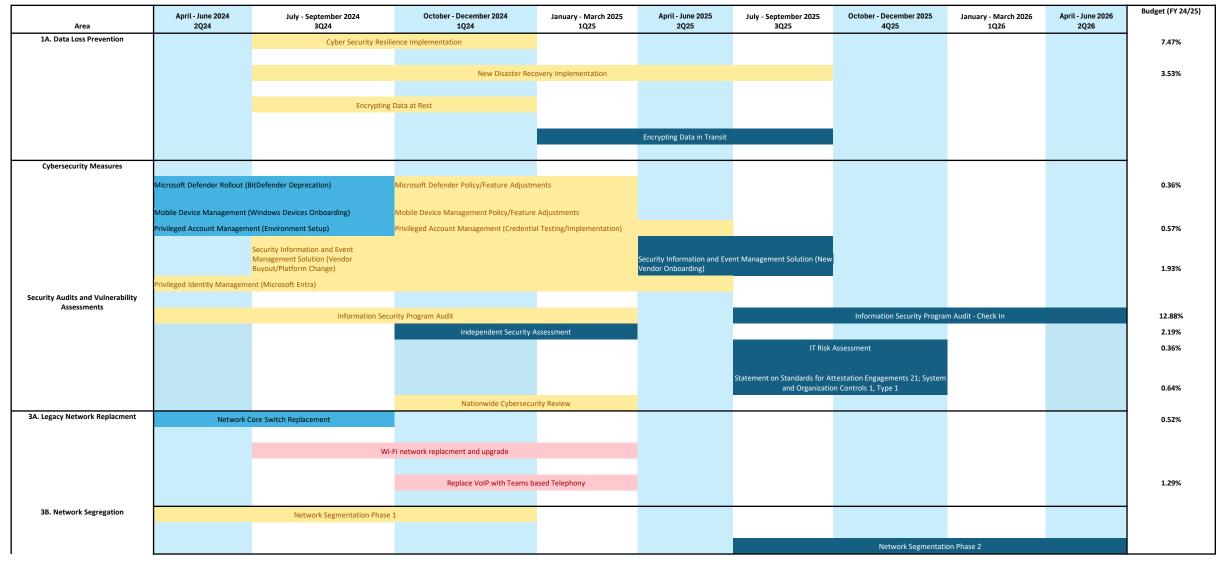
External Events require Moderate Tactical Responses

External Event	Response	
Increase in ransomware attacks across both private and public sectors.	 Effective and regularly tested Response Plans (TRP, CIRP) Regularly performed Data backups and application of security patches. 	
Al landscape presents new opportunities to defend CalHFA's critical infrastructure against malicious activity.	 Al Presence is limited to minimal internal usage. New Al Usage Policy rollout 09/05/2024 Cautious approach for External use. No current Al technology for external use. 	
We fall under the ambit of New Information Security Program Audit requirement.	 ISPA Audit Completed – October 2023 Remediation Efforts are on track to meet all findings before next Audit Review Cycle – FY 24/25 Ongoing workshop sessions with OIS Advisory team (7) Next ISPA Audit – FY 27/28 	
We are fully participating with California Department of Technology and Office of Information Security.	 Independent Information Security Assessment Participation - Dec 2024 	



Security Strategy

Legend



On Target

Complete

Not Started

Early

Our Cyber Security Maturity continues to Improve; it Exceeds Peer Benchmarks

OIS's Cyber Security Maturity

State Agency Average	BCSH Average	CalHFA
1.53 (70 Entities)	1.36 (5 Entities)	2.02

Nationwide Cyber Security Review (NCSR)

National Average 2023	CalHFA - 2023
5.00	6.36

Current state:

- CalHFA's Information Security program will continue to uplift business performance
- Action in response to external changes will be executed by CalHFA ISO Team
- No action is required for material risk position
- Security Strategy will continue as scheduled

Next Audit Committee update to be delivered in 2025



Questions?