

**OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT****PUBLIC AFFAIRS OFFICE**

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**CAL-MORTGAGE RECEIVES 'AA' CREDIT RATING FROM FITCH**

SACRAMENTO – Fitch, a national rating agency, has assigned an “AA” credit rating to the Cal-Mortgage Loan Insurance Program of the Office of Statewide Health Planning and Development (OSHPD), the state office that provides loan insurance to nonprofit health care facilities in California. While Standard & Poors has rated Cal-Mortgage for many years, this is the first time that Fitch has rated the program.

Voters created Cal-Mortgage in 1968 to improve access to capital for needed health care facilities without cost to the taxpayers. Administered by OSHPD, Cal-Mortgage makes it possible for nonprofit health care and other public facilities to obtain private financing to develop or expand their facilities and services. At the end of last year, Cal Mortgage had \$951 million in insured loans for facilities throughout the state. The law provides that if a facility with an OSHPD insured loan defaults on its mortgage or bond payments, OSHPD will pay the debt from the Health Facility Construction Loan Insurance Fund. This assures lenders that the insured mortgage or bond issue will be paid without interruption.

Cal-Mortgage is modeled after the federal home mortgage program and is aimed specifically at the following kinds of health care facilities:

- Projects in medically underserved areas or those that serve medically underserved populations
- Projects that promote access to primary care services
- Projects that provide services to keep with special needs functioning optimally in a community-based environment
- Projects that provide innovative solutions to health care delivery program, such as promoting efficient health care networks in rural areas.

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