**Legal Title**
California Housing Loan Insurance Fund

**Legal Citation/Authority**
Chapter 115, Statutes of 1993
Health and Safety Code section 51611

**Purpose**
Moneys in the fund are used by the California Housing Finance Agency to insure loans made and bonds sold, pursuant to the Marks-Foran Residential Rehabilitation Act of 1973, to encourage and facilitate the preservation of existing housing and improve housing opportunities for persons of moderate income. The agency may initiate programs of coinsurance or reinsurance or purchase reinsurance in carrying out its responsibilities.

The fund consists of two major accounts. The Loan Insurance Reserve Account is used to insure loans made by mortgage lenders approved by the agency and for rehabilitation or acquisition of residential structures in low or moderate income areas that meet the prescribed eligibility requirements. The Bond Insurance Reserve Account is used to insure bonds sold by local agencies, redevelopment rehabilitation or acquisition of residential structures in low or moderate income areas.

The agency must maintain insurance and bond reserves in the fund at lease equal to the total of (1) insurance benefits due and payable pursuant to contracts of loan or bond insurance and (2) five percent of the sum of the aggregate insurance outstanding under contracts of loan or bond insurance and the aggregate amounts to be insured under the agency's commitments to insure loans or bonds.

**Administrating Agency/Organization Code**
California Housing Finance Agency/Org 2245 (The California Housing Finance Agency is in the Department of Housing and Community Development/Org 2240 for budgetary display)

**Major Revenue Source**
Insurance Premiums.
Service Charges.
Interest Income.
Loans from General Fund.

**Disposition of Fund (upon abolishment)**
Pursuant to Government Code section 16346 absent language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.
### Appropriation Authority

Health and Safety Code section 51611(b) continuously appropriates all money to the agency without regard to fiscal year.

### State Appropriations Limit

**Always Excluded** – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Trust and Agency Fund (Non-Federal).

### Comments/Historical Information

Chapter 2, Statutes of 1975 and Chapter 1207, Statutes of 1979 created this fund. An initial amount of $5,000,000 was transferred from the General Fund to this fund and is to be repaid by January 1, 1986, from revenues of the agency not required to pay its current operating expenses or to maintain its loan and bond reserve accounts as specified.

Chapter 115, Statutes of 1993 renamed the California Housing Insurance Fund to the California Housing Loan Insurance Fund, effective July 15, 1993.

Pursuant to the Governor’s Reorganization Plan 2, the Administering Agency and Organization Code changed from California Housing Finance Agency/Org 2260 to Department of Housing and Community Development/Org 2240, effective July 1, 2013.

December 2013 revision corrected the Administering Agency from Department of Housing and Community Development/Org 2240 to California Housing Finance Agency/Org 2245. See Health and Safety Code sections 51611, 51653, and 51000.1 for further information regarding CalHFA’s administering authority.