

CALIFORNIA HOUSING LOAN INSURANCE FUND
REPORT OF AGREED-UPON PROCEDURES
YEAR ENDED DECEMBER 31, 2023



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INDEPENDENT ACCOUNTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

California Housing Finance Agency
Sacramento, California

We have performed the procedures enumerated below on the California Housing Loan Insurance Fund (CaHLIF) for the year ended December 31, 2023. The California Housing Finance Agency (CalHFA) is responsible for the CaHLIF.

CalHFA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the CaHLIF. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Obtain Loan Insurance Fund general ledger detail and agree it to the financial statements for the fiscal year ended December 31, 2023.

Results

We agreed the balances in the financial statements for the fiscal year ended December 31, 2023, to the general ledger detail for the fiscal year ended December 31, 2023, without exception.

2. Observe reinsurer's monthly Claims Paid file and observe that the claims paid during the year were added to the Agency's Claims Outstanding queue in its entirety (all 12 months).

Results

We obtained the monthly claims paid file for the year ended December 31, 2023, and noted the CaHLIF filed and paid three claims for the year ended December 31, 2023.

3. Obtain CalHFA's Claim Disbursements and select all claims paid over \$10,000 and perform the following:
 - a. Agree amount of check to the claim documentation;
 - b. Recalculate amount paid.

Results

We obtained the Claim Disbursements listing and noted 13 claims over \$10,000. We agreed each of those 13 claims paid with the criteria above and recalculated the amount paid. No exceptions were noted.

4. Obtain the premium received report and agree a haphazard selected sample of 25 premiums to the premium amount collected to the active policy in place.

Results

We selected a random sample of premiums received and traced the amount received to the active policy in place. No exceptions were noted.

5. Obtain reinsurer's remittance reports and perform the following:
 - a. Observe that funds received monthly were deposited;
 - b. Observe that the amount received was recorded in the General Ledger

Results

We obtained the Reinsurance Settlements summary and traced each monthly remittance amount to the general ledger detail. We traced the monthly wire deposit to the bank statements.

No exceptions were noted.

6. Obtain support for the premium deficiency calculation and agree amounts recorded in the general ledger to the premium deficiency calculation. Obtain support for the mortgage insurance loss reserve calculation and agree amounts recorded in the general ledger to the mortgage insurance loss reserve calculation.

Results

We obtained and read the premium deficiency methodology. We obtained the premium deficiency summary and premium deficiency calculation workbook. We traced the amounts in the premium deficiency summary to the premium deficiency calculation and to the general ledger without exception. For the year ended December 31, 2023, the premium deficiency balance was -\$307,319. We obtained support for the Mortgage Insurance (MI) reserve calculation and agreed amounts included in the MI Reserve Calculation to the general ledger without exception.

No exceptions were noted.

We were engaged by CalHFA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the CaHLIF. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of CalHFA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

California Housing Finance Agency
Sacramento, California

This report is intended solely for the information and use of CalHFA and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
April 18, 2024