



California State Treasurer Fiona Ma, CPA

News Release

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PR 23:35
August 24, 2023

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State Treasurer Fiona Ma Issues Statement on Distressed Hospital Loan Program, Releases Information on Next Phase of Program

SACRAMENTO – State Treasurer Fiona Ma issued today issued the following statement regarding the Distressed Hospital Loan Program (DHLP), jointly run by the California Health Facilities Financing Authority (CHFFA) and Department of Healthcare Access and Information (HCAI):

“California’s network of hospitals plays a vital role in providing access to emergency services and acute care. In some parts of the state, they may be the only source of healthcare. The hospitals approved for this program have shown a detailed plan for financial recovery and these funds will help them keep the doors open so they can keep serving their communities. My team stands ready to begin disbursing loan funds in the coming weeks and has already begun reaching out to provide instructions and assistance.”

CHFFA, an arm of the State Treasurer’s Office and chaired by Ma as state treasurer, has a long and successful history of administering loans to hospitals and other healthcare facilities. Their HELP II loan program provides low-interest rate loans to California’s nonprofit small or rural health facilities to purchase or construct new facilities, remodel or renovate existing facilities, and purchase equipment or furnishings, among other uses.

Since 1995, CHFFA has issued 292 loans, totaling \$131.8 million, to 188 health facilities. To date, they maintain a 0% default rate.

With today’s announcement of approved DHLP applicants, the State Treasurer’s Office and CHFFA outlined next steps in the program, including the disbursement of loan funds.

DHLP STO/CHFFA Next steps

1. HCAI to send CHFFA list of approved Distressed Hospital Loan Program (DHLP) applicants.

2. CHFFA to send formal approval letters to all DHLP approved borrowers, along with detailed instructions and required documents.
3. Borrowers to complete and return to CHFFA executed loan documents to begin loan disbursement process. (time dependent on borrowers)
4. Upon receipt of required loan documents, CHFFA will begin loan disbursement process. (approx. 5-10 days)
5. Loan proceeds disbursed.
6. CHFFA to provide loan servicing and ongoing assistance to borrowers. (Note: DHLP loans have an 18-month initial deferment period.)

For more information, visit [CHFFA's DHLP website](#).

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Fiona Ma is California's 34th State Treasurer. She was first elected on November 6, 2018, with more votes (7,825,587) than any other candidate for treasurer in the state's history and reelected on November 8, 2022. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Presently, her office processes more than \$3 trillion in banking transactions. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio that currently averages over \$200 billion—a significant portion of which is beneficially owned by more than 2,200 local governments in California. She serves as agent of sale for all State bonds and is trustee of billions of dollars of state indebtedness.

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