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HEALTH AND SAFETY CODE - HSC

DIVISION 107. HEALTH CARE ACCESS AND INFORMATION [127000 - 130079] (*Heading of Division 107 amended by Stats. 2021, Ch. 143, Sec. 28.)*

PART 6. FACILITIES LOAN INSURANCE AND FINANCING [129000 - 129387] (*Part 6 added by Stats. 1995, Ch. 415, Sec. 9.)*

CHAPTER 1. Health Facility Construction Loan Insurance [129000 - 129355] (*Chapter 1 added by Stats. 1995, Ch. 415, Sec. 9.)*

ARTICLE 4. Termination of Insurance [129175 - 129185] (*Article 4 added by Stats. 1995, Ch. 415, Sec. 9.)*

129175. Should a borrower be more than 10 days delinquent in paying the premium charges or inspection fees for insurance under this chapter, the department shall notify the borrower in writing. If that payment remains delinquent more than 30 days after the sending of the department's notice to the borrower, the department shall make every reasonable effort to notify the lender in writing. If that delinquency continues, on the 31st day after sending of the department's notice to the lender, the insurance shall be terminated and become null and void.

(*Amended by Stats. 2021, Ch. 143, Sec. 264. (AB 133) Effective July 27, 2021.*)

129180. The obligation to pay any subsequent premium charge for insurance shall cease, and all rights of the lender and the borrower under this chapter shall terminate as of the date of the notice, as herein provided, in the event that (a) any lender under a loan forecloses on the mortgaged property, or has otherwise acquired the project property from the borrower after default, but does not convey the property to the department in accordance with this chapter, and the department is given written notice thereof, or (b) the borrower pays the obligation under the loan in full prior to the maturity thereof, and the department is given written notice thereof.

(*Amended by Stats. 2021, Ch. 143, Sec. 265. (AB 133) Effective July 27, 2021.*)

129185. The department is authorized to terminate any insurance contract upon joint request by the borrower and the lender and upon payment of a termination charge that the department determines to be equitable, taking into consideration the necessity of protecting the fund. Upon the termination, borrowers and lenders shall be entitled to the rights, if any, that they would be entitled to under this chapter if the insurance contract were terminated by payment in full of the insured loan.

(*Amended by Stats. 2021, Ch. 143, Sec. 266. (AB 133) Effective July 27, 2021.*)