

## IV. SUBMITTING A CLAIM

Lenders are required to notify CalCAP within 120 days of when the lender has charged off all or part of a qualified loan as a result of default. If the form is filled out properly and the lender has complied with CalCAP requirements, CalCAP will authorize the Program trustee (if account is trustee-held) or the participating financial institution (if account is lender-held) to reimburse the lender for their losses from the lender's loss reserve account within 30 business days.

The lender must experience a net loss originating from the outstanding principal, accrued and unpaid interest, and/or out-of-pocket expenses in order for CPCFA to approve a claim.

In addition to the claim form, lenders should submit:

- (1) a complete transaction history of the account
- (2) a short written synopsis of the loan history, including the last payment date, when and why the loan charged off, any liquidation efforts (dates and amounts) and future collection efforts
- (3) receipts for any reasonable, claimed out-of-pocket expenses
- (4) Bill of Sale for liquidated collateral

When assessing whether an out-of-pocket expense is considered reasonable, financial institutions should consider the best lending practices and act in a prudent and judicious manner during their collection processes.

Lenders must abide by their standard collection practices both before and after a claim is filed with CPCFA. If a lender receives any recoveries after a claim is filed with CPCFA, the lender must reimburse the loan loss reserve account on a dollar for dollar basis and must report the recovery on the lender's Quarterly Report.

A copy of the form can be found in Chapter VIII of this manual. However, lenders should always check the CalCAP website for the most current version:

☞ Claim Application: <http://www.treasurer.ca.gov/cpcfca/calcap/forms/claim.pdf>

### Form 3: CalCAP Financial Institution Claim Application

Lender and Borrower Information Section	
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>CALIFORNIA CAPITAL ACCESS PROGRAM California Pollution Control Financing Authority</p> </div> <div style="width: 45%; text-align: right;"> <p>915 Capitol Mall, Room 457 Sacramento, CA 95814 Telephone (916) 654-5610 Fax (916) 589-2805</p> </div> </div> <p style="text-align: center; margin: 10px 0;"><b>CalCAP FINANCIAL INSTITUTION CLAIM APPLICATION</b></p> <p>NOTE: A lender is required to notify the Authority within 120 days of when the lender has charged off all or part of a qualified loan as a result of default by a borrower. If the form is filled out properly and the lender has faithfully complied with CalCAP requirements, CPCFA will authorize the Program trustee to reimburse the lender from the lender's loss reserve account within 30 business days.</p> <p><b><u>Lender and Borrower Information</u></b></p> <p>Participating Lender: _____ Lender's CalCAP ID #: _____</p> <p>Lender Contact: Name: _____ CalCAP Loan Number: _____</p> <p style="padding-left: 40px;">Phone: _____ Borrower's Name: _____</p> <p style="padding-left: 40px;">Address: _____ Borrower DBA: _____</p>	
Field:	Information Needed:
<ul style="list-style-type: none"> <li>▪ Participating Lender</li> </ul>	<ul style="list-style-type: none"> <li>✓ Name of the financial institution holding the loan.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Lender Contact</li> </ul>	<ul style="list-style-type: none"> <li>✓ Name, phone number, and address of lender representative CalCAP can contact with questions about this claim.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Lender's CalCAP ID#</li> </ul>	<ul style="list-style-type: none"> <li>✓ The financial institution's assigned CalCAP Lender ID. This number was issued and provided on the signed copy of the lender's "Financial Institution Enrollment" agreement and "Welcome Letter" that accompanied it. (This number never changes.)</li> </ul>
<ul style="list-style-type: none"> <li>▪ CalCAP Loan Number</li> </ul>	<ul style="list-style-type: none"> <li>✓ The number CalCAP assigned to the loan after it was approved. This number can be found on the approved CalCAP loan enrollment application form. A copy of this was returned to the lender.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Borrower's Name</li> </ul>	<ul style="list-style-type: none"> <li>✓ Name of the borrower.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Borrower DBA</li> </ul>	<ul style="list-style-type: none"> <li>✓ Name of business. "Doing Business As".</li> </ul>
Loan Information Section	
<p><b><u>Loan Information</u></b></p> <p>Original Principal Amount of Loan: _____ Date of Loan: _____</p> <p>Default Amount: _____ Date of Default: _____</p> <p>Is this loan secured? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of Charge-off: _____</p> <p style="padding-left: 40px;">If yes, what form of security _____</p> <p>Was the loan in the first \$1 million of CalCAP loans made by lender? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Have enforcement proceedings begun? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Lender's priority of claim (If two or more claims filed by lender): _____</p>	

Field:	Information Needed:
<ul style="list-style-type: none"> <li>▪ Original Principal Amount of Loan</li> </ul>	✓ Amount disbursed to borrower upon first funding of loan.
<ul style="list-style-type: none"> <li>▪ Date of Loan</li> </ul>	✓ Date of initial disbursement.
<ul style="list-style-type: none"> <li>▪ Default Amount</li> </ul>	✓ Delinquent amount of loan (outstanding principal prior to liquidation of collateral).
<ul style="list-style-type: none"> <li>▪ Date of Default</li> </ul>	✓ Date of first delinquency.
<ul style="list-style-type: none"> <li>▪ Is this loan secured? <input type="checkbox"/>Yes <input type="checkbox"/>No <ul style="list-style-type: none"> <li>▪ If yes, what form of security</li> </ul> </li> </ul>	✓ Identify whether collateral was used to secure the loan. If answered "yes", describe the type of collateral used.
<ul style="list-style-type: none"> <li>▪ Date of Charge-off</li> </ul>	✓ Date loan was deemed uncollectable by lender and charged off the books from an asset to a liability.
<ul style="list-style-type: none"> <li>▪ Was the loan in the first \$1 million of CalCAP loans made by lender? <input type="checkbox"/>Yes <input type="checkbox"/>No</li> </ul>	✓ Indicate whether this loan falls within the first \$1 million for a new lender (regardless of amount enrolled).
<ul style="list-style-type: none"> <li>▪ Have enforcement proceedings begun? <input type="checkbox"/>Yes <input type="checkbox"/>No</li> </ul>	✓ Answer "yes" if lender has started collection efforts, otherwise answer "no".
<ul style="list-style-type: none"> <li>▪ Lender's priority of claim (If two or more claims filed by lender)</li> </ul>	✓ Rank the priority of this claim in comparison to other claims already filed by lender.

**Claim Information Section**

<u><i>Claim Information</i></u>	
Outstanding Principal	\$ _____
Accrued and Unpaid Interest	\$ _____
Out-of-pocket expenses (Attach detailed explanation)	\$ _____
Total	\$ _____
<b>Please attach loan history report.</b>	
<ul style="list-style-type: none"> <li>The lender warrants this claim is being filed within 120 days of the loan being charged off and that charge-off was consistent with the lender's usual methods for taking action on loans not enrolled in the Program.</li> <li>Lender will, as CPCFA's agent, pursue additional recovery on this defaulted loan through legal proceedings, seizure and liquidation of collateral, guarantees, and/or other sources.</li> <li>Lender certifies it has given notice to the Authority of the initial enrollment of the loan in CalCAP, and either: <ul style="list-style-type: none"> <li>(1) has given notice to the Authority of any renewals or extensions of the loan; or</li> <li>(2) the loan was continuously renewed or extended since the date of its initial enrollment in CalCAP.</li> </ul> </li> </ul>	
Authorized Signature _____	Date _____
Title _____	

Field:	Information Needed:
<ul style="list-style-type: none"> <li>▪ Outstanding Principal</li> </ul>	<ul style="list-style-type: none"> <li>✓ List the amount of the outstanding principal calculated as:  Original Principal Amount  <u>– Payments Applied to Principal (including liquidated collateral)</u>  = Outstanding Principal</li> <li>✓ CPCFA does not authorize payment for lender-issued fees (NSF fees, late fees, etc.)</li> </ul>

<ul style="list-style-type: none"> <li>▪ Accrued and Unpaid Interest</li> </ul>	<ul style="list-style-type: none"> <li>✓ List the amount of accumulated, unpaid interest calculated from the day after the last interest payment was made until the date of loan charge-off. The interest is calculated at the rate listed on the original application.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Out-of-Pocket expenses (Attach detailed explanation)</li> </ul>	<ul style="list-style-type: none"> <li>✓ List the amount of reasonable out-of-pocket expenses incurred related to delinquent loan recovery efforts (e.g. repairs, towing charges, legal fees), and include documentation of out-of-pocket expenses. The receipts must contain identifying information (e.g. Borrower Name, CalCAP #, Lender Loan #, VIN #).</li> </ul>
<ul style="list-style-type: none"> <li>▪ Total</li> </ul>	<ul style="list-style-type: none"> <li>✓ This is the total sum of the outstanding principal, accrued and unpaid interest, and out-of-pocket expenses.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Authorized Signature</li> </ul>	<ul style="list-style-type: none"> <li>✓ To be signed by the lender-designated authorized signer.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Date</li> </ul>	<ul style="list-style-type: none"> <li>✓ Date the claim was signed.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Title</li> </ul>	<ul style="list-style-type: none"> <li>✓ Title of the lender-designated authorized signer.</li> </ul>