

VII. RECAPTURE

A. Overview

To ensure program continuity, older contributions will be recycled to support future enrollments in CalCAP/ADA.

Section 8070 (w) “Recapture means the withdrawal of the Authority’s Contributions pursuant to each program’s rules set forth in Sections 8073, 8078.11, 8078.18, and 8078.25.”

Health and Safety Code Section 44559.13 (d)6 “Recapture from the loss reserve account the authority’s contribution for each enrolled loan upon the maturation of such loan or after five years from the date of enrollment, whichever happens first, to be deposited in the fund and applied to future program and administrative expenditures.”

The Basics of Recapture	
Recapture Process	The withdrawal of CPCFA contributions for matured loans or loans older than 5 years from the date of enrollment in the Program.
Lenders subject to Recapture	All lenders.
Recapture Amount	CalCAP ADA contributions for the matured corresponding loans or loans that are older than 5 years.
Loans not subject to Recapture	1) Loans which have not matured and are less than five years old 2) Enrolled loans that have been charged off as a result of a default, and have a pending or approved claim with CalCAP
Recapture Notification	Annually after March 31, a Recapture notification letter with transfer instruction will be sent to the Lender. The notification letter will list the CalCAP/ADA contribution amounts that will be recaptured based on the status of the loans at the end of the previous calendar year.

B. Recapture Calculation

CalCAP will determine the actual Recapture amount based on CPCFA’s contribution amounts for each enrolled loan that has matured or is older than 5 years from the date of enrollment in the program. Enrolled loans that have been charged off as a result of a default and have a pending or approved claim with CalCAP are not subject to Recapture.