



CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

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California Capital Access Loan Program

UPDATED PROGRAM NOTICE

To: Participating Financial Institutions & Interested CalCAP Borrowers and Stakeholders

From: Renee Webster-Hawkins, Executive Director

Date: March 9, 2020

Re: Supplemental Severely Affected Community (SAC) Contribution

The credit enhancements offered by the California Pollution Control Financing Authority for loans enrolled in the California Capital Access Loan Program (CalCAP) for Small Business, the Collateral Support Program (CSP), the CalCAP/Seismic Safety Program, and the CalCAP Americans with Disabilities Act (CalCAP/ADA) Program are eligible for supplemental contributions for borrowers whose businesses and properties are located in a Severely Affected Community (SAC). The Authority's regulations define a Severely Affected Community as an "economically distressed geographic area", as designated by the Executive Director.

In recognition of the economic impact of COVID-19, as well as designated disasters and public safety power shutoffs to California small businesses, CalCAP will authorize a supplemental contribution for a credit enhancement for the 12 months following the emergency or disaster designation. The additional contribution is applicable to loans enrolled in CalCAP for Small Business, CSP, CalCAP/ADA and CalCAP/Seismic Safety for borrowers located in areas designated as an emergency or disaster area by the Governor, and whose businesses are directly impacted by the emergency or disaster including any public safety power shutoffs.

CPCFA has developed a "Supplemental SAC Contribution Lender and Borrower Certification" that will be required to be submitted with the loan enrollment application package in order to qualify for this supplemental SAC contribution. The form is included with this notice and posted on the CalCAP website, https://www.treasurer.ca.gov/cpcfafa/calcap/forms/sac-contribution.pdf.

A state of emergency has been declared for specific areas on the dates listed on the chart below, effective as of the declaration date and in effect until the end date listed.

Table with 3 columns: Date of Declaration, Counties, End Dates for SAC. Rows include dates from July 4, 2019 to March 4, 2020, covering counties like Kern, San Bernardino, Riverside, Los Angeles, Sonoma, and Statewide.

Borrower Name

Lender Loan Number

Supplemental Severely Affected Community (SAC) Contribution Lender and Borrower Certification

The credit enhancements offered by the California Pollution Control Financing Authority for loans enrolled in the California Capital Access Loan Program (CalCAP) for Small Business, the Collateral Support Program (CSP), the CalCAP/Seismic Safety Program, and the CalCAP Americans with Disabilities Act (CalCAP/ADA) Program are eligible for supplemental Contributions for borrowers whose businesses and properties are located in a Severely Affected Community (SAC). The Authority's regulations define a Severely Affected Community as an "economically distressed geographic area", as designated by the Executive Director.

In recognition of the economic impact of designated disasters, public safety power shutoffs, and COVID-19 to California small businesses, CalCAP will authorize a supplemental contribution for a credit enhancement for the 12 months following the designation for CalCAP for Small Business, CSP, CalCAP/ADA and CalCAP/Seismic Safety loans enrolled for borrowers located in areas designated as an emergency or disaster area by the Governor, and whose businesses are **directly impacted** by the emergency or disaster. This impact must be detailed below stating specifically how the business was affected, including the number of days, sales amount lost, and/or number of employees.

To be eligible for the supplemental contribution, the lender and borrower must certify to both of the following:

- Business is located in a designated emergency or disaster area.
- City, County and zip code of impacted business or property: _____

The economic impact to the small business caused by _____ (designated event) on _____ (date) has been described and addressed in the loan credit analysis.

Circumstances might include: disruption to supply chain; physical damage to the business or property; mandatory evacuation area; employee/customer home was at risk; quarantines; temporary closure due to safety risk; customers and/or sales lost, or extended power outage due to public safety power shutoffs.

- Disruption to supply chain. Specify: _____
- Physical damage to the business or property. Specify damage: _____
- Mandatory evacuation area. Specify region: _____
- Employee home was at risk. Number of employees affected: _____
- Temporary closure due to safety risk. Number of days closed: _____
- Extended power outage due to public safety power shutoffs. Number of days affected: _____
- COVID-19. Specify impact: ___ Drop in customers and/or sales ___ Staff time or labor lost due to employee quarantines
- Other. Please state how the business was specifically impacted: _____

By signing below and enrolling this loan the Participating Financial Institution and the Borrower certifies that each of the above assurances is true and accurate.

Authorized Lender Signature

Title

Printed Name of Authorized Signer

Date

Borrower Signature

Borrower Printed Name

Date