

☰ CalCAP Collateral Support

CalCAP Provides Cash Pledges to Financial Institutions When They Make Loans to Small Businesses

Cash Pledge

CalCAP Collateral Support (CS) pledges cash to participating financial institutions (PFIs) for loans made to small business borrowers (SBBs) which meet the PFIs' underwriting standards except for having too little collateral.

SSBCI 2.0 funds allow CalCAP Collateral Support to provide cash support for more loans to SBBs enrolled by PFIs.



How It Works

SBB can use technical assistance from CalOSBA calosba.ca.gov and/or Small Business

Development Centers californasbdc.org, to compare options and prepare to apply for capital.

SBB applies to PFI; PFI applies its underwriting standards and determines the proposed loan needs more collateral.

PFI submits CS request to CalCAP; if approved, PFI finalizes loan within 90 days and submits final loan information and closing fees to CalCAP within 15 business days of loan closing.

CalCAP funds the cash pledge in an account unique to the specific loan; cash pledge is available to PFI in the event of a claim.

☰ Which Loans Qualify for Cash Support? ☰

Loans for Many Business Needs

- Working capital including inventory purchase
- Capital projects including equipment purchase
- Start-up costs
- Land acquisition, construction or renovation of buildings
- Bridge loans
- Ownership purchase for ESOP or worker co-op

Most Business Sectors

Most North American Industry Classification System codes are eligible census.gov/naics/

Loan Amount of \$50,000 to \$20,000,000 for “Green” or Manufacturing Businesses

Cash pledge up to 40% of the loan amount + 10% if located in SAC*, maximum pledge of \$2,500,000 across all loans per SBB

- Loans to businesses furthering energy and water conservation, alternative energy and environmental protection OR defined as manufacturing

Loan Amount of \$50,000 to \$250,000

Cash pledge up to 40% of the loan amount + 10% if located in SAC*, maximum pledge of \$500,000 across all loans per SBB

Loan Amount of \$250,001 to \$20,000,000

Cash pledge up to 30% of the loan amount + 7.5% if located in SAC*, maximum pledge of \$500,000 across all loans per SBB

Primary Business is a California Business

Business activity funded by the loan must be created and retained in California

Employee Count is 1 to 750

and the business is classified as a small business by the U.S. Small Business Administration

*SAC = Severely Affected Community, including areas with emergency or disaster declarations, or high unemployment rate.