CalCAP Collateral Support Program

CalCAP Collateral Support (CalCAP CS) encourages banks and other financial institutions to make loans to small businesses. CalCAP CS pledges cash to cover the collateral shortfall of a loan in order to enable financing that otherwise might not be available to a small business. CalCAP CS is funded with State Funds and must conform to the statutes and regulations of CalCAP.

- The program is administered by the California Pollution Control Financing Authority (CPCFA).
- CPCFA was established in 1973 and is chaired by the California State Treasurer.

Who Qualifies?
Eligible borrowers must meet the these criteria:

- Business purpose is one of the industries listed in the North American Industry Classification System (NAICS) codes list.
- Business is considered a small business under the U.S. Small Business Administration
- Employs 750 employees or fewer full-time equivalents.
- A majority of the business activity takes place in California.

Eligible Uses of Loan Proceeds
Loans proceeds can be used toward the following:

- Any tangible or intangible asset purchase, including: construction, renovation or improvements of an eligible place of business;
- Start-up costs;
- Working capital;
- Franchise fees;
- Equipment;
- Inventory; and
- Bridge loans needed prior to the borrower obtaining permanent financing or support.

How it Works

- $50,000 minimum and $20,000,000 maximum for under collateralized loans.
- Extra cash support is available to support “green” and manufacturing loans, loans between $50,000 and $250,000 and loans to businesses in Severely Affected Communities.
- $500,000 or $2,500,000 maximum collateral support per loan and borrower depending on the type of loan.
- Prior to issuance of a loan, the participating lender submits a CSP Request and borrower risk assessment to CalCAP.
- Once approved by CPCFA, CSP approval is sent to the lender. This commitment can be called upon for up to 90 days after issuance.
- Once the loan is finalized, within 15 business days of loan closing, the lender submits the Collateral Support Approval with final loan information and closing fees to notify CalCAP that the loan was funded.
- CalCAP funds the CSP loss reserve contribution. A separate account is opened for each loan that is enrolled in CSP.

To learn more, please contact CalCAP Program Managers at (916) 654-5610 or CalCAP@treasurer.ca.gov. Also, please visit http://www.treasurer.ca.gov/cpcfa/calcap/collateral/index.asp

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