



Collateral Support “comes in to make that last difference in making their loan possible.”

-Ana Medina, Fresno CDFI/Access Plus Capital.
Fresno CDFI utilized the Collateral Support Program while working with borrower Teodoro Pizano to finance the expansion of his business, Belmont Radiator in Fresno.

CalCAP CS Provides Cash Pledges to Backstop Loans to Small Businesses Which Don't Have Enough Collateral

Credit Enhancement

CalCAP CS is a credit enhancement program funded by the State Small Business Credit Initiative (SSBCI 2.0).

How It Works

- CalCAP CS provides a credit enhancement to a participating financial institution (PFI) after a small business borrower (SBB) has applied to a PFI, and the PFI has begun the underwriting process.
- Once a loan (or line of credit) is approved by the PFI and accepted for enrollment in CalCAP CS, it is assigned a cash pledge held in an account unique to that loan.

- The cash pledge is available to pay the PFI's claim in the case of default. If no claim is made prior to the expiration of enrollment, the cash pledge is returned to the program to support more loans to small businesses.
- Prior to applying to a PFI, a SBB can work with a small business center to become "loan-ready."
- Once a SBB is "loan-ready," they decide to which PFI they will apply.

More information including links to resources for SBB: treasurer.ca.gov/cpcf/calcap/collateral/index.asp



Which Loans Qualify for Cash Pledges?

Loans & Lines of Credit for Many Needs

- Equipment purchase & other capital projects
- Inventory purchase & other working capital
- Ownership purchase by an ESOP or worker co-op
- Real estate acquisition, construction or renovation of buildings (residential excluded) for occupancy by the SBB
- Start-up costs
- Bridge loans

Cash Pledge Based on Amount Loaned by PFI

- Loans of \$25,000 to \$20,000,000 can be enrolled
- Maximum cash pledge of \$10,000,000
- Cash pledge up to 40% of loan amount (fee ranges from 0.5 to 3.0%)
- 10% additional cash pledge if the SBB is located in a severely affected community (SAC) (no fee on SAC)
- SAC includes emergency or disaster declarations, or high unemployment, or socially and economically disadvantaged individual (SEDI)-owned businesses

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

Business is classified as a small business by the U.S. Small Business Administration, or is a non-profit



CalCAP CS: CalCAP Collateral Support

is one of the California Capital Access Programs known as CalCAP. CalCAP CS and CalCAP for Small Business serve an array of business sectors while others serve a specific use. CalCAP is administered by CPCFA.



CPCFA: California Pollution Control Financing Authority

administers programs which incentivize capital investment in specific economic activities reflecting state and federal policy goals. Our name references our original conduit bond projects which addressed industrial air and water pollution.



STO: State Treasurer's Office

CPCFA was approved as part of the STO in 1972, and began taking action March 7, 1973. The Treasurer chairs the CPCFA Board.

Contact Us

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