SEVERELY AFFECTED COMMUNITIES

If your loan enrollment is for a borrower located within a severely affected community it may qualify for an additional premium equal to the amount of the lender premium. Borrowers with addresses in High Unemployment Areas or Enterprise Zones are located within a Severely Affected Community.

HIGH UNEMPLOYMENT AREAS

To determine whether a business is located within a High Unemployment Area, CalCAP uses data published by the Employment Development Department (EDD). Follow these steps to report an enrollment located in a High Unemployment Area:

1. Check the current California unemployment rate posted by reviewing EDD’s Monthly Data Release by navigating to [http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=1003](http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=1003) and selecting California and Counties under Current Unemployment Rates

The current California unemployment rate is located in the first row of the table

Print this document to submit with your loan enrollment package.

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1. Lookup the current unemployment rate for the borrower’s city and county by navigating to http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=1003 and selecting Labor Force Data only for Cities and Census Designated Places. 

And selecting the borrower’s county.

2. The selection will download the Monthly Labor Force Data for Cities and Census Designated Places in an excel file with the data for the county. **Print this document to submit with your loan enrollment package.**

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3. For the purposes of Severely Affected Communities, use the higher of the city or county rate to determine borrower eligibility. If either the city or county unemployment rate are 110% or more of the current California statewide unemployment rate (not seasonally adjusted) as of the date of loan (date of first disbursement) the enrollment is located in a Severely Affected Community.

**EXAMPLE:** IF THE CURRENT CALIFORNIA UNEMPLOYMENT RATE IS 10.9% ANY BUSINESS LOCATED IN A CITY OR COUNTY WITH AN UNEMPLOYMENT RATE OF 11.99% OR HIGHER IS CONSIDERED LOCATED WITHIN A SEVERELY AFFECTED COMMUNITY. (10.9 X 1.1 = 11.99)

4. Check the “Yes” box next to Severely Affected Community on the Loan Enrollment Application

5. Include the Monthly Labor Force Data for Cities and Census Designated Places printout, with city or county highlighted, with your loan enrollment application package when you submit the enrollment to CalCAP@treasurer.ca.gov.

**ENTERPRISE ZONES**

Follow these steps to report an enrollment located in an Enterprise Zone:


2. Review the Map and Streets posted for the area. If the borrower’s address is located within one of the enterprise zone the enrollment is located in a severely affected community.

3. Check the “Yes” box next to Severely Affected Community on the Loan Enrollment Application

4. Include a copy of the Streets web page indicating enterprise zone street address range, with city or county highlighted, with your loan enrollment application package when you submit the enrollment to CalCAP@treasurer.ca.gov.

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