Today:

- Historic expenditures and expenditure projections

- Potential program modifications:
  - Alignment of contribution rates consistent with CalCAP
  - Recapture of funds in lenders’ loan loss reserve accounts
  - Short-term cash flow
GROWTH IN CONTRIBUTION AMOUNTS BY QUARTER
JANUARY 2012-MARCH 2015

![Bar chart showing growth in contribution amounts by quarter from Q1 2012 to Q1 2015.](chart.png)
PROJECTED CONTRIBUTIONS THROUGH SEPTEMBER 2016
BASED ON ACTUALS FROM JANUARY 2012-APRIL 2015
Example: Lender makes a $50,000 loan to a borrower

- Borrower Premium = 0%
- Lender Premium = 0%
- CalCAP Premium = 14%
- Total Contribution = 14%
Premium Contribution Based on Borrower and Lender premium choice between 1%-3.5% once loss reserve account balance reaches $500,000

Example: Lender makes a $50,000 loan to a borrower – lender chooses 2%

- Borrower Premium = 2% ($1,000)
- Lender Premium = 2% ($1,000)
- CalCAP Premium = 4% ($2,000)
- Total Contribution = 8% ($4,000)
Premium Contribution Based on Borrower and Lender premium choice between 1%-3.5% once loss reserve account balance reaches $500,000

Example: Lender makes a $50,000 loan to a borrower – lender chooses 3.5%

- Borrower Premium = 3.5% = $1,750
- Lender Premium = 3.5% = $1,750
- CalCAP Premium = 7% = $3,500
- Total Contribution = 14% = $7,000
POSSIBLE CHANGES TO LOAN LOSS RESERVE ACCOUNTS

• ARB and CPCFA will examine the potential for a recapture of funds, balancing the lender’s need for reasonable protection against losses with the prudent use of public funds.

• Would be implemented through amendments to the CalCAP regulations.
OPTIONS FOR SHORT TERM CASH FLOW

• CPCFA will assess interim measures to meet short-term cash flow needs.
QUESTIONS AND COMMENTS
THANK YOU!

Contact:

- CPCFA Main Line: (916) 654-5610
- CalCAP@treasurer.ca.gov
- http://www.treasurer.ca.gov/cpcfa/cal_cap.asp