CalCAP for Small Business

CalCAP Provides Support to Financial Institutions When They Make Loans to Small Businesses

Loan Loss Reserve
CalCAP for Small Business (SB) makes matching contributions to loan loss reserve accounts for participating financial institutions (PFIs). This proven financing mechanism incentivizes PFIs to address the financing needs of California’s small business borrowers (SBBs).

SSBCI 2.0 funds will allow CalCAP for Small Business to increase the matching contribution amount.

How It Works
SBB can use technical support from CalOSBA calosba.ca.gov and/or Small Business Development Centers california sbdc.org, to compare options and prepare to apply for capital.

SBB applies to PFI; PFI applies its underwriting standards and decides to enroll the loan in CalCAP SB, PFI sets the contribution rate of 2 - 3.5%.

PFI and SBB each pay the contribution rate to the loan loss reserve account; PFI submits an enrollment application to CalCAP within 15 days of loan issuance.

CalCAP matches PFI’s contribution and adds the SAC amount if applicable; up to 100% reimbursement is available to PFI from the loan loss reserve account in the event of certain default conditions.

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

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

Loan Amount up to $5,000,000
- Up to $2,500,000 of the $5,000,000 loan may be enrolled in CalCAP SB
- A maximum of $2,500,000 across all loans per SBB may enrolled within a three year period

Additional Contribution for High Unemployment and Other Severely Affected Communities
Loans to businesses located in Severely Affected Communities (SAC) including high unemployment areas and areas designated as emergency or disaster areas by the Governor

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

Employee Count is 1 to 500
and the business is classified as a small business by the U.S. Small Business Administration

Updated 10.10.22

Updated 9.22.22