



M E M O R A N D U M

Date: July 20, 2023

To: Interested Parties of the CPCFA Tax-Exempt Bond Program

From: Shela Tobias-Daniel, Executive Director *Shela TD*

Re: **The California Pollution Control Financing Authority (CPCFA or the Authority) Small Business Assistance Fund (SBAF) Fee is Temporarily Waived for Large Business Borrowers until December 31, 2026**

CPCFA funds the SBAF, established in the California Code of Regulations, Title 4, Section 8041, through fees collected from large business borrowers, which are designated as those with more than 500 employees. The SBAF may be used to pay for costs such as letter of credit fees, transaction fees, and other costs associated with tax-exempt bond issuance. This assistance reduces the net cost of financing to the small business borrower. The SBAF assistance is available on a sliding scale to small business borrowers, defined as those who employ no more than 500 employees, unless the par amount of the bond issuance is above \$13,750,000.

Under California Code of Regulations, Title 4, Section 8035(e), CPCFA is currently waiving the SBAF fee for large business borrowers on all financing transactions closing on or before December 31, 2026.

While CPCFA has waived the SBAF fee for large business borrowers, the SBAF remains fully funded and available to assist small business borrowers with costs associated with tax-exempt bond issuance.

Should you have any questions, please do not hesitate to contact Deanna Hamelin, Bond Program Manager, by email at Deanna.Hamelin@treasurer.ca.gov.