California Capital Access Loan Program (CalCAP)

2025 Annual Report to the Legislature

A program of the
California Pollution Control
Financing Authority
JUNE 2026

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ABOUT THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

The California Pollution Control Financing Authority (CPCFA) administers programs, which incentivize capital investment in specific economic activities reflecting state and federal policy goals, including economic development and climate-related initiatives.

CPCFA was approved as part of the State Treasurer's Office in 1972 and began taking action March 7, 1973. Our name references our original mission, to act as a conduit to the public finance markets, for private activity bond projects that addressed industrial air and water pollution mitigation.

CPCFA's mission has evolved over time. This evolution began with the implementation of a Small Business Assistance Fund (SBAF) to provide a subsidy to small businesses seeking access to the public finance markets; second with legislative action in 1994 to establish and administer the California Capital Access Program (CalCAP) with a transfer from SBAF; and the addition of the California Investment & Innovation Program (Cal IIP), a grant program benefiting federally certified community development financial institutions (CDFI). This continued evolution reflects the Authority's expanding role in supporting California's economic development and climate-related financing priorities moving into 2026.

Currently, CPCFA provides California businesses with access to capital through the administration of programs serving a variety of goals, including:

- Bond Program – Helping businesses construct solid waste, recycling, water, wastewater, and carbon dioxide capture projects as a conduit issuer of tax-exempt bonds;
- CalCAP – Assisting small businesses in obtaining loans for business start-up, expansion, and working capital through the California Capital Access Program for Small Business and Collateral Support Program;

- CalCAP Zero Emission – Collaborating with other state agencies, including the California Air Resources Board, California Energy Commission, and Southern California Edison to provide lenders with incentives to finance zero-emission medium- and heavy-duty vehicles and infrastructure; and
- Cal IIP – Providing grants to federally certified Community Development Financial Institutions to enhance their capacity in offering services such as technical assistance and capital access to economically disadvantaged communities across California.

This annual report to the Legislature describing the California Capital Access Loan Program is prepared pursuant to the California Pollution Control Financing Authority Act, Health and Safety Code Section 44559.6.

CPCFA Board Members:

Fiona Ma, CPA, Chair
State Treasurer

Malia M. Cohen
State Controller

Joe Stephenshaw, Director
Department of Finance

EXECUTIVE SUMMARY

The California Pollution Control Financing Authority (CPCFA) successfully concluded another year assisting small businesses in California through our California Capital Access Loan Program, more commonly known as California Capital Access Program or CalCAP. CalCAP serves as an umbrella for several credit enhancement programs including: CalCAP for Small Business (CalCAP SB), the Collateral Support Program (CalCAP CS), and the CalCAP Zero-Emission Heavy-Duty Programs (CalCAP ZEHD). With the exception of the Collateral Support Program, these programs operate primarily through a loan loss reserve (LLR) structure. Together, these mechanisms provide critical risk mitigation tools for participating financial institutions (PFIs), increasing their ability and confidence to extend financing to small businesses.

As part of the State Small Business Credit Initiative (SSBCI 2.0), CPCFA continued development of the CalCAP Loan Participation Project (LPP), expanding the Authority's credit enhancement offerings. The LPP is designed to increase access to capital by purchasing participation interests in loans originated by participating lenders, helping to support lending to small businesses, particularly those in underserved communities. Through a partnership with a statewide third-party administrator, Community Capital Alliance (CCA), CPCFA has established the framework needed for program implementation. With SSBCI funds received and program infrastructure in place, CPCFA anticipates launching the LPP in the second quarter of 2026, further supporting small business lending and complementing existing CalCAP programs.
For 2025 loan enrollments for all CalCAP programs totaled 2,281 equating to approximately $234.6 million in loan dollars, $61.6 million in contributions to LLRs and CalCAP CS, and resulting in 2,010 jobs created. We enrolled 5 new lenders.

During the lifetime of all of CalCAP's various subordinate programs, from 1994 to December 2025, PFIs have supplied private capital for and enrolled 74,745 loans from all of California's 58 counties.

Credit enhancements offered by CPCFA for loans enrolled in CalCAP for Small Business, CalCAP CS, CalCAP Seismic Safety and CalCAP's Americans with Disabilities Act Financing Program are eligible for supplemental contributions for loans made to borrowers whose businesses and properties are located in a Severely Affected Community (SAC). CPCFA's regulations define a Severely Affected Community as an "economically distressed geographic area", as designated by the Executive Director.

Examples of an economically distressed geographic area might include: disruption to supply chain; physical damage to the business or property; mandatory evacuation areas; employee/customer home was at risk; quarantines; temporary closure due to safety risk; customers and/or sales lost; wildfires; floods; extended power outage due to public safety power shutoffs; or if the business or residence is located in a CDFI Investment Area. Loans to borrowers affected by these situations are eligible for the SAC contribution with the submission of a certification. In 2025, CalCAP issued $735,433 in supplemental contributions for loans enrolled in CalCAP for Small Business.

CPCFA continuously conducts outreach to lenders, small businesses, and business-serving organizations for all CalCAP programs, including events for the SSBCI and Zero-Emissions programs. Outreach activities include webinars, workshops, trade booths, ZEHDV One-Stop events, conferences, trucking roadshows, clean energy events, and presentations as panel members for events hosted by the State Treasurer's Office and partners such as the US Treasury, Federal Deposit Insurance Corporation, IBank, California Office of the Small Business Advocate (CalOSBA), legislative members, and California's Small Business Development Centers (SBDCs).

Looking ahead, pursuant to Assembly Bill 786 (2025–2026), the California Pollution Control Financing Authority (CPCFA) was renamed the Capital Programs and Climate Financing Authority, effective January 1, 2026. This change reflects the Authority's evolving role in administering a broader portfolio of financing programs that support economic development and climate-related initiatives. While this report reflects activities conducted under California Pollution Control Financing Authority during calendar year 2025, the Authority will continue its work under its new name beginning in 2026.

CALIFORNIA CAPITAL ACCESS LOAN PROGRAM (CALCAP) FUNDING SUMMARY

CalCAP for Small Business (CalCAP SB) was established by legislation enacted in AB 253 (Chapter 1163, Statutes of 1994). CalCAP assists small businesses in obtaining loans through participating financial institutions (lenders). CalCAP uses a loan loss reserve credit support model that may provide up to 100% reimbursement on losses as a result of qualifying loan defaults.

While each lender is entirely liable for its loan losses, those losses may be reimbursed from each lender's loan loss reserve account. The loan loss reserve accounts are funded through fees paid by the borrower and lender and contributions made by CPCFA.

Prior to 2010, CPCFA funded CalCAP with $38.3 million transferred from CPCFA's Small Business Assistance Fund (SBAF), itself sourced from fees CPCFA collected from large businesses financing projects through CPCFA's Bond Program. In October 2010, the Legislature appropriated $6 million from the State's General Fund to supplement CPCFA's funding.

In 2011, CalCAP expanded rapidly when it received an allocation of federal funds from the State Small Business Credit Initiative (SSBCI 1.0) administered by the U.S. Department of the Treasury (U.S. Treasury), made available by the Small Business Jobs Act of 2010. The U.S. Treasury mandates that funding be used to help historically underserved business and very small businesses.

CPCFA received from U.S. Treasury half of the $168 million total allocation awarded to the State of California and implemented a second program, the Collateral Support Program (CalCAP CS), to supplement the CalCAP for SB in 2013. CalCAP CS provides a cash pledge of up to 50% to the lender on behalf of the borrower. 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.

In 2021, the U.S. Treasury reauthorized the State Small Business Credit Initiative (SSBCI 2.0) under the American Rescue Plan Act of 2021 and awarded California $1.18 billion divided between CPCFA and the California Infrastructure and Economic Development Bank (IBank). CPCFA received half of California’s total allocation and was awarded approximately $590 million to be delivered in three tranches. CPCFA received the first tranche, $178.5 million, of its allocation in November 2022. After successfully deploying the first tranche and meeting California’s goal for Socially and Economically Disadvantaged Individual (SEDI) borrowers, CPCFA and IBank applied for the second tranche of SSBCI funds in July 2024 and CPCFA received its second tranche, $203.5 million, of California’s allocation in January 2025. Since receiving the second tranche of SSBCI funds in January 2025, CPCFA has once again met California’s required benchmarks to qualify for the third and final tranche. CPCFA and IBank submitted the application for the final tranche in the amount of $201.9 million in November 2025 and foresee approval and funding by March 2026.

Through regulatory action, CalCAP is in the process of expanding its portfolio of programs to include a Loan Participation Program (LPP) in order to accelerate the deployment of SSBCI funding. CPCFA requested to modify its original SSBCI Allocation Agreement in March 2024, to allow for the inclusion of a Loan Participation Program under SSBCI. U.S. Treasury approved California’s request to modify its Allocation Agreement on July 25, 2024, that allocated $150 million to a new Loan Participation Program administered by CalCAP. In October 2025, the Loan Participation Program was presented to the CPCFA Board for approval in accordance with the Capital Access Loan Program for Small Businesses, including the establishment of initial financing terms. The item was approved by the Board members. We anticipate that the LPP will be in operation ahead of summer 2026.

Figure 1:

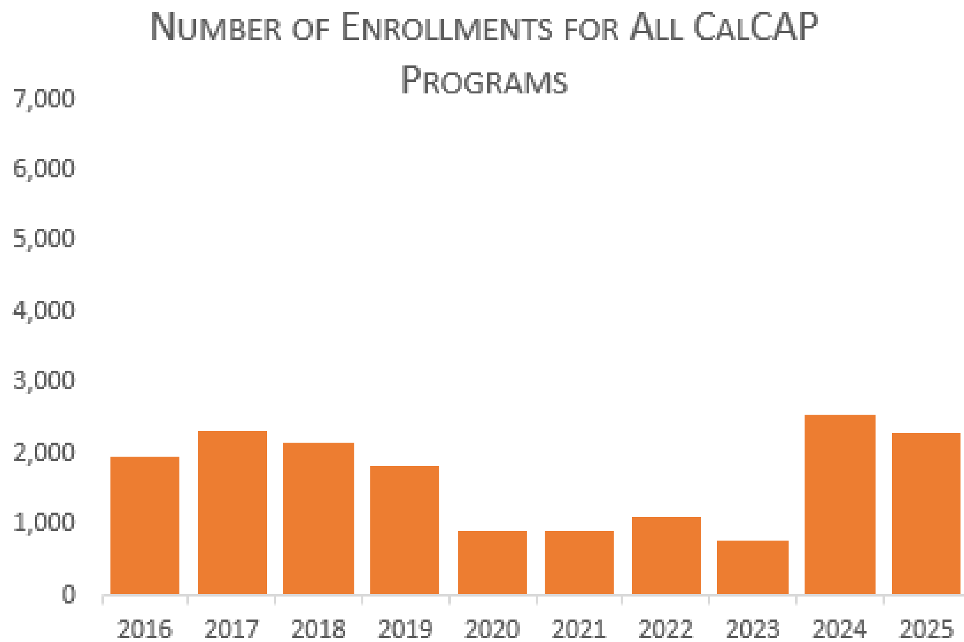


*Figure 1 shows total annual loan enrollment for all CalCAP programs.

Under CalCAP, CPCFA rolled out the CalCAP Zero-Emission Heavy-Duty Programs (CalCAP ZEHD) which are three zero-emission pilot programs for medium- and heavy-duty trucks and infrastructure that was modeled after the very successful CalCAP CARB program, a credit enhancement program which supported small business loans for heavy-duty vehicles complying with emissions standards. The CalCAP ZEHD programs assist fleets and owner-operators transition to zero-emission technologies which can include electric or hydrogen. These programs are being administered through CPCFA's ongoing partnership with the California Air Resources Board (CARB) and the California Energy Commission (CEC) and its partnership with Southern California Edison (SCE). In 2016, CPCFA launched CalCAP ADA. With a $10 million appropriation from Assembly Bill 1230 (Chapter 787, Statutes of 2015), the CalCAP ADA program assists small businesses with financing to alter or retrofit existing facilities to increase access and comply with the requirements of the federal Americans with Disabilities Act of 1990. To date, no loans have been enrolled in this program.

In June 2016, Senate Bill 837 (Chapter 32, Statutes of 2016) appropriated $10 million to CPCFA to fund CalCAP Seismic Safety. Implemented through rulemaking effective January 2017, CalCAP Seismic Safety incentivizes private lending for California small business and residential property owners to finance the cost of seismic retrofits for existing buildings and homes vulnerable to future earthquakes. There have been four loans enrolled in this program.

CPCFA’s continued transparency of the CalCAP programs assures stakeholders are included in discussions and offers opportunities. Webinars and one-on-one meetings are offered throughout the year for participating lenders to learn about program changes, updates, and to provide feedback. Lenders are encouraged to attend these informational webinars and those that are unable to view live meetings are invited to view webinar recordings and presentations that are posted on CPCFA’s website. By utilizing the rulemaking framework through the Office of Administrative Law, the program criteria and administration are clear. The framework also permits CPCFA to update program regulations in response to statutory updates, changes in funding, and other market dynamics.

CALCAP FOR SMALL BUSINESS PROGRAM (CALCAP FOR SB) RESULTS 2025

CalCAP for Small Business Loan Dollars – Participating financial institutions are able to enroll a portion up to 100% of a qualified loan in CalCAP for Small Business. In 2025, more than $102.2 million was enrolled in CalCAP for Small Business out of the approximately $113.3 million in dollars loaned. The average loan size was approximately $52,827. At the end of December 2025, CalCAP for Small Business lenders have cumulatively loaned approximately $3.17 billion since the program began in 1994. See Figure 2 below.

CalCAP for Small Business Loan Volume – In 2025, CalCAP for Small Business enrolled 2,145 small business loans made to 1,948 borrowers. Over the last three years, there have been an average of 1,869 loans enrolled per year. At the end of December 2025, the total number of loans enrolled in CalCAP for Small Business since 1994 is 30,544. See Figure 3 below.

CalCAP for Small Business Contributions – CPCFA contributes a percentage of each loan amount into the lender's loan loss reserve account when it is enrolled in CalCAP for Small Business. In 2025, CPCFA contributed over $5.82 million towards lenders' loan loss reserves.

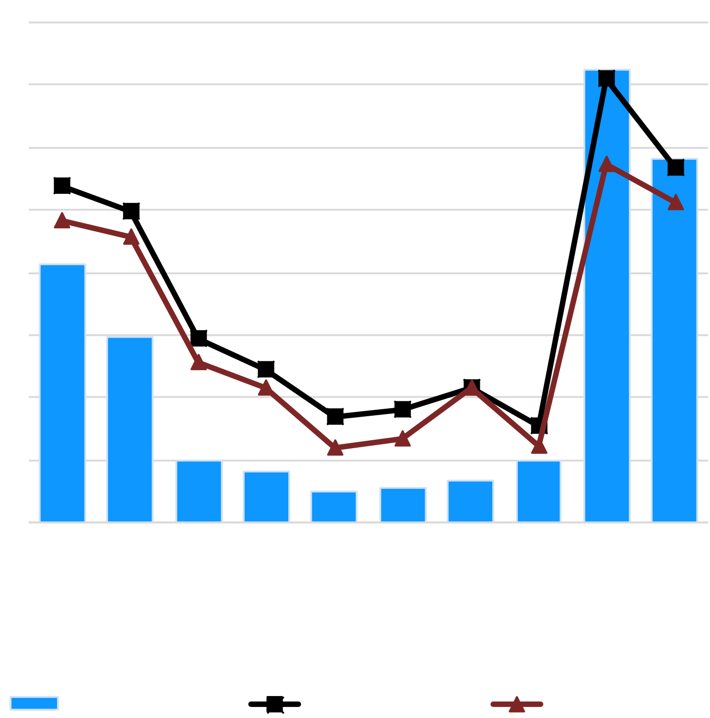
State Small Business Credit Initiative (SSBCI) 2.0 Contributions – Of the 2,145 loans enrolled in CalCAP for Small Business in 2025, 2,135 received SSBCI contributions, totaling $1,969,592.

State Funds – Of the 2,145 loans enrolled in CalCAP for Small Business, 10 received State contributions totaling $8,081.

Socially and Economically Disadvantaged Individuals (SEDI) – Of the 2,145 loans enrolled in CalCAP for Small Business, 1,303 were for SEDI-owned small businesses. CPCFA contributed $3,108,246 in SSBCI funds towards those loans.

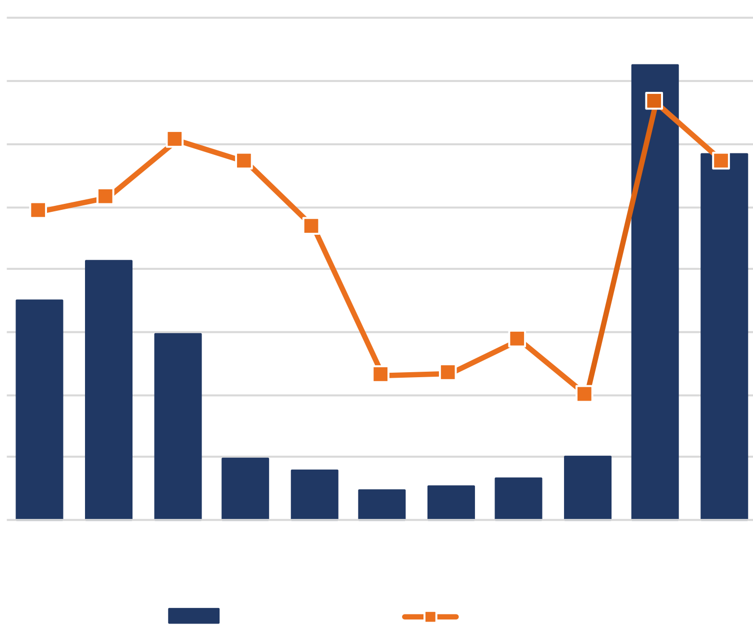
Severely Affected Community (SAC) – Of the 2,145 loans enrolled in CalCAP for Small Business, 249 were to small businesses located in a SAC. In 2025, CalCAP for Small Business issued $735,433 in supplemental contributions.

Figure 2:



*2019 data reflects a statutory reduction in State contributions that took effect in April 2017.

Figure 3:



*2019 data reflects a statutory reduction in State contributions that took effect in April 2017.

CalCAP for Small Business Microloans – A microloan is a business loan under $50,000. In 2025, of the 2,145 loans made to California small business owners, 735 loans totaling approximately $21.2 million were microloans.

CalCAP for Small Business Jobs – In 2025, loans enrolled in CalCAP for Small Business helped create 1,103 new jobs and retain 4,188 existing jobs.

CalCAP for Small Business Loans by Industry – The following chart, Figure 4, describes the distribution of enrollment activity by sector, using the North American Industry Classification System (NAICS) Sector number

Figure 4:

2025 CalCAP for Small Business Program Loans by Industry

NAICS Sector	Description	# of Enrollments	Loaned Dollars	Enrolled Dollars
11	Agriculture, Forestry, Fishing and Hunting	12	$ 2,212,854	$ 1,032,000
21	Mining, Quarrying, and Oil and Gas Extraction	4	$ 51,000	$ 51,000
22	Utilities	2	$ 30,000	$ 30,000
23	Construction	31	$ 1,241,700	$ 1,241,700
31-33	Manufacturing	39	$ 1,665,483	$ 1,410,600
42	Wholesale Trade	23	$ 801,200	$ 801,200
44-45	Retail Trade	113	$ 5,882,750	$ 5,882,750
48-49	Transportation and Warehousing	1,660	$ 92,595,553	$ 83,149,833
51	Information	13	$ 308,073	$ 308,073
52	Finance and Insurance	5	$ 295,000	$ 295,000
53	Real Estate and Rental and Leasing	10	$ 186,100	$ 186,100
54	Professional, Scientific, and Technical Services	49	$ 1,515,500	$ 1,515,500
55	Management of Companies and Enterprises	0	$ -	$ -
56	Administrative and Support/Waste Management/Remediation Services	21	$ 559,784	$ 518,300
61	Educational Services	10	$ 295,900	$ 295,900
62	Health Care and Social Assistance	30	$ 1,082,800	$ 1,082,800
71	Arts, Entertainment, and Recreation	14	$ 269,900	$ 269,900

72	Accommodation and Food Services	70	$ 3,440,677	$ 3,391,434
81	Other Services (except Public Administration)	39	$ 881,289	$ 763,300
92	Public Administration	0	$ -	$ -
	Grand Total	**2,145**	**$113,315,567**	**$102,225,392**

CalCAP for Small Business Geographic Area Served – **Exhibit A** on page 32 shows the distribution of the loans enrolled in 40 counties in 2025 and indicates the number of enrollments and approximate dollars loaned by county.

CalCAP for Small Business Loan Loss Claims – CalCAP processed and approved 43 claims filed by lenders against their loan loss reserve accounts in 2025, totaling approximately $1.15 million (Figure 5). The default rate for 2025 was 2.00%. Figure 6 shows the default rate percentage for the last 10 years.

Figure 5:

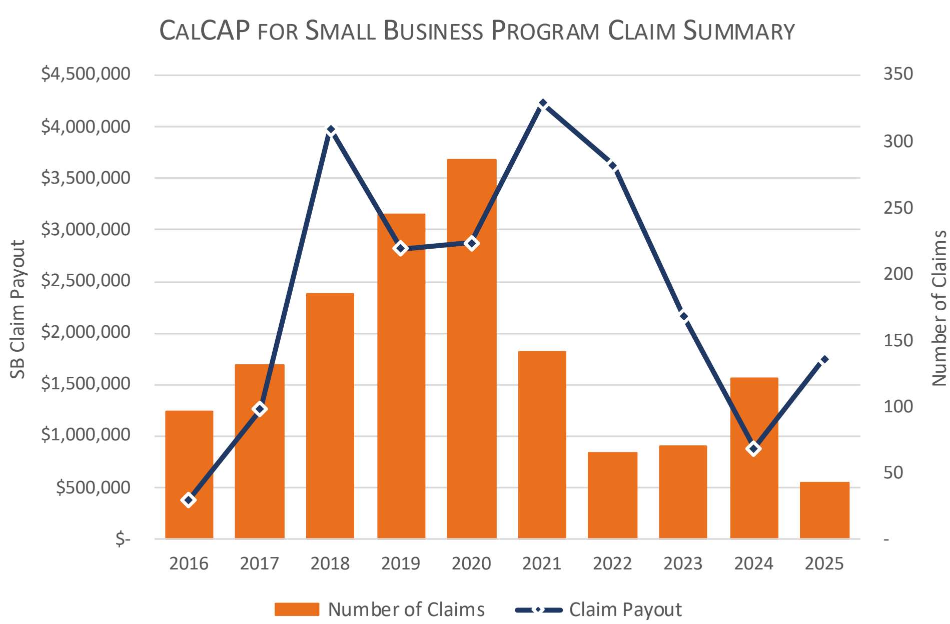
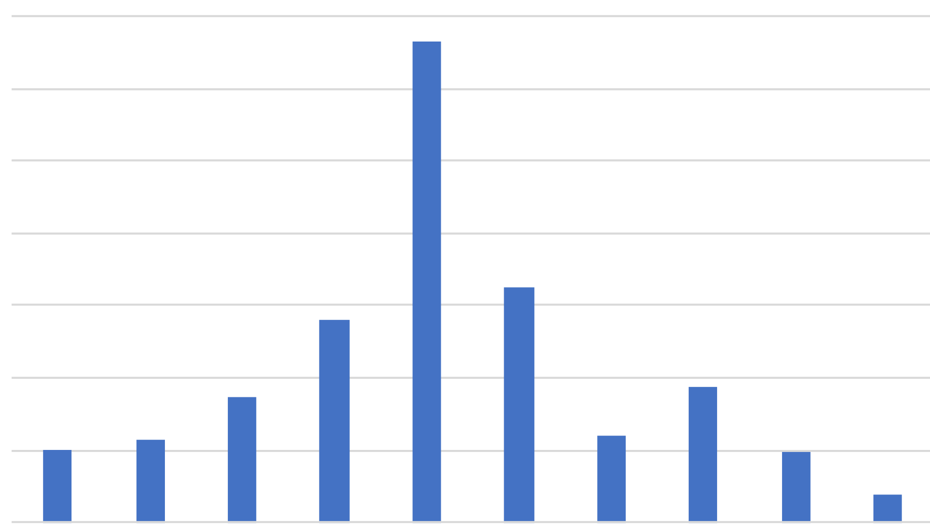


Figure 6:



*Starting 2025 - Claim Default rate is calculated by total number of claims divided by the total number of loans.

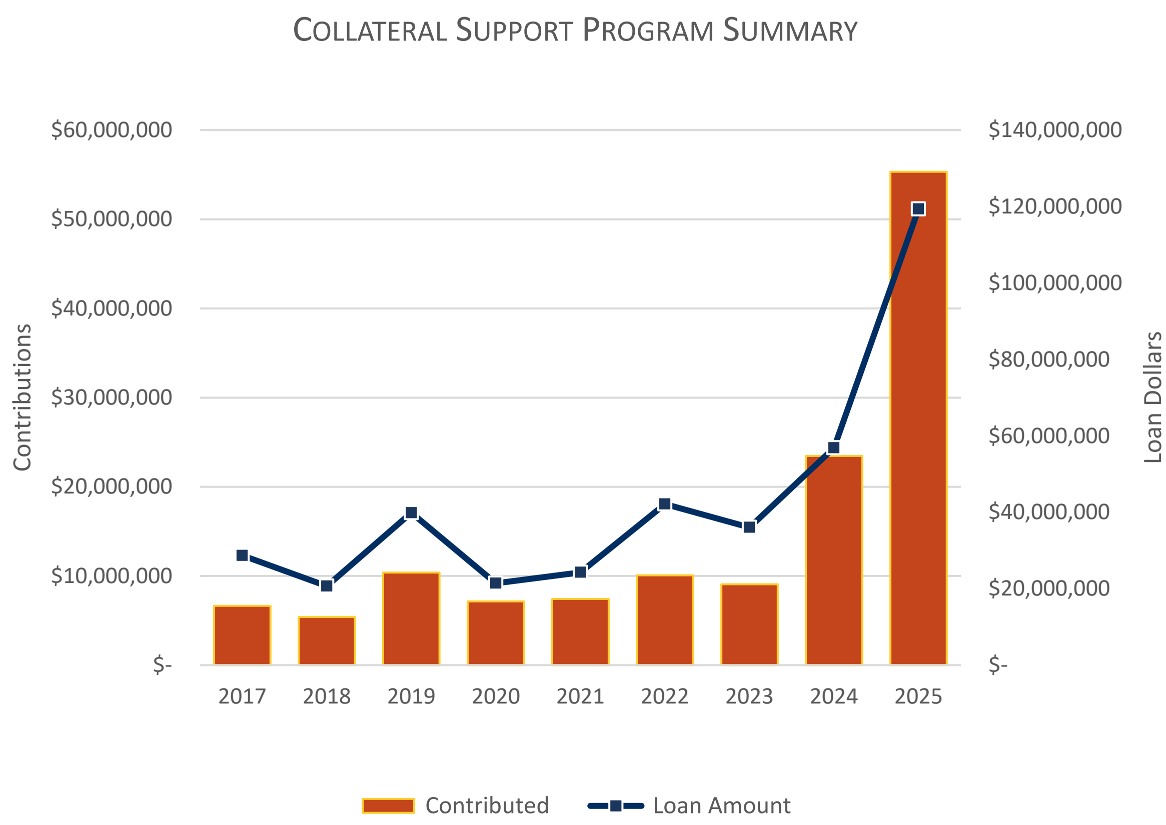
CalCAP SSBCI Fund Balance – CalCAP received its second tranche of over $203 million from the U.S. Treasury for the SSBCI 2.0 program on January 16, 2025, that will continue to help support loans enrolled in the CalCAP SB and CS Programs. CalCAP received $136.7 million in main allocation funding, $30.8 million in SEDI allocation funding, $10.8 million in VSB allocation funding, and an additional $24.9 million in SEDI incentive funding for hitting California's SSBCI SEDI goal of 48.87%. California applied for its third and final tranche on November 17, 2025, and approximately $201 million will be received by March 2026.

CALCAP COLLATERAL SUPPORT PROGRAM (CALCAP CS) RESULTS 2025

CalCAP CS was designed to enable financing for small businesses with a collateral shortfall. In January 2013, CalCAP CS was approved by the U.S. Treasury as part of CPCFA's $85 million allocation under SSBCI 1.0. CPCFA provides a cash deposit to the lender to hold as partial collateral against potential loss.

As of December 31, 2025, CPCFA had contributed a total of $55.3 million in cash deposits to support 126 loans totaling an amount of approximately $119.3 million. To date, CPCFA had contributed a cumulative total of $196.7 million in cash deposits for 598 loans. (Figure 7).

Figure 7



CalCAP CS Loan Volume – In 2025, CPCFA enrolled 126 loans to 123 borrowers. At the end of December 2025, the total number of loans enrolled in CS since 2013 is 598.

CalCAP CS Loan Dollars – In 2025, CS leveraged approximately $119.3 million dollars in lending. The average loan size was approximately $ 910,847.

CalCAP CS Loan Contributions – In 2025, CPCFA contributed approximately $ 55.3 million in cash deposits to support loans to small businesses.

CalCAP CS State Funded Loans – In 2025, CPCFA contributed approximately $ 740,020 in State funded cash deposits to support loans to small businesses.

CalCAP CS SSBCI Funded Loans – In 2025, CPCFA contributed approximately $ 44.7 million in SSBCI funded cash deposits to support loans to small businesses.

CalCAP CS Fund Balance – As of December 31, 2025, the balance available in the State-funded CS account total approximately $40 million. The balance available in the SSBCI-funded CS account totals approximately $3.98 million.

Severely Affected Community (SAC) – Of the 126 loans enrolled, 12 were to small businesses located in a SAC. CPCFA approved supplemental cash deposits for those loans in the amount of approximately $ 2.08 million.

Socially and Economically Disadvantaged Individuals (SEDI) – Of the 126 loans enrolled, 70 were to SEDI-owned businesses. CPCFA approved supplemental cash deposits for those loans in the amount of $ 7,690,914.

CalCAP CS Jobs – In 2025, loans enrolled in the CS helped create 865 new jobs and retain 1,593 existing jobs.

CalCAP CS Loans by Industry – The following chart, Figure 8, describes the distribution of enrollment activity by sector, using the NAICS Sector number.

Figure 8:

2025 Collateral Support Program Loans by Industry

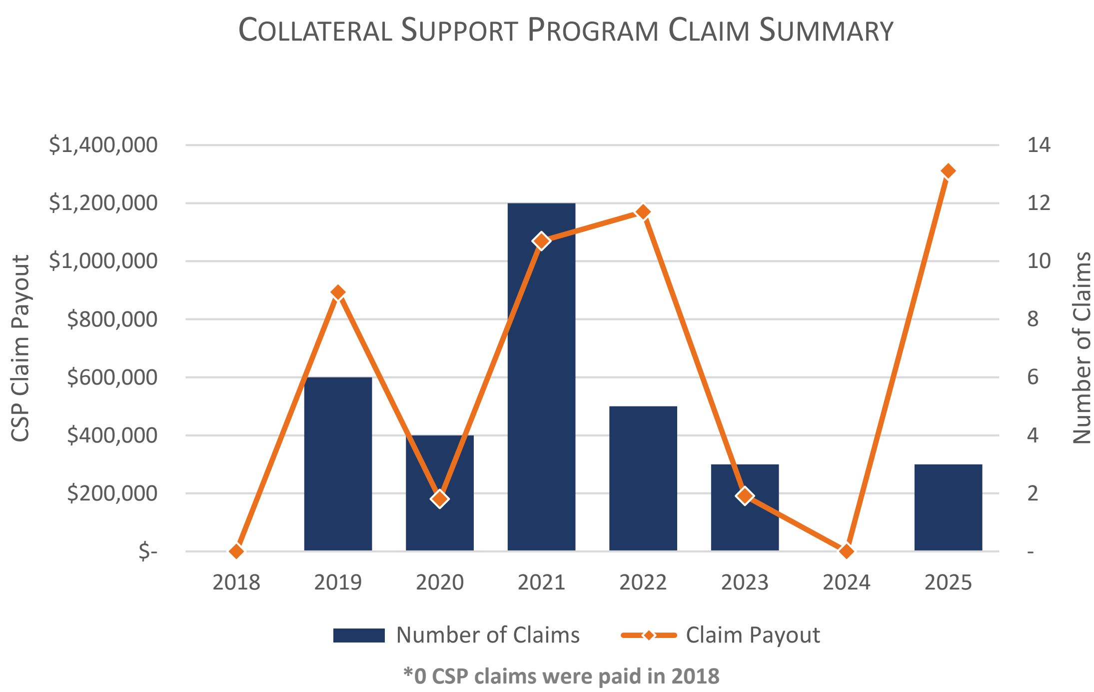
NAICS Sector	Description	# of Enrollments	Loaned Dollars	Enrolled Dollars
11	Agriculture, Forestry, Fishing and Hunting	0	-	-
21	Mining, Quarrying, and Oil and Gas Extraction	0	-	-
22	Utilities	0	-	-
23	Construction	4	$1,455,264	$1,449,622
31-33	Manufacturing	12	$14,316,335	$9,811,462
42	Wholesale Trade	8	$ 31,027,303	$ 31,023,823
44-45	Retail Trade	15	$ 10,155,327	$ 10,141,168
48-49	Transportation and Warehousing	6	$ 570,756	$ 565,659
51	Information	3	$ 15,284,832	$15,283,832
52	Finance and Insurance	2	$1,058,791	$1,057,791
53	Real Estate and Rental and Leasing	6	$ 8,722,100	$ 8,720,242
54	Professional, Scientific, and Technical Services	10	$ 1,451,543	$ 1,433,580
55	Management of Companies and Enterprises	0	-	-
56	Administrative and Support/Waste Management/Remediation Services	7	$ 776,000	$ 769,426
61	Educational Services	3	$ 491,629	$ 488,771

62	Health Care and Social Assistance	15	$ 8,491,556	$ 8,483,546
71	Arts, Entertainment, and Recreation	5	$ 833,264	$ 832,263
72	Accommodation and Food Services	19	$ 21,756,590	$ 21,741,751
81	Other Services (except Public Administration)	11	$2,970,284	$2,963,805
92	Public Administration	0	-	-
	Total	**126**	**$ 119,361,577**	**$ 114,766,743**

CalCAP CS Geographic Area Served – **Exhibit B** on page 36 shows the distribution of the loans enrolled in 17 counties, the number of enrollments, and approximate dollars loaned.

CalCAP CS Claims – In 2025, 3 CS claims were filed for a total of $1,311,669 in payments. The program has had 36 claims since its inception in 2013 (Figure 9).

Figure 9:



CalCAP CS Recapture – Loans supported by CS are subject to recapture at the end of the support term. The recapture process takes contributed funds and returns them to the CS program. In 2025, CS recaptured approximately $4.7 million in State funds on 31 loans, and $5 million on 10 SSBCI supported loans. The recaptured funds will be used for future CS loans to sustain each funding source program.

CALCAP ZERO-EMISSION HEAVY-DUTY PROGRAMS (CALCAP ZEHD) RESULTS 2025

The CalCAP Zero-Emission Heavy-Duty programs, launched in the Spring of 2024, consist of three pilot programs that CalCAP administers on behalf three independent contributors, the California Air Resources Board (CARB), the California Energy Commission (CEC), and Southern California Edison (SCE).

Through agreements with these independent contributors, the programs are able to assist California fleets and owner-operators purchase or lease zero-emission medium and heavy-duty vehicles and their supporting infrastructure. The programs were developed to provide contributions from CARB, CEC, or SCE equaling 25% of each enrolled loan deposited in the loan loss reserve account assigned to the corresponding lender. Borrowers may also layer their loans with various other incentive programs which help bring the cost down for these zero-emission vehicles and infrastructure.

The CalCAP Zero-Emission Heavy-Duty Air Quality Loan Program (CalCAP ZEHDV), is a state-wide pilot for zero-emission heavy-duty and medium-duty vehicles, funded with an initial $5 million contribution and supplemented with an additional $4 million contribution from CARB.

The CalCAP Zero-Emission Heavy-Duty Infrastructure Loan Pilot Project (CalCAP ZEHDI) is a state-wide pilot for zero-emission heavy-duty and medium-duty infrastructure, funded by $5 million contribution from CEC.

The CalCAP Zero-Emission Truck, Bus and Infrastructure Finance Program (CalCAP ZETBIF) is a utility-service-area pilot for zero-emission heavy-duty and medium-duty vehicles and infrastructure, funded by $20 million contribution from SCE.

In 2025, four lenders participated in the CalCAP ZEHD programs. Of those four lenders, each enrolled loans in the CalCAP ZEHDV program. One loan enrollment was received for the CalCAP ZETBIF program, and no loan enrollments were received for the CalCAP ZEHDI program.

CalCAP ZEHDV Program Loan Dollars – In 2025, approximately $1,716,735.38 in total loans were enrolled in CalCAP ZEHDV and CPCFA paid contributions of $429,183.85 towards that amount. The average loan size was approximately $136,613.39.

CalCAP ZEHDV Program Loan Volume – In 2025, nine loans were made to eight borrowers to purchase 23 trucks.

CalCAP ZEHDV Program Jobs – In 2025, loans enrolled in CalCAP ZEHDV helped create 42 new jobs and retain 39 existing jobs.

CalCAP ZEHDV Program Loans by Industry – The eight loans enrolled in the program were listed under the Transportation and Warehousing sector (48-49) and one loan was listed under the Administrative and Support/Waste Management/Remediation Services sector (56) of the North American Industry Classification System (NAICS).

CalCAP ZEHDV Program Geographic Area Served – **Exhibit C** on page 40 shows the distribution of the CalCAP ZEHDV-funded loans enrolled in 58 counties and indicates the number of enrollments and approximate dollars loaned.

CalCAP ZETBIF Program Loan Dollars – In 2025, $265,695.00 in total loans were enrolled in CalCAP ZETBIF and CPCFA paid contributions of $66,423.75 towards that amount.

CalCAP ZETBIF Program Loan Volume – In 2025, one loan was made to one borrower to purchase one truck.

CalCAP ZETBIF Program Loans by Industry – The one loan enrolled in the program was listed under the Transportation and Warehousing sector (48-49) of the North American Industry Classification System (NAICS).

CalCAP ZETBIF Program Geographic Area Served – To qualify for the ZETBIF Program, a borrower must be located in or operating in a rural or disadvantaged community (DAC) within the Southern California Edison service area. In 2025, the program enrolled one loan in Los Angeles County.

CalCAP ZEHD Programs Loan Loss Claims – There were no claims filed in the CalCAP ZEHD programs in 2025.

Terminal Rental Adjustment Clause (TRAC) Leases – A TRAC lease is a different type of lending instrument that some lenders choose to use, giving borrowers another option for purchasing the zero-emission trucks. In 2025, there were two TRAC leases enrolled in the CalCAP ZEHDV program. No TRAC leases were received for the CalCAP ZETBIF program nor CalCAP ZEHDI program.

CalCAP ZEHDV Program Fund Balance – As of December 31, 2025, the balance available in the CalCAP ZEHDV fund was approximately $ 12.4 million.

CalCAP ZEHDI Program Fund Balance – As of December 31, 2025, the balance available in the CalCAP ZEHDI fund was approximately $4.5 million.

CalCAP ZETBIF Program Fund Balance – As of December 31, 2025, the balance available in the CalCAP ZETBIF fund was approximately $ 18.4 million.

CALIFORNIA AMERICANS WITH DISABILITIES ACT SMALL BUSINESS CAPITAL ACCESS LOAN PROGRAM (CALCAP ADA)

CPCFA developed and implemented CalCAP ADA in 2016. The program was created through Assembly Bill 1230 (Chapter 787, Statutes of 2015) with a $10 million one-time appropriation. CalCAP/ADA is designed to assist with financing costs to alter or retrofit existing small-business facilities in order to comply with the requirements of the federal Americans with Disabilities Act of 1990. Loans enrolled in this program may be used for the cost of surveying facilities for non-compliance, estimating and planning eligible alterations, construction costs, and other related expenses but excluding business expansion. This program includes a recapture mechanism to encourage financial sustainability of the program.

Assembly Bill 1553 (Chapter 644, Statutes of 2017) expanded the definition of small business for the purposes of CalCAP ADA to include businesses with less than $5 million in total gross annual income, expanding the types of businesses that qualify for funding. Assembly Bill 1553 also authorized CPCFA to use its Small Business Assistance Fund (SBAF) moneys to incentivize participation in the CalCAP ADA loan loss reserve program by providing for the reimbursement of required Certified Access Specialist (CASp) reports.

Assembly Bill 1547 (Chapter 645, Statutes of 2018) further modified the definition of a small business for purposes of CalCAP ADA to mean a business that is independently owned and operated and not dominant in its field, and with 30 or fewer full-time employees or less than $5 million in total gross annual income from all sources. CalCAP ADA has not enrolled any loans to date. Despite extensive outreach to small businesses throughout the state, a lack of participation in this program is often attributed to a hesitation on the part of small businesses that are tenants/lessors and are reluctant to take out debt for improvements on facilities they do not own.

CalCAP did not enroll a loan in the CalCAP ADA Program in 2025.

CALIFORNIA SEISMIC SAFETY CAPITAL ACCESS LOAN PROGRAM (CALCAP SEISMIC SAFETY)

CalCAP Seismic Safety was launched January 2017. The program was created through Senate Bill 837 (Chapter 32, Statutes of 2016) with a $10 million one-time appropriation. The purpose of CalCAP/Seismic Safety is to incentivize private financing for California small businesses and residential property owners (including multi-dwelling units and mobile homes registered by the California Department of Housing and Community Development) for the costs to seismically retrofit existing buildings and homes. Proceeds from loans enrolled in CalCAP Seismic Safety may be used for seismic retrofit construction alterations performed on a qualified building or its components to substantially mitigate seismic damage.

Assembly Bill 1547 (Chapter 645, Statutes of 2018) modified the term “qualified building” to mean a residential or commercial building identified by the local building code official as a building in need of seismic retrofitting and either a building of a type that is potentially vulnerable in the event of a catastrophic earthquake or a building constructed before 1981. Assembly Bill 1547 discontinued the occupancy requirement for a qualified building to be eligible under CalCAP/Seismic Safety and authorized a qualified loan under CalCAP Seismic Safety to finance passive real estate.

Since 2016, CalCAP Seismic Safety has enrolled four loans for multi-unit buildings in the greater Los Angeles area for a total of $385,000. CPCFA paid contributions in the amount of $43,000.

CalCAP did not enroll a loan in the CalCAP Seismic Safety Program in 2025.

OUTLOOK FOR 2026

Access to capital is a perennial priority for the growth and sustainability of small businesses and non-profits. Since inception, CalCAP's unique features continually appeal to lenders seeking tools to manage the risk of loaning to small businesses and non-profits. CalCAP's mechanisms and simple loan enrollment processes allow lenders to focus on using their own practices to serve customers. For every dollar CalCAP contributes through one of its credit enhancement programs, approximately $10 of private capital is invested in small businesses throughout California. This leverage ratio is critical for the deployment of additional tranches of federal funding through the federal SSBCI 2.0. The second tranche of SSBCI 2.0 funds were received by California at the end of 2024 with anticipation that the third and final tranche of SSBCI 2.0 funds will be received in early 2026.

The funds from the second tranche will be used to support the CalCAP for Small Business Program and Collateral Support Program and the new and upcoming CalCAP Loan Participation Project which is in its final stages of standing up. CalCAP will continue to work with qualifying financial institutions, organizations serving small businesses, and community organizations throughout California to increase lender participation in CalCAP to be able to then serve more small businesses throughout the state while also meeting its goal to receive the third and final tranche of SSBCI 2.0 funding, the release of which is expected in March 2026. CPCFA is excited to continue to support the growing needs of California's small-business community with the moneys received and increase lender participation and education of these programs.

CPCFA's network of community-based lenders continues to impact the needs of socially and economically disadvantaged individuals (SEDI). Along with the second tranche of SSBCI 2.0 funding received, California received a SEDI incentive amount of approximately $25 million for its robust support of SEDI small businesses throughout the state. CPCFA remains strategic in its marketing, outreach, and recruitment efforts by targeting lenders who serve geographic communities that are home to a high number of SEDI-owned businesses in areas throughout California. CPCFA continues ongoing engagement with different state agencies and partner with entities such as the California Bankers Association, the Small Business Administration, Small Business Majority, Small Business Development Corporations (SBDCs), LA Metro, California Department of Transportation and other community outreach organizations and affiliates who focus on how to meet the needs of those businesses.

The CalCAP Zero-Emission Heavy-Duty Programs (CalCAP ZEHD) which are comprised of three separate programs designed to complement one another, launched in the Spring of 2024, and is working on amending contracts in 2025 to continue onward into 2026.

Each program's independent contributor provides a contribution rate of 25% to each enrolled loan, which is significantly more than previous programs and uses the successful loan loss reserve model. These programs are in partnership with the California Air Resources Board (CARB), the California Energy Commission (CEC) and Southern California Edison (SCE) and are administered by CalCAP to assist with the goals of accelerating the transition to zero-emission vehicles that are medium-duty and heavy-duty (MDHD) and its supporting infrastructure, primarily by owner-operators and small fleets. Along with ongoing industry specific outreach and engagement, CPCFA anticipates more lender participation and loan enrollments will occur in 2026.

CPCFA has been modernizing its data system to streamline the enrollment review process for CalCAP. Approval was granted by DGS in November 2025, followed by the onboarding of the Capital Access Application Tool (CAAT), powered by MStreetX, Inc. The CAAT serves as a centralized platform for administering and overseeing CalCAP and its programs, bringing together stakeholders such as program administrators, lenders, and small businesses into one integrated system. By consolidating information in a single location and reducing reliance on manual processes, it streamlines communication and coordination across participants. The system enhances the overall user experience by allowing lenders to submit documents directly and track application progress in real time, while also improving operational efficiency for program staff by providing improved functionality for document review, reporting, and digital workflow management. The CalCAP team expects the system to go live in 2026.

Information About Participating Financial Institutions (PFIs) for All CalCAP Programs: https://www.treasurer.ca.gov/cpcfa/calcap/PFI_lenders.pdf

Resource-partner and stakeholder-partner relationships:

As a resource-partner, CPCFA provides CalCAP's risk management tools to lenders and access to capital for small business borrowers, and presentations and materials about the programs and how to utilize them. Stakeholder-partners help expand program awareness by connecting CPCFA with potential participants and educating their networks about CalCAP opportunities.

CPCFA serves as a resource partner to the Creative Economy Finance Network (CEFN), the nation's first network dedicated to increasing capital access and financial success for artists, creative businesses, and cultural organizations. Through its partnerships, CEFN connects municipal leaders, community lenders, impact investors, and creative entrepreneurs with financing resources, technical assistance, and specialized financial tools.

Through CalCAP's credit enhancement programs, including its loan loss reserve mechanism, CPCFA helps participating lenders mitigate risk while expanding access to financing for creative entrepreneurs and small businesses throughout California. These efforts support business growth, sustainability, job creation, and the continued development of California's creative economy.

The CalCAP collaboration with CEFN is a perfect example of how important strategic partnerships are to effective expansive financing. To further expand outreach and participation, CPCFA will continue collaborating with stakeholder-partners, including:

• The California Office of the Small Business Advocate (CalOSBA), Small Business Development Centers (SBDCs), Women's Business Centers, Veterans Business Outreach Centers, Minority Business Development Centers, and other small business support organizations to reach business advisors and small business owners.

• The Federal Deposit Insurance Corporation (FDIC), Federal Reserve Bank of San Francisco, Office of the Comptroller of the Currency (OCC), CEFN, CAMEO, CalCCI, and other financial sector partners to engage eligible lenders, including banks, community development financial institutions (CDFIs), and other financing entities.

• The California Department of Transportation (Caltrans), including the Office of Civil Rights and district offices, to connect with small business contractors, including Native-owned businesses and businesses located in rural communities.

EXHIBIT A:
GEOGRAPHIC AREA SERVED: CALCAP FOR SMALL BUSINESS PROGRAM 2025

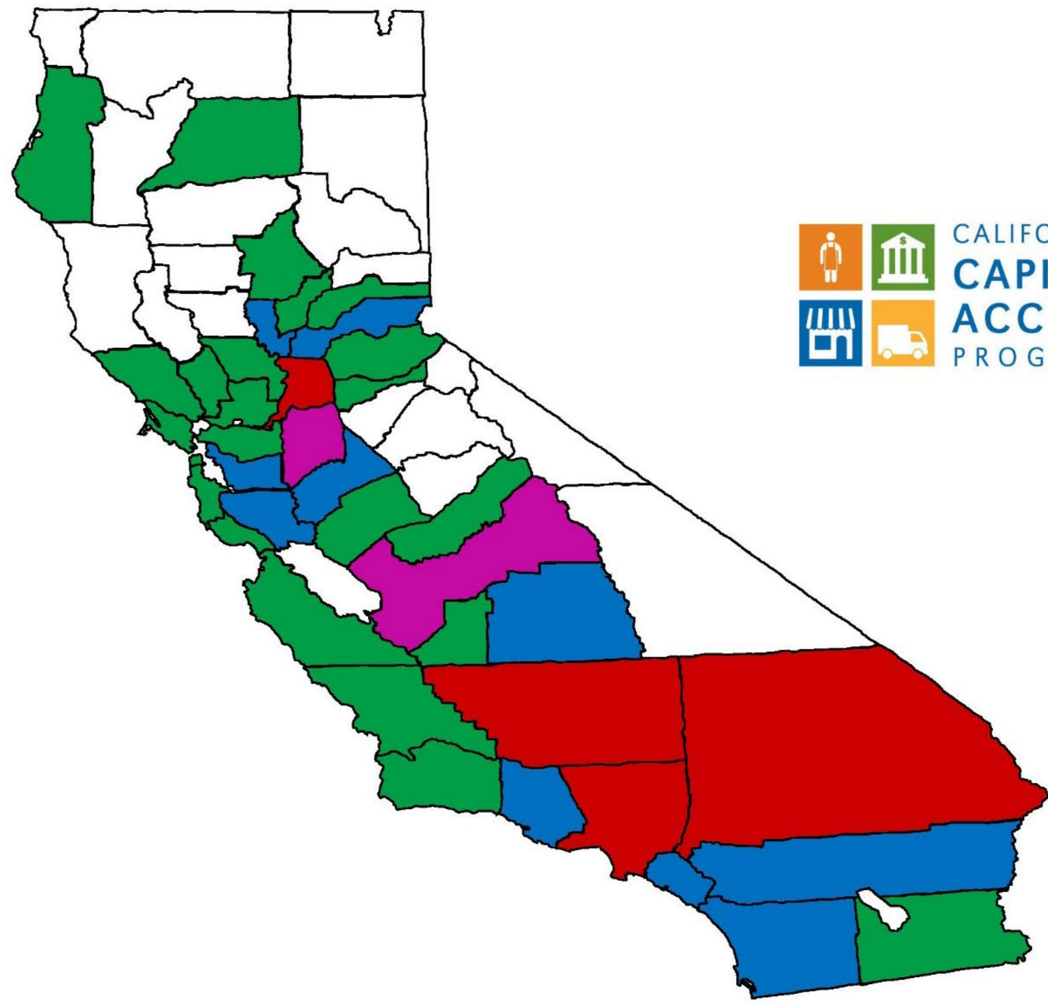


EXHIBIT A DATA:

GEOGRAPHIC AREA SERVED: CALCAP FOR SMALL BUSINESS PROGRAM 2025

Color	Value (Total Enrolled Amount)
	$0.00
	$1 - $999,999
	$1,000,000 - $4,999,999
	$5000000 - $9,999,999
	$10,000000 - $50,000,000
	$50,000,001.00

Color on Map	Counties	Total Number of Loans	Total Enrolled Amount	Total CalCAP Contribution
	Alameda	48	$1,929,565.28	$98,487.56
	Alpine	0	$0.00	$0.00
	Amador	1	$10,000.00	$700.00
	Butte	1	$33,000.00	$1,650.00
	Calaveras	0	$0.00	$0.00
	Colusa	0	$0.00	$0.00
	Contra Costa	18	$814,165.37	$46,648.76
	Del Norte	0	$0.00	$0.00
	El Dorado	1	$64,547.91	$4,518.34
	Fresno	630	$31,994,086.64	$2,024,932.50
	Glenn	0	$0.00	$0.00
	Humboldt	2	$20,100.00	$1,126.00

	Imperial	1	$30,000.00	$1,800.00
	Inyo	0	$0.00	$0.00
	Kern	131	$6,696,467.25	$417,122.30
	Kings	2	$80,000.00	$6,000.00
	Lake	0	$0.00	$0.00
	Lassen	0	$0.00	$0.00
	Los Angeles	201	$7,863,501.91	$415,814.90
	Madera	19	$849,076.57	$57,010.44
	Marin	3	$81,000.00	$3,740.00
	Mariposa	0	$0.00	$0.00
	Mendocino	0	$0.00	$0.00
	Merced	20	$867,642.82	$56,562.17
	Modoc	0	$0.00	$0.00
	Mono	0	$0.00	$0.00
	Monterey	8	$365,886.76	$25,512.06
	Napa	5	$227,548.08	$10,998.36
	Nevada	1	$56,386.68	$2,819.32
	Orange	50	$2,207,237.08	$105,010.38
	Placer	21	$1,111,342.66	$56,590.68
	Plumas	0	$0.00	$0.00
	Riverside	84	$4,440,502.74	$226,785.20
	Sacramento	209	$8,284,836.97	$419,834.26
	San Benito	0	$0.00	$0.00
	San Bernardino	170	$8,434,571.29	$432,523.27
	San Diego	38	$1,761,898.90	$81,083.11
	San Francisco	15	$387,800.00	$21,395.00
	San Joaquin	205	$10,838,077.57	$604,287.89
	San Luis Obispo	17	$346,750.00	$13,982.50
	San Mateo	8	$363,100.00	$18,174.00
	Santa Barbara	2	$280,000.00	$11,800.00
	Santa Clara	53	$2,321,456.88	$115,122.68

	Santa Cruz	2	$88,132.77	$4,724.06
	Shasta	2	$45,000.00	$1,850.00
	Sierra	0	$0.00	$0.00
	Siskiyou	0	$0.00	$0.00
	Solano	19	$978,064.14	$49,332.93
	Sonoma	9	$427,749.05	$22,421.82
	Stanislaus	64	$3,416,778.27	$205,185.58
	Sutter	25	$1,096,537.46	$67,176.15
	Tehama	0	$0.00	$0.00
	Trinity	0	$0.00	$0.00
	Tulare	21	$1,152,553.86	$70,779.62
	Tuolumne	0	$0.00	$0.00
	Ventura	15	$1,230,814.47	$56,091.10
	Yolo	20	$835,260.84	$49,049.77
	Yuba	4	$193,951.62	$12,711.92

EXHIBIT B:
GEOGRAPHIC AREA SERVED: COLLATERAL SUPPORT PROGRAM 2025

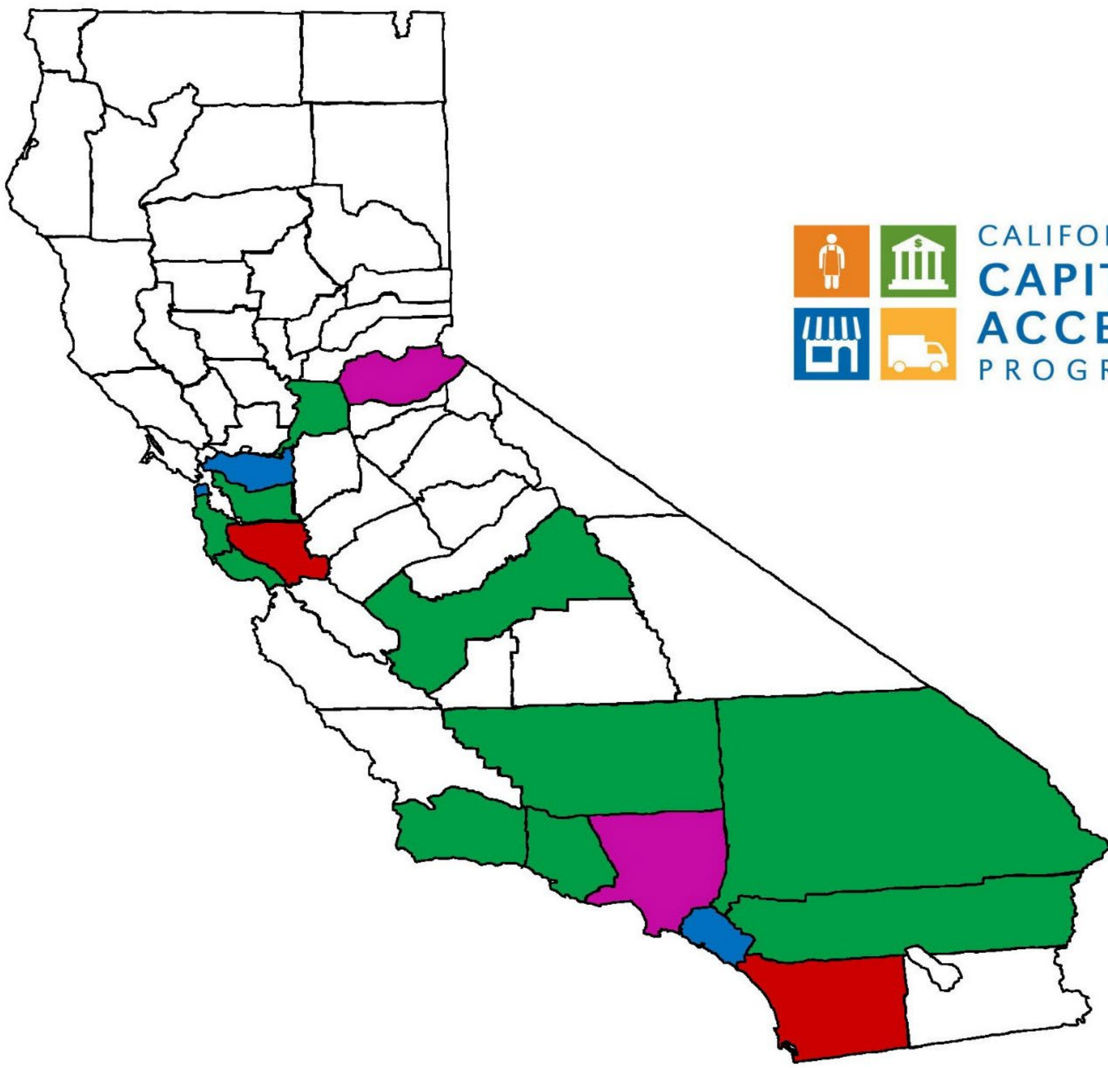


Exhibit B:

Geographic Area Served: Collateral Support Program

2025

Color	Value (Total Enrolled Amount)
	$0.00
	$1 - $999,999
	$1,000,000 - $4,999,999
	$5000000 - $9,999,999
	$10,000000 - $50,000,000
	$50,000,001.00

Color on Map	Counties	Total Number of Loans	Total Enrolled Amount	Total CalCAP Contribution
	Alameda	6	$3,463,354.49	$3,220,059.97
	Alpine	0	$0.00	$0.00
	Amador	0	$0.00	$0.00
	Butte	0	$0.00	$0.00
	Calaveras	0	$0.00	$0.00
	Colusa	0	$0.00	$0.00
	Contra Costa	1	$154,791.00	$77,395.50
	Del Norte	0	$0.00	$0.00
	El Dorado	2	$253,291.00	$111,645.50
	Fresno	1	$998,000.00	$499,000.00
	Glenn	0	$0.00	$0.00
	Humboldt	0	$0.00	$0.00

	Imperial	0	$0.00	$0.00
	Inyo	0	$0.00	$0.00
	Kern	2	$1,823,141.00	$911,570.50
	Kings	0	$0.00	$0.00
	Lake	0	$0.00	$0.00
	Lassen	0	$0.00	$0.00
	Los Angeles	55	$68,844,741.53	$31,055,218.36
	Madera	0	$0.00	$0.00
	Marin	3	$277,595.01	$133,618.15
	Mariposa	0	$0.00	$0.00
	Mendocino	0	$0.00	$0.00
	Merced	0	$0.00	$0.00
	Modoc	0	$0.00	$0.00
	Mono	0	$0.00	$0.00
	Monterey	0	$0.00	$0.00
	Napa	0	$0.00	$0.00
	Nevada	0	$0.00	$0.00
	Orange	10	$929,604.41	$444,104.61
	Placer	1	$150,000.00	$75,000.00
	Plumas	0	$0.00	$0.00
	Riverside	9	$21,561,363.16	$10,780,681.58
	Sacramento	8	$1,702,867.00	$740,850.30
	San Benito	0	$0.00	$0.00
	San Bernardino	4	$5,432,002.58	$2,716,001.29
	San Diego	10	$3,104,672.33	$1,529,717.66
	San Francisco	2	$206,582.00	$92,961.90
	San Joaquin	1	$129,572.00	$64,786.00
	San Luis Obispo	0	$0.00	$0.00
	San Mateo	0	$0.00	$0.00
	Santa Barbara	2	$222,009.21	$111,004.60
	Santa Clara	3	$3,576,291.00	$1,788,145.50

	Santa Cruz	1	$103,291.00	$51,645.50
	Shasta	0	$0.00	$0.00
	Sierra	0	$0.00	$0.00
	Siskiyou	0	$0.00	$0.00
	Solano	0	$0.00	$0.00
	Sonoma	0	$0.00	$0.00
	Stanislaus	1	$1,006,000.00	$503,000.00
	Sutter	1	$103,200.00	$51,600.00
	Tehama	0	$0.00	$0.00
	Trinity	0	$0.00	$0.00
	Tulare	0	$0.00	$0.00
	Tuolumne	0	$0.00	$0.00
	Ventura	3	$724,374.87	$362,187.44
	Yolo	0	$0.00	$0.00
	Yuba	0	$0.00	$0.00

EXHIBIT C:
GEOGRAPHIC AREA SERVED: CALCAP ZERO-EMISSION HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM 2025

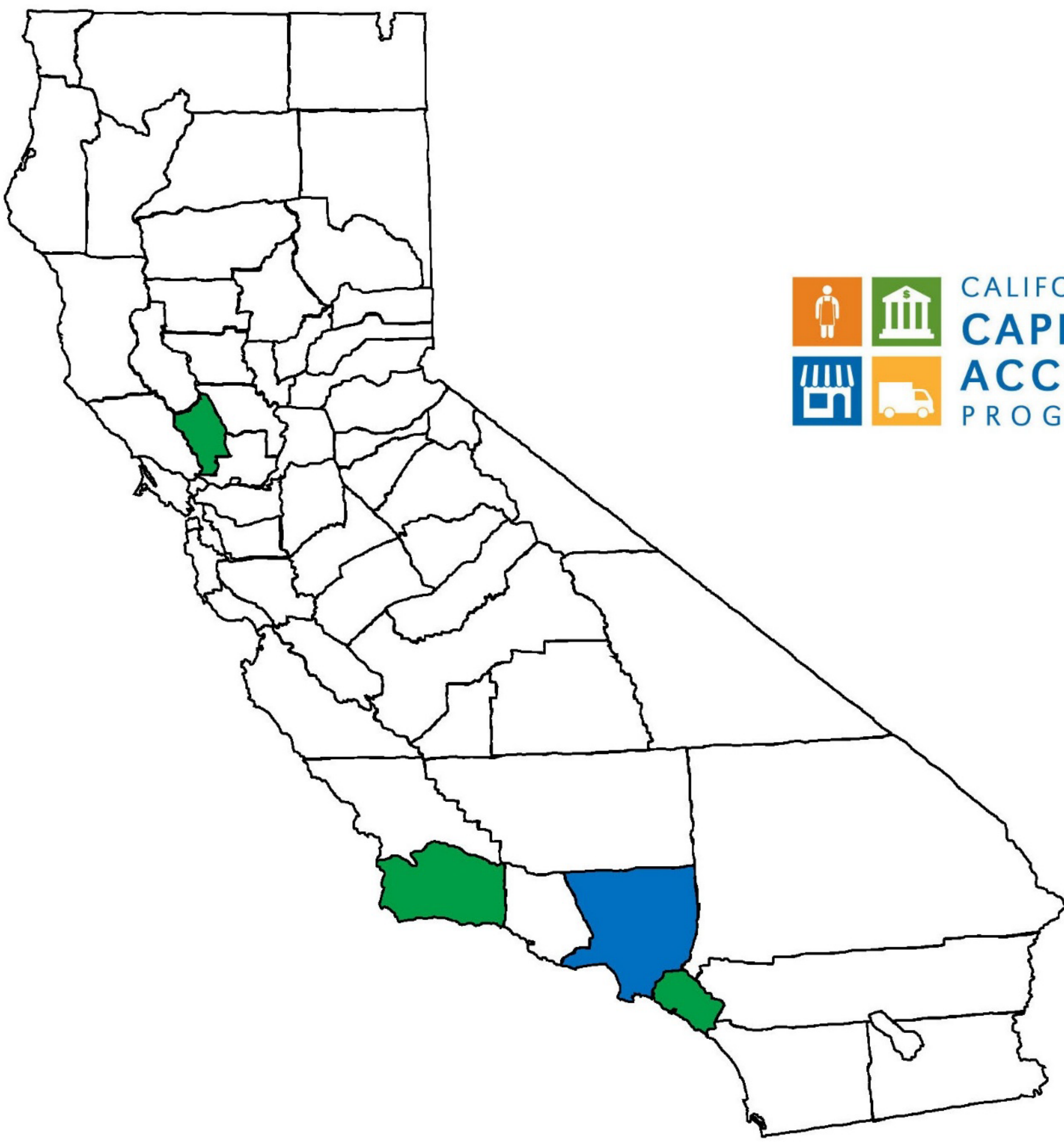


EXHIBIT C DATA:

GEOGRAPHIC AREA SERVED: CALCAP ZERO-EMISSION

HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM 2025

Color	Value (Total Enrolled Amount)
	$0.00
	$1 - $999,999
	$1,000,000 - $4,999,999
	$5000000 - $9,999,999
	$10,000000 - $50,000,000
	$50,000,001.00

Color on Map	Counties	Total Number of Loans	Total Enrolled Amount	Total CalCAP Contribution
	Alameda	0	$0.00	$0.00
	Alpine	0	$0.00	$0.00
	Amador	0	$0.00	$0.00
	Butte	0	$0.00	$0.00
	Calaveras	0	$0.00	$0.00
	Colusa	0	$0.00	$0.00
	Contra Costa	0	$0.00	$0.00
	Del Norte	0	$0.00	$0.00
	El Dorado	0	$0.00	$0.00
	Fresno	0	$0.00	$0.00
	Glenn	0	$0.00	$0.00
	Humboldt	0	$0.00	$0.00

	Imperial	0	$0.00	$0.00
	Inyo	0	$0.00	$0.00
	Kern	0	$0.00	$0.00
	Kings	0	$0.00	$0.00
	Lake	0	$0.00	$0.00
	Lassen	0	$0.00	$0.00
	Los Angeles	6	$1,342,473.22	$335,618.30
	Madera	0	$0.00	$0.00
	Marin	0	$0.00	$0.00
	Mariposa	0	$0.00	$0.00
	Mendocino	0	$0.00	$0.00
	Merced	0	$0.00	$0.00
	Modoc	0	$0.00	$0.00
	Mono	0	$0.00	$0.00
	Monterey	0	$0.00	$0.00
	Napa	1	$43,775.50	$10,943.88
	Nevada	0	$0.00	$0.00
	Orange	1	$46,405.79	$11,601.45
	Placer	0	$0.00	$0.00
	Plumas	0	$0.00	$0.00
	Riverside	0	$0.00	$0.00
	Sacramento	0	$0.00	$0.00
	San Benito	0	$0.00	$0.00
	San Bernardino	0	$0.00	$0.00
	San Diego	0	$0.00	$0.00
	San Francisco	0	$0.00	$0.00
	San Joaquin	0	$0.00	$0.00
	San Luis Obispo	0	$0.00	$0.00
	San Mateo	0	$0.00	$0.00
	Santa Barbara	1	$284,080.87	$71,020.22
	Santa Clara	0	$0.00	$0.00

	Santa Cruz	0	$0.00	$0.00
	Shasta	0	$0.00	$0.00
	Sierra	0	$0.00	$0.00
	Siskiyou	0	$0.00	$0.00
	Solano	0	$0.00	$0.00
	Sonoma	0	$0.00	$0.00
	Stanislaus	0	$0.00	$0.00
	Sutter	0	$0.00	$0.00
	Tehama	0	$0.00	$0.00
	Trinity	0	$0.00	$0.00
	Tulare	0	$0.00	$0.00
	Tuolumne	0	$0.00	$0.00
	Ventura	0	$0.00	$0.00
	Yolo	0	$0.00	$0.00
	Yuba	0	$0.00	$0.00