



California State Treasurer's Office **NEWS RELEASE**

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California State Treasurer Fiona Ma Announces New Public-Private Partnership to Expand Small Business Access to Capital *New Loan Participation Program shares lending risk so California community banks can finance more small businesses at lower rates*

SACRAMENTO – The Capital Programs & Climate Financing Authority (CPCFA), housed within the California State Treasurer's Office and chaired by State Treasurer Fiona Ma, has launched the Loan Participation Program (LPP), the newest credit enhancement tool under the California Capital Access Program (CalCAP). Funded through the U.S. Treasury's State Small Business Credit Initiative (SSBCI), the \$150 million program expands access to capital for California small businesses. CPCFA developed and launched the LPP in partnership with Community Capital Alliance (CCA), its program administrator.

"Throughout the state, I've heard from business owners that a reliable line of credit is crucial to achieve stability and successfully perform work under contract," said chair of CPCFA, Treasurer Fiona Ma, CPA.

The LPP is CalCAP's third capital access tool, joining its established loan loss reserve and collateral support programs. The LPP shares lending risk with participating lenders, expanding access to capital and lowering borrowing costs for eligible businesses. By purchasing 25 to 50 percent of each loan, CPCFA deploys capital to directly invest in small businesses. The program supports lines of credit, term loans, and interim loans from \$100,000 to \$20 million.

To launch the program, CCA has assembled an initial network of California community banks to provide funding for LPP loans. The program remains open to all community banks and minority depository institutions headquartered in the state.

"California's community banks are mission-focused lending experts who understand their local economies better than anyone," said CCA President G. Brant Smith. "As the backbone of relationship-driven small business lending, they have the on-the-ground

expertise to deploy LPP funding where it's needed most.”

Initial program lenders include Bank of the Orient, Beacon Business Bank, First Pacific Bank, Fremont Bank, Golden Valley Bank, and Redwood Capital Bank, with the network continuing to grow as more community banks join.

“This new public-private partnership is the latest way CalCAP complements existing small business resources, including IBank’s State Small Business Loan Guarantee Program,” said Shela Tobias-Daniel, CPCFA executive director.

Tobias-Daniel also noted that the LPP effort includes the California Department of Transportation (Caltrans) as a stakeholder-partner. The Caltrans Office of Civil Rights and Caltrans District Small Business Liaison offices can connect small business contractors, including Native-owned or located in rural areas, with the LPP and other state capital access programs.

Small businesses can learn more about the program and participating lenders at ccalpp.com, and are encouraged to assess their loan readiness through no-cost consulting offered on the California Office of Small Business Advisor (CalOSBA) [SCALE](#) website.

Depository institutions headquartered in California can learn more by contacting the program administrator at connect@teamcca.com.

About CalCAP Since 1994, the [California Capital Access Program](#) has worked with lenders to encourage and leverage investment of private capital for the benefit of small businesses and non-profits.

About CPCFA

The [California Capital Access Program](#) administers programs which encourage capital investment in projects advancing California's environmental, economic, and climate policy goals.

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Fiona Ma is California’s 34th State Treasurer. She is the first woman of color, and the first woman Certified Public Accountant (CPA) elected to the position. Treasurer Ma serves as the state’s banker and is agent of sale for all state bonds and trustee of billions of dollars of state indebtedness. The State Treasurer’s Office also processes more than \$3 trillion in banking transactions annually and manages a \$150 billion investment portfolio. As State Treasurer, Ma is also chair of many boards, commissions, and authorities that provide financing for schools, housing, recycling and waste management, alternative energy, hospitals, and other projects that create jobs, improve California’s economy, and better the lives of residents.