



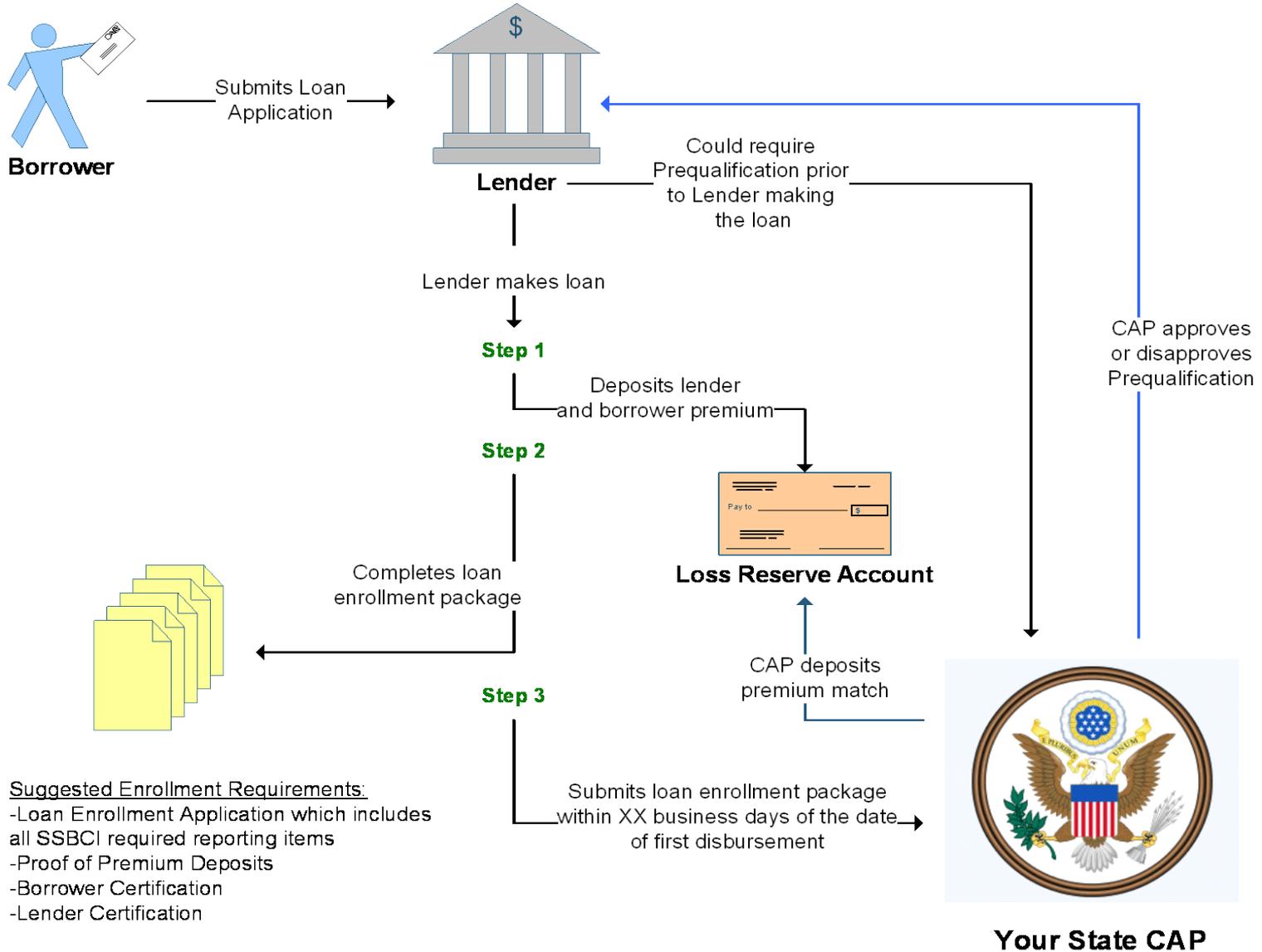
CALIFORNIA
CAPITAL
ACCESS
PROGRAM

A Capital Access Program (CAP) is designed to help mitigate the risk a lender takes when lending to a small business

- A CAP is a form of loan portfolio insurance that can provide up to 100% coverage on charged off loans, before or after liquidation



CAP work flow



Loan Enrollments
No minimum
\$2.5 million maximum
Under 500 employees

Fees 1% to 3.5% of enrolled
amount (each)
Paid by the borrower
and the lender

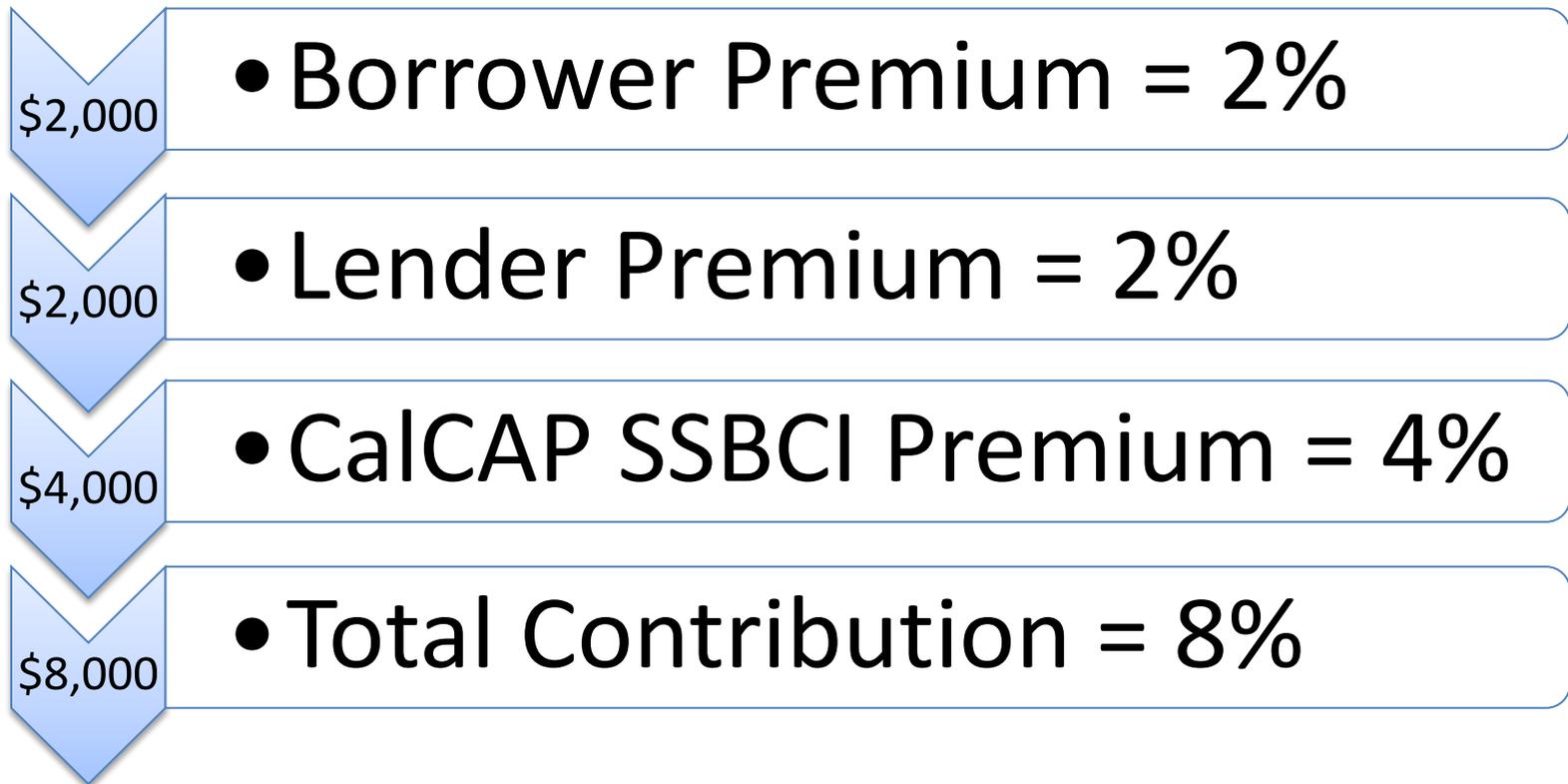
CAP Parameters

Cal CAP SSBCI funds match the
lender and borrower premium
Maximum term of coverage is 10
years per loan

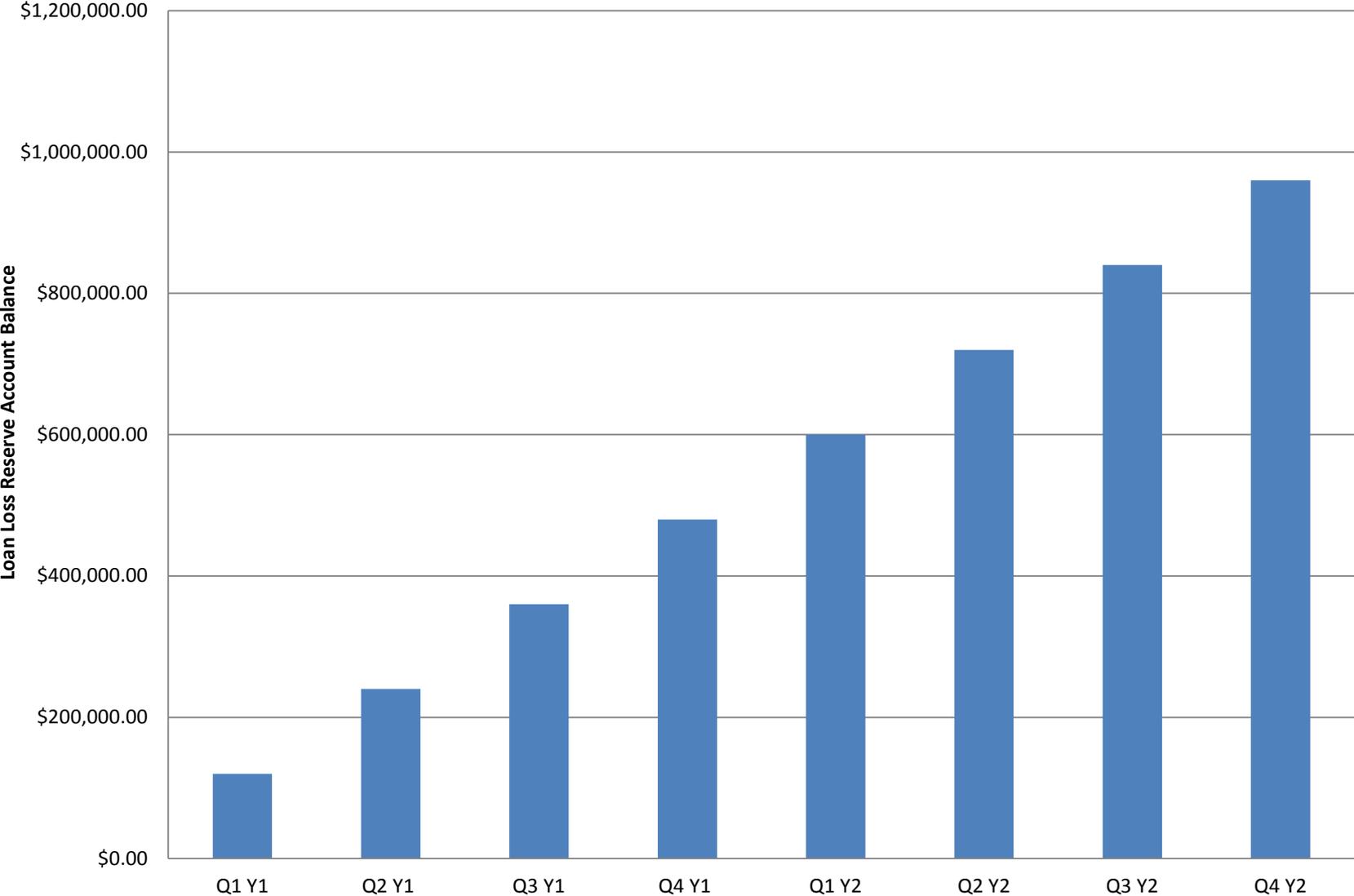
Loan loss reserve account is a
pooled fund specific to the lending
institution

Premium Contribution Based on 2% premium charge

*Lender makes a \$100,000
loan to a borrower:*



Loss Reserve Growth
15 X \$100,000 per quarter with a 2% contribution from the lender and 2% from the borrower , and 4% from CAP



CalCAP Small Business Lender Contact List

RANK	Participating Financial Institution	Contact Name	Address	Number of Small Business Loans Enrolled in CalCAP from Sept 2012 to Sept 2013	\$ Amount of Small Business Loans Enrolled in CalCAP from Sept 2012 to Sept 2013
1	Pacific Enterprise Bank	Russell J. Smith	17748 Skypark Circle, Suite 100 Irvine, CA 92614	38	\$15,177,140.00
2	Opportunity Fund	Alex Dang	111 West St. John Street, Suite 800 San Jose, CA 95113	1146	\$12,808,042.01
3	Plaza Bank	Scott Whitfield	18200 Von Karman Avenue, Suite 500, Irvine, CA 92612	9	\$5,446,975.00
4	Murphy Bank	Richard Laxton	5180 N. Palm, Suite 101 Fresno, CA 93704	122	\$3,011,703.47
5	CEDLI	Najla Nemri	436 14th Street, Suite 416 Oakland, CA 94612	4	\$1,000,000.00
6	Fresno Community Development	Blong Lee	1900 Mariposa Mall, Suite 100 Fresno, CA 93721	38	\$783,405.00
7	TMC Working Solutions	Sara Razavi	440 Pacific Avenue San Francisco, CA 94133	47	\$762,220.50
8	County Commerce Bank	Jill Clements	2400 E Gonzales Road Oxnard, CA 93036	2	\$732,250.00
9	Arcata Economic Develop. Corp.	Kelli Sterling	100 Ericson Court, Suite 100A Arcata, CA 95521	8	\$583,000.00
10	CA Coastal Rural Development	Carole Cook	221 Main Street, Suite 301 Salinas, CA 93901	9	\$290,000.00
11	Oakland Business Development	Darius Mahajer	825 Washington Street Ste # 200 Oakland, CA 94607	9	\$237,000.00
12	Wells Fargo	John Wright	121 South Market Street, 6 th Floor San Jose, Ca 95113	2	\$203,200.00
13	Bankers Small Business Community Development Corporation of San Diego	Susan Lamping	2448 Historic Decatur Rd. San Diego, CA 92106	3	\$200,000.00
14	Opening Doors	Benjamin Callebaut	1111 Howe Ave., Suite 125 Sacramento, CA 95825	17	\$185,064.15
15	3CORE	Patty Hess	3120 Cohasset Road, Suite 1 Chico, CA 95973	4	\$160,000.00
16	Accion San Diego	Robert Lopez	404 Euclid Ave. Suite 271 San Diego, CA 92114	15	\$148,373.35
17	PACE Financial Corporation	Namoch Sokhom	1055 Wilshire Blvd., Suite 1475 Los Angeles, CA 90017	2	\$50,000.00
18	Silvergate Bank	Terrece Madrigal	4275 Executive Square, Suite 800 La Jolla, CA 92037	2	\$50,000.00
19	Community Financial Resource Center	Robbie Hawkins Serena Jackson	4060 S. Figueroa Street Los Angeles, CA 90037	22	\$36,400.00
New Lender	Bridge Bank	Ralph Barnett	55 Almaden Blvd. #100 San Jose, CA 95113		
New Lender	Commerce West Bank	Jenny Xu	2111 Business Center Drive Irvine CA 92612		
New Lender	Manufacturers Bank	David Orr	16255 Ventura Blvd. Encino, CA 91436		
New Lender	NuVision Federal Credit Union	Desmond Evans	20110 Magnolia Street Huntington Beach, CA 92646		
New Lender	Pan American Bank	Cesar Rosas	3626 East First Street Los Angeles, CA 90063		
New Lender	Progress Financial Corporation	Kari Filerman	171 Constitution Dr Menlo Park, CA 94025		
New Lender	Suncrest Bank	Loren Brooks	400 W Center St Visalia, CA 93291		
New Lender	Valley Business Bank	Jeff Lefler	701 W. Main Street Visalia, CA 93291		

A Capital Access Collateral Support Program (CSP) is designed to help mitigate the risk on small business loans by providing cash collateral support on loans with a shortfall in collateral

- A CSP contribution is a cash deposit that can provide coverage then reimburse losses on charged off loans after liquidation. This support is specific to each loan



Loan Enrollments
\$100,000 minimum
\$20 million maximum loan
\$5 million max contribution
Under 750 employees

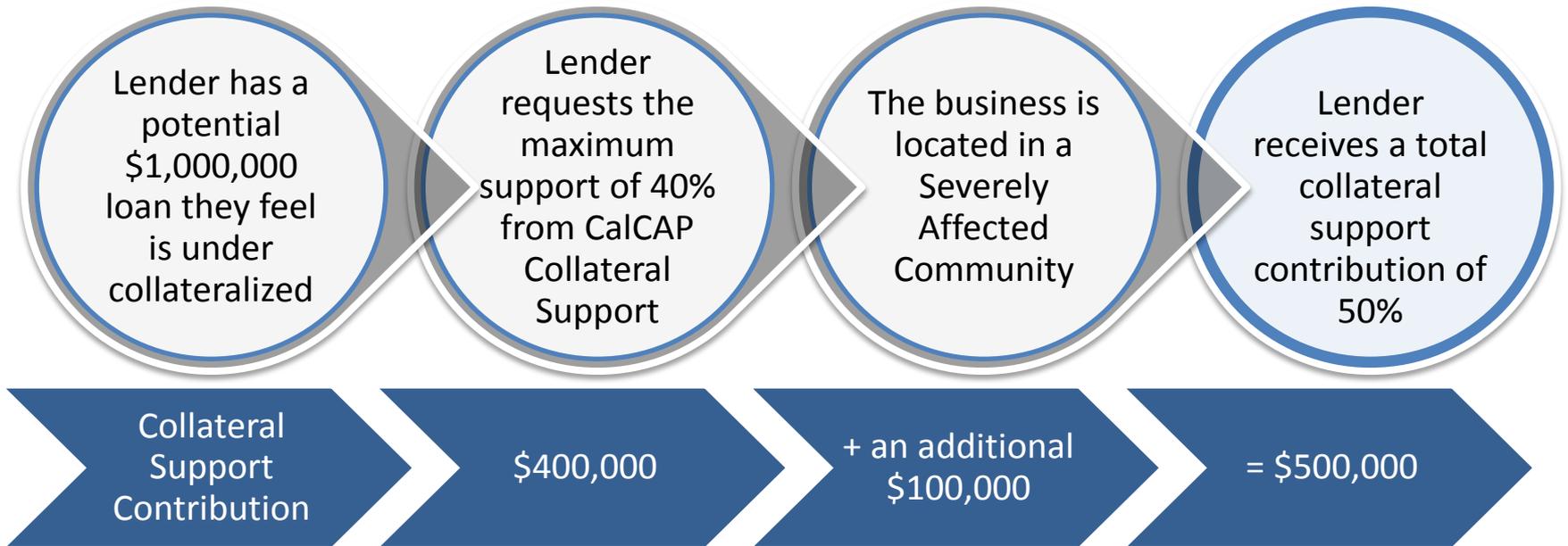
Fees 0.50% to 2.75% based on term
Minimum fee \$1000
Fees paid by the borrower
or the lender

CSP Parameters

Support up to 7 years with an annual
recapture
Cash deposit of up to 50% of loan
amount

Loan loss reserve account is specific to
each loan request

Collateral Support Program Example:



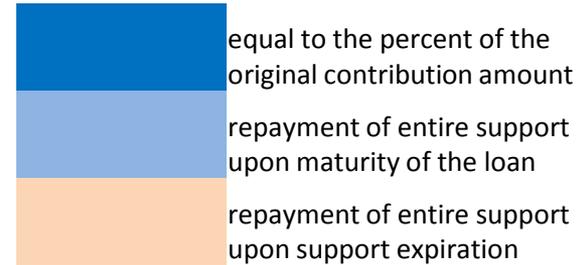
Program Guidelines - Fees

- Fees are charged on the support amount only at closing and based on the term of the support
- Minimum fee of \$1,000 at closing
- Loans over 48 months are subject to an annual fee
- Fees will not be charged on the additional Severely Affected Community portion of the contribution
- Bridge loans are allowed extensions

<u>Original Term of Loan</u>	<u>Energy Efficiency or Environmental Improvement</u>	<u>Bridge Loans</u>	<u>Small Business Loans</u>
≤ 12 months	0.50%	0.50%	0.50%
12.1 months - 24 months	0.75%	0.50%	0.75%
24.1 months - 36 months	2.00%	2.00%	2.00%
36.1 months - 48 months	2.75%	2.75%	2.75%
≥48.1 months	2.00% at closing and annually	2.00% at closing and annually	2.00% at closing and annually

Program Guidelines – Recapture

Term of Loan	Annual Review						
	1	2	3	4	5	6	7
0-12 Months							
12.1-24 Months	50						
24.1-36 Months	33.33	33.33					
36.1-48 Months	25	25	25				
48.1-60 Months	20	20	20	20			
60.1-72 Months	16.67	16.67	16.67	16.67	16.67		
72.1-84 Months	14.29	14.29	14.29	14.29	14.29	14.29	
more than 84.1 Months	14.29	14.29	14.29	14.29	14.29	14.29	



$$\left(\begin{array}{c} \text{Original Total} \\ \text{Support} \\ \text{Amount} \end{array} \right) \times \begin{array}{c} \text{Applicable} \\ \text{Percent} \end{array} = \begin{array}{c} \text{Annual Reduction} \\ \text{in Support} \end{array}$$

- CalCAP will instruct the lender annually to transmit the recapture
- Bridge loans are not subject to the recapture schedule

Collateral Support Example – Fee at Closing

Support

\$500,000 total support = \$400,000 general + \$100,000 SAC

Term of Loan

Term of the support is 36 months

Fee Percent

Based on the term of the loan the fee on the support is 2%

Fee Calculation

$\$400,000 \times 2\% = \$8,000$ fee at closing

* Fees will not be charged on the additional SAC portion of the contribution

Total Fee at Closing

For the total support of \$500,000 the fee at closing will be \$8,000

Lender Benefits

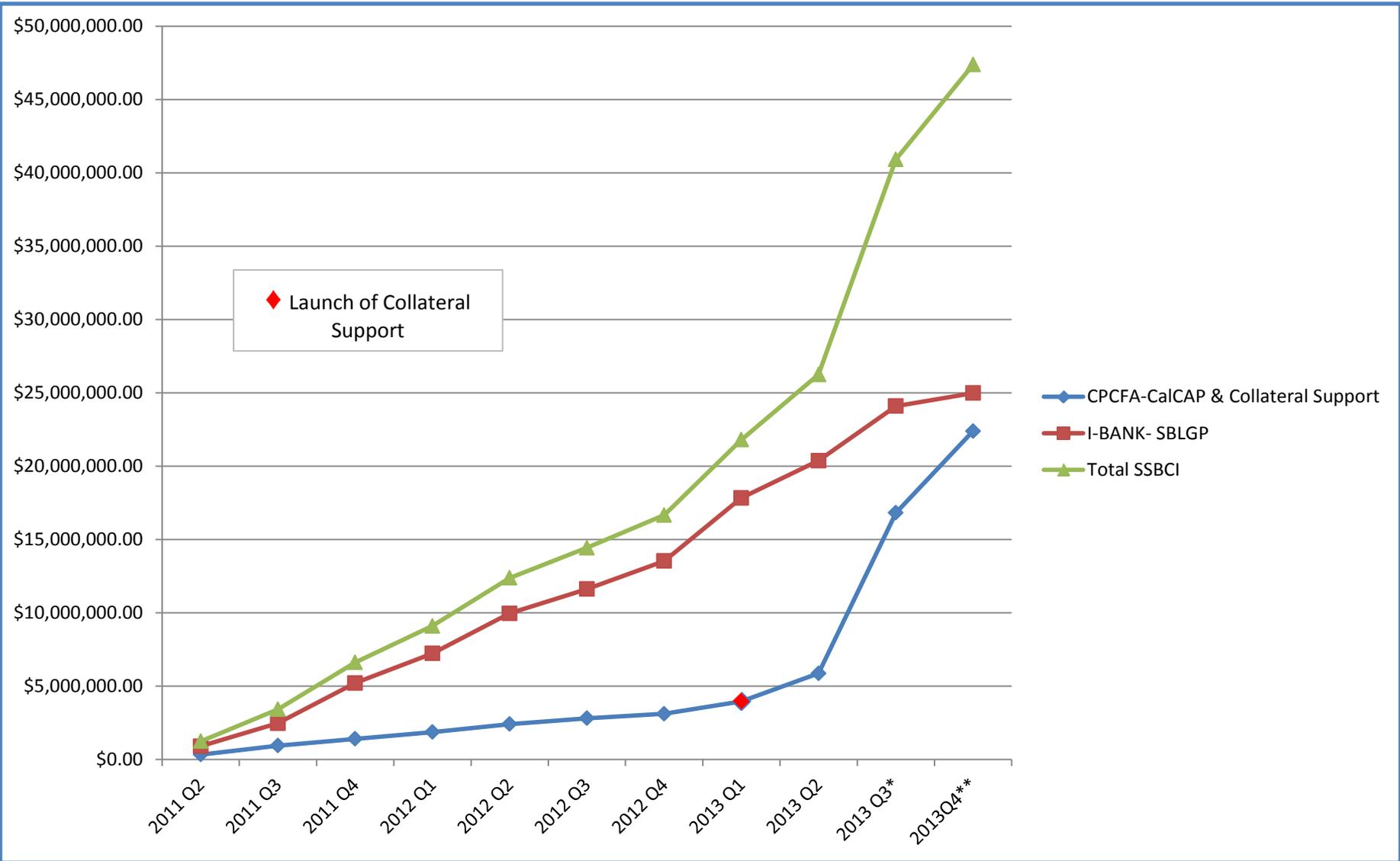


- Earn CRA Credits
- Can enroll loans for non-profit business, working capital, A/R, inventory, and lines of credit
- Fast to sign up: Fast enrollment approvals
- Minimal reporting requirements
- Provides the platform for more lending strategies and risk mitigation

Lender Participation

Lender	Total Support Requested	Total Loan Amount
Bank of Manhattan	\$4,530,600.00	\$10,289,000.00
Bridge Bank	\$1,735,000.00	\$4,150,000.00
Farmers and Merchants of Central CA	\$547,500.00	\$1,115,000.00
First Northern Bank of Dixon	\$2,000,000.00	\$5,000,000.00
Fresno CDFI	\$107,500.00	\$215,000.00
LALDC	\$40,000.00	\$100,000.00
Pacific Enterprise Bank	\$2,027,850.00	\$4,318,300.00
Pacific Premier Bank	\$2,308,800.00	\$5,772,000.00
Valley Business Bank	\$835,703.00	\$1,671,406.00
Valley Small Business Development Corporation	\$247,500.00	\$495,000.00

Cumulative SSBCI Funds Used





Home Businesses

Restaurants

Agriculture

Equipment

Manufacturing

Laboratories

Gas Stations

Specialty Crafts

Construction

Ideal for 504 Bridge Loans



Local Bakery Goes Global

A California Bakery in Fresno made and distributed over 25 million baked goods in 2011. This increase in production created a need to grow the business. A participating CAP bank loaned the business money, with the assistance of SSBCI funds, for the business to build a new 32,000 sq ft facility, and obtain more efficient production equipment. The Bakery distributes goods to retail stores throughout the Central Valley, from Bakersfield to Sacramento. Recently they began shipping overseas. With the SSBCI assistance the business was able to create 10 new jobs in one of the highest unemployment areas of California.



Success Story in Santa Monica



A multi-disciplinary beauty company servicing cosmetic, skincare, hair care and fragrance brands as well as beauty retailers in prestige, specialty and mass markets. Specializing in custom, brand-focused projects, delivering intelligent, inspired solutions in areas of brand strategy and development, creative design, product development, packaging design, retail planning and turnkey product.



Additional Questions?



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Contact	<ul style="list-style-type: none">• Emily Jarrett• (916) 654-6061• ejarrett@treasurer.ca.gov
Web Info	<ul style="list-style-type: none">• http://www.treasurer.ca.gov/cpafa/cal_cap.asp

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