



## CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

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**EXECUTIVE DIRECTOR**  
Reneé Webster-Hawkins

### MEMORANDUM

To: Interested Parties

From: Reneé Webster-Hawkins, Executive Director

Date: May 11, 2016

**Re: Performance Deposit Certification Procedures related to Private Activity Tax-Exempt Bonds: Change in Business Procedures**

The California Debt Limit Allocation Committee (CDLAC) requires applicants for tax-exempt bond allocation to hold a cash deposit pending the approval of the transaction. The California Pollution Control Financing Authority (CPCFA), as the Applicant to CDLAC for tax-exempt facility bond allocation for pollution control bonds, currently does not typically hold or have immediate control of the evidence of performance deposits for tax-exempt bond allocations.

Pursuant to Title 4, Section 5050 of CDLAC Regulations (4 CCR §5050):

**Section 5050. Performance Deposit Requirements.** (a) Applications for Bonds shall include evidence of a performance deposit equal to one-half of one percent (.5%) of the Allocation requested, not to exceed \$100,000 made payable to the Applicant. Such evidence may include, but is not limited to a copy of the check, certified funds or in the case where the Application is for a Single Family Housing Program, a copy of a general ledger statement evidencing that funds have been reserved for this purpose, and a fully executed Performance Deposit Certification that certifies the required deposit has been made and is being held by the Applicant on behalf of the Committee (emphasis added).

To comply with CDLAC Regulations regarding the performance deposit requirements, commencing immediately, CPCFA will require all tax-exempt bond Applicants/Borrowers to submit a signed performance deposit certification form AND a physical check or certified funds in the amount of the performance deposit with all applications requesting Final Resolution and CDLAC Allocation. Applications without the funds will not be accepted.

CPCFA will deposit the performance deposit check or funds into its account. Upon the receipt of the CDLAC Performance Deposit Release letter, CPCFA will have the State Treasurer's accounting office to issue a check in the amount of the performance deposit for return back to the Applicant/Borrower.

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We trust that this change in policy will not cause any undue hardship on the Applicant/Borrower or the finance team. We appreciate your continued support as we strive to provide exemplary customer service while also complying with CDLAC requirements.

Should you have any questions or concerns, please don't hesitate to contact Deanna Hamelin, Bond Program Manager, by email at [dhamelin@treasurer.ca.gov](mailto:dhamelin@treasurer.ca.gov).