



CalCAP

CALIFORNIA CAPITAL ACCESS PROGRAM



CALIFORNIA  
POLLUTION  
CONTROL  
FINANCING  
AUTHORITY

# CARB HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM LENDER MANUAL



CALIFORNIA  
**CAPITAL  
ACCESS**  
PROGRAM

## TABLE OF CONTENTS

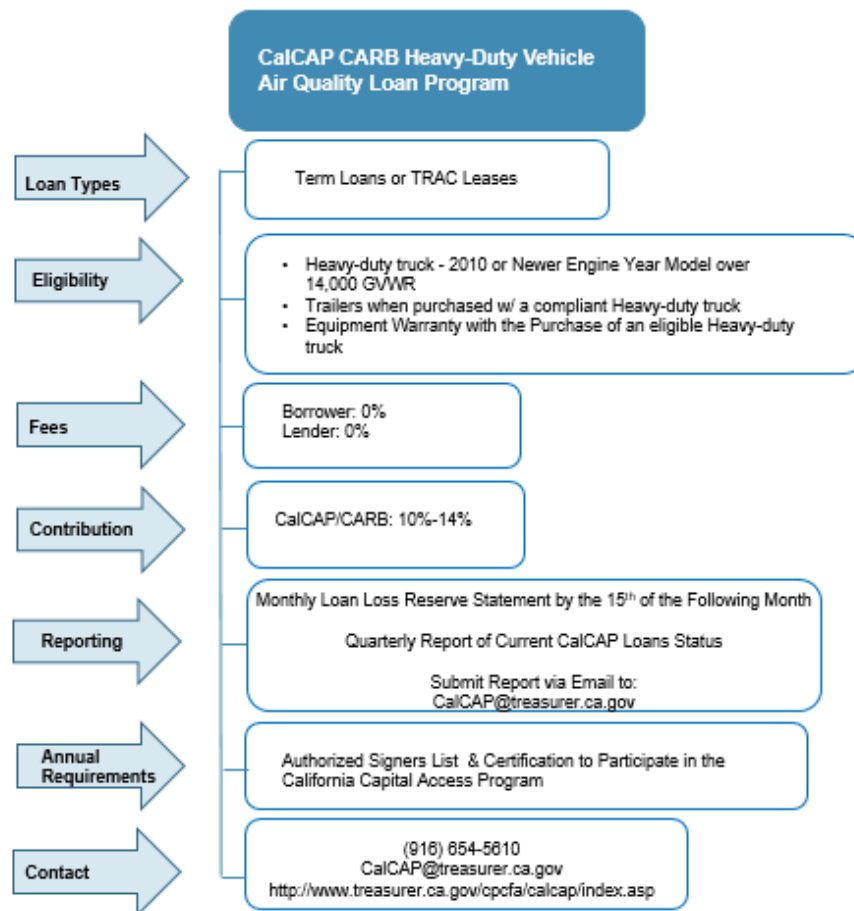
---

I. At-a-Glance .....	I-1
II. Program Participation Requirements .....	II-1
A. Overview .....	II-1
B. California Air Resources Board (CARB) Heavy-Duty Vehicle AirQuality Loan Program .....	II-2
III. Enrolling a Loan .....	III-1
A. Overview .....	III-1
B. CARB Heavy-Duty Vehicle Air Quality Loan Program Enrollment.....	III-2
IV. Submitting Notification of Change in Terms .....	IV-1
A. Overview .....	IV-2
B. Notification of Change in Loan Terms Form .....	IV-3
V. Submitting a Claim .....	V-1
A. CalCAP Financial Institution Claim Application .....	V-2
VI. Reporting Requirements .....	VI-1
A. Monthly Reporting .....	VI-1
B. Quarterly Reporting .....	VI-1
C. Change in Lender Points of Contact .....	VI-3
VII. Recapture .....	VII-1
A. Overview.....	VII-1
B. Recapture Calculation.....	VII-2
VIII. Lender Tools & Tips .....	VIII-1
A. Lender Tools & Tips.....	VIII-1
B. Frequently Asked Questions (FAQs).....	VIII-1
IX. Sample Loan Enrollment Applications, Certifications & Forms .....	IX-1
1. CalCAP/CARB Loan Enrollment Application .....	IX-2
2. CalCAP/CARB Lender Certification.....	IX-3
3. CalCAP/CARB Borrower Eligibility Criteria and Self-Certification Form.....	IX-4
4. CalCAP/CARB Privacy Notice .....	IX-7
5. CalCAP Notification of Change in Loan Terms Form .....	IX-8
6. CalCAP Financial Institution Claim Application .....	IX-9
X. Regulations .....	X-1
XI. Statute .....	XI-1
XII. Interagency Agreement .....	XII-1

## I. AT A GLANCE

---

This California Capital Access Air Resources Board Heavy-Duty Vehicle Air Quality Loan Program (“CalCAP/CARB”) Lender Manual provides lenders enrolled in the Program with instructions, examples, and regulations for enrolling loans and filing claims. Lenders are encouraged to use this manual as a guide. For the most current version of the manual, forms, and rules and regulations, lenders should visit the CalCAP CARB website at <http://www.treasurer.ca.gov/cpcfa/calcap/ARB/index.asp>. Lenders should also ensure that CalCAP is kept informed of changes to the lender’s primary contact information.



## II. PROGRAM PARTICIPATION REQUIREMENTS

---

### A. Overview

CalCAP/CARB Program is committed in assisting owners of heavy-duty on-road vehicles and small businesses controlled by the CARB's Statewide In-Use Truck and Bus Regulation.<sup>1</sup> CalCAP CARB encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing.

CalCAP is administered by the California Pollution Control Financing Authority (CPCFA) and may provide up to 100% coverage on certain loan defaults. By participating in the CalCAP/CARB Program, lenders have available to them a proven financing mechanism to meet the financing needs of California's small businesses. Lending institutions may submit pre-qualifications if unsure whether particular loans are eligible and compliant; however, this is optional.




	CalCAP/CARB
<b>Business and Loan Requirements</b>  ☞ Full Text of CalCAP Regulations can be found in Chapter VIII.	<ul style="list-style-type: none"><li>▪ Maximum loan amount is \$5 million with \$2.5 million enrolled per borrower over a three-year period.</li><li>▪ Maximum interest rate of 20% APR (Annual Percentage Rate)</li><li>▪ \$10M or less in average annual business revenues over the last 3 years</li><li>▪ 100 or fewer employees</li><li>▪ 10 or fewer trucks in the fleet</li><li>▪ Primary economic effect of the business activity in California and the vehicle is registered in California with the Department of Motor Vehicles</li></ul>
<b>Authorized Loan Types or Uses</b>  ☞ Full Text of CalCAP Regulations can be found in Chapter VIII.	<ul style="list-style-type: none"><li>▪ 2010 or newer engine model</li><li>▪ Over 14,000 GVWR</li><li>▪ Trailer with the purchase of eligible new or used truck</li><li>▪ Engines can use diesel fuel, CNG, LNG or other fuels including zero-emission technology.</li><li>▪ Equipment Warranty with the purchase of an eligible truck</li></ul>

---

<sup>1</sup> Truck and Bus Regulation: <https://www.CARB.ca.gov/msprog/onrdiesel/documents/tbfinalreg.pdf>

## B. CARB Heavy-Duty Vehicle Air Quality Loan Program

Under the CARB Heavy-Duty Air Quality Loan Program, CalCAP offers lenders a mechanism to provide loans to small businesses to assist them in financing heavy-duty vehicles to expand or maintain their businesses. Borrowers will use the program only to purchase on-road heavy-duty vehicles and equipment for compliance with the California Air Resources Board's (CARB) Statewide In-Use Truck and Bus Regulation. Eligible purchases with loan proceeds are limited to on-road trucks. Information about the CARB's In-Use Truck and Bus Regulation can be found at <http://www.ARB.ca.gov/truckstop.com>.

	<p>Loans in the CalCAP/CARB loan program can be used to finance heavy-duty trucks over 14,000 GVWR with 2010 or newer model year engines. The engines can use diesel fuel, compressed natural gas (CNG), liquefied natural gas (LNG) or other fuels including zero emission technology.</p> <p>Loans for trucks can also include warranty for eligible truck purchase or/and trailers; however, loans cannot be solely for warranty or trailers. Information about the CARB's In-Use Truck and Bus Regulation may be found at <a href="http://www.ARB.ca.gov/truckstop">http://www.ARB.ca.gov/truckstop</a>.</p>
	<p>All loans not meeting the eligibility requirements above are precluded from being enrolled in the program.</p>
	<p>Refer to CalCAP Regulations 8070, 8072 and 8078.22 as appended in Chapter VIII for full disclosure of eligible and ineligible uses of loan proceeds.</p>

Flexibility	Restrictions
<ul style="list-style-type: none"><li>✓ Lenders set the terms and conditions of the loans and decide which loans to enroll into the CalCAP CARB program.</li><li>✓ Loans can be short- or long-term, have fixed or variable rates, be secured or unsecured, and bear any type of amortization schedule.</li><li>✓ CalCAP CARB contributes up to 14% of the principal balance enrolled in a loss reserve account for each loan enrolled.</li><li>✓ Lenders can enroll all or a portion of a loan.</li><li>✓ CPCFA may authorize an extension of the maturity date of an enrolled loan for up to eighteen (18) months</li></ul>	<ul style="list-style-type: none"><li>✓ There is a \$5 million maximum loan amount that can be enrolled in CalCAP for a period of no more than 10 years.</li><li>✓ A Borrower's fleet must have no more than 10 on-road heavy-duty vehicles at the time of the loan origination.</li><li>✓ Maximum interest rate of 20% APR (Annual Percentage Rate)</li><li>✓ Primary economic effect of the business activity in California and the vehicle is registered in California with the Department of Motor Vehicles</li><li>✓ The business' annual revenue must be \$10 million or less, averaged over a three-year period.</li><li>✓ The business must be classified as a small business under U.S. Small Business Administration guidelines (Title 13 of the Code of Federal Regulations) and have 100 employees or fewer.</li></ul>

### III. ENROLLING A LOAN

---

#### A. Overview

Lenders must submit to CalCAP the following forms and documentation with each loan enrollment request:



The **Loan Enrollment Application**, the **Lender Certification**, the **CalCAP/CARB Borrower Eligibility Criteria and Self-Certification Form**, and the **NAICS Print-Out** need to be submitted to CalCAP. The **Privacy Notice** should be provided to the Borrower. Lenders are encouraged to retain copies of all of the forms submitted in the lender's file.

	Submit to CalCAP	Provide to Borrower
1. CalCAP California Air Resources Board Programs (CalCAP/CARB) Loan Enrollment Application (1 page) <a href="http://www.treasurer.ca.gov/cpcf/calcap/ARB/enrollment.pdf">http://www.treasurer.ca.gov/cpcf/calcap/ARB/enrollment.pdf</a>	√	
2. CalCAP/CARB Lender Certification (1 page) <a href="http://www.treasurer.ca.gov/cpcf/calcap/ARB/lender_cert.pdf">http://www.treasurer.ca.gov/cpcf/calcap/ARB/lender_cert.pdf</a>	√	
3. CalCAP/CARB Borrower Eligibility Criteria and Self-Certification Form (3 pages) <a href="http://www.treasurer.ca.gov/cpcf/calcap/ARB/certification.pdf">http://www.treasurer.ca.gov/cpcf/calcap/ARB/certification.pdf</a>	√	
4. NAICS Print-Out <a href="https://www.census.gov/eos/www/naics/">https://www.census.gov/eos/www/naics/</a>	√	
5. Privacy Notice <a href="http://www.treasurer.ca.gov/cpcf/calcap/ARB/privacy.pdf">http://www.treasurer.ca.gov/cpcf/calcap/ARB/privacy.pdf</a>		√
6. Pre-Qualification (optional) - <i>May be submitted if lender is unsure whether the loan is eligible and compliant.</i> <a href="http://www.treasurer.ca.gov/cpcf/calcap/ARB/enrollment.pdf">http://www.treasurer.ca.gov/cpcf/calcap/ARB/enrollment.pdf</a>	√	



CalCAP must receive CalCAP loan enrollment applications within **15 business days of the “Date of First Disbursement” (Date of Loan)** by email, fax, or regular mail:



[CalCAP@Treasurer.ca.gov](mailto:CalCAP@Treasurer.ca.gov)



(916) 657-4821



CPCFA/CalCAP CARB  
P.O. Box 942809  
Sacramento, CA 94209-0001

## **B. CARB Heavy-Duty Vehicle Air Quality Loan Program Enrollment**

Before submitting a CalCAP/CARB loan enrollment application, lenders should ensure the following pertinent documentation is fully completed:

### Required

- ✓ CalCAP/CARB Loan Enrollment Application
- ✓ CalCAP/CARB Lender Certification
- ✓ CalCAP/CARB Borrower Eligibility Criteria and Self-Certification Form
- ✓ NAICS Print-Out



Pursuant to the California Information Practices Act of 1977 (Civil Code Section 1798.17), lenders are to provide the borrower a copy of the Borrower Privacy Notice disclosing borrower data collected by lenders on behalf of CalCAP. Additionally, any alteration of certifications needs to be approved by CalCAP prior to use.

Copies of these documents must be submitted with the loan enrollment package, and the original set should be maintained with the borrower's loan file along with the entire loan qualification documentation and made available to CalCAP for review upon request.

For newly enrolled lenders and existing lenders that have not yet received \$500,000 in total Loan Loss Reserve contributions under the Program, CARB's contribution will be 14 percent of the enrolled loan amount for each loan enrolled. After a lender receives \$500,000 or more in contributions, the contribution rate will be reduced to 10% of the enrolled loan amount.





All individuals who are party to the loan and/ or have signed the loan documents on behalf of the business, including borrowers and co-borrowers must complete a Borrower Certification, which must be submitted with the loan enrollment package.

Lenders must maintain documentation in their loan files demonstrating that the small business borrower is licensed to operate in California. Satisfaction of this requirement is at the sole discretion of CPCFA staff, and the documents should be made available to CPCFA for review upon request. The following are examples of recommended documents, any one of which may demonstrate eligibility:

- ✓ Secretary of State Business Entity Filing
- ✓ Fictitious Business Name Filing
- ✓ Articles of Incorporation
- ✓ Seller's Permit
- ✓ Business Tax Returns
- ✓ Personal Tax Returns demonstrating self-employment income
- ✓ Sales Tax Licenses
- ✓ Business Tax Certificates
- ✓ Annual Business Income Tax Statements
- ✓ Transportation Contract and Mileage Logs

#### **B.1. Instructions for Completing the CalCAP/CARB Loan Enrollment Application, the Lender Certification, and the Borrower Eligibility Criteria and Self-Certification Form**

This section provides instructions for lenders on how to complete two forms required to enroll a loan with the CalCAP/CARB program:

- 1) CalCAP/CARB Loan Enrollment Application
- 2) CalCAP/CARB Lender Certification
- 3) CalCAP/CARB Borrower Eligibility Criteria and Self-Certification Form

A copy of the forms can be found in Chapter VIII of this manual. However, lenders should always check CalCAP's website for the most current versions:

- ☞ CalCAP/CARB Loan Enrollment Application:  
<http://www.treasurer.ca.gov/cpcfa/calcap/ARB/enrollment.pdf>
- ☞ CalCAP/CARB Lender Certification:  
[http://www.treasurer.ca.gov/cpcfa/calcap/ARB/lender\\_cert.pdf](http://www.treasurer.ca.gov/cpcfa/calcap/ARB/lender_cert.pdf)
- ☞ CalCAP CARB Borrower Eligibility Criteria and Self-Certification Form (3 pages):  
<http://www.treasurer.ca.gov/cpcfa/calcap/ARB/certification.pdf>



## Form 1: CalCAP/CARB Loan Enrollment Application

### Lender Information Section

CALIFORNIA CAPITAL ACCESS PROGRAM  
California Pollution Control Financing Authority  
[CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov)  
(916) 654-5610

Mailing Address: P.O. Box 942809  
Sacramento, CA 94209-0001  
Fax (916) 589-2805

<b>CalCAP Use Only</b>	CalCAP Loan #
	Date Received

### CalCAP AIR RESOURCES BOARD (ARB) PROGRAMS LOAN ENROLLMENT APPLICATION

<b><u>Lender Information</u></b>	
Participating Lender	Lender ID#
Loan Officer Name	Phone
Loan Officer Email	

Field:	Information Needed:
▪ Participating Lender	✓ Name of the financial institution.
▪ Lender ID #	✓ The financial institution's assigned CalCAP Lender ID. This number was issued and provided on the signed copy of the lender's "Financial Institution Enrollment" agreement and the "Welcome Letter" that accompanied it. (This number never changes.)
▪ Loan Officer Name	✓ Name of lender representative CalCAP can contact with questions about this enrollment.
▪ Loan Officer Email	✓ Email of Loan Officer named above.
▪ Phone	✓ Direct phone number with area code for Loan Officer named above.

## Borrower Information Section

**Borrower Information**

Name \_\_\_\_\_ DBA \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ County \_\_\_\_\_ Zip \_\_\_\_\_

Type of Business/Activities \_\_\_\_\_

Average Annual Revenue Last 3 Years \$ \_\_\_\_\_

Number of Employees \_\_\_\_\_ Jobs created \_\_\_\_\_ Jobs retained \_\_\_\_\_

Will loan monies be used at above address? ☐ Yes ☐ No If no, location where loan will be used:

Address \_\_\_\_\_ City \_\_\_\_\_ County \_\_\_\_\_ Zip \_\_\_\_\_

NAICS Code \_\_\_\_\_ Census Tract # \_\_\_\_\_  
<http://www.census.gov/eos/www/naics/> <http://www.ffiec.gov/Geocode/default.aspx>

Purpose of Loan \_\_\_\_\_

Is business minority owned? ☐ Yes ☐ No ☐ Decline to Answer

Is business woman owned? ☐ Yes ☐ No ☐ Decline to Answer

Is business veteran owned? ☐ Yes ☐ No ☐ Decline to Answer

Field:	Information Needed:
▪ Name	✓ Name of the primary borrower representing the business.
▪ DBA	✓ Name of the business, sole proprietor, partnership, corporation, etc.
▪ Address, City, County, Zip	✓ Physical address of the business. "P.O. Box" addresses will not be permitted.
▪ Type of Business/Activities	✓ List the function of the business. "What does the business do?" (e.g. retail sales, carpet cleaning, burger restaurant, etc.)
▪ Average Annual Revenue Last 3 Years	✓ List the borrower's combined average annual business revenue for the last three years—rounded to the nearest whole dollar amount. ☞ If the business is a start-up, use the current income or \$0. ☞ If the business was established within the last three years, determine the average annual revenue for each year in which it <u>did</u> generate revenue.
▪ Number of Employees	✓ Number of all full-time or part-time employees of the business. Must be a minimum of 1 and cannot exceed 100. ☞ Refer to Section VI A or the CalCAP website at <a href="http://www.treasurer.ca.gov/cpcf/calcap/tools/employees.pdf">http://www.treasurer.ca.gov/cpcf/calcap/tools/employees.pdf</a> for instructions on how to report the number of employees.
▪ Jobs created	✓ Number of jobs created for the business <u>as a result of the loan</u> . ☞ If jobs are not created as a result of the loan, use "0".

<ul style="list-style-type: none"> <li>Jobs retained</li> </ul>	<ul style="list-style-type: none"> <li>✓ Number of jobs retained for the business <u>as a result of the loan</u>. <ul style="list-style-type: none"> <li>☞ If jobs are not retained as a result of the loan, use “0”.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>Will loan monies be used at above address? <input type="checkbox"/>Yes <input type="checkbox"/>No</li> <li>If no, location where loan will be used: Address, City, County, Zip</li> </ul>	<ul style="list-style-type: none"> <li>✓ Indicate whether the proceeds of the loan are being used to support the business at a different business location than the address listed above. <ul style="list-style-type: none"> <li>☞ If answered “no”, list the address of where the loan proceeds will be used.</li> <li>☞ If answered “yes”, leave address, city, county, zip fields blank.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>NAICS Code</li> </ul>	<ul style="list-style-type: none"> <li>✓ Six digit number used by the North American Industry Classification System (NAICS) to categorize business types for the most current year. <ul style="list-style-type: none"> <li>☞ <a href="http://www.census.gov/eos/www/naics/">http://www.census.gov/eos/www/naics/</a></li> </ul> </li> </ul>

The screenshot shows the NAICS search interface. On the left, there are search boxes for '2012 NAICS Search', '2007 NAICS Search', and '2002 NAICS Search'. The '2012 NAICS Search' box contains the text 'Farm Equipment'. A red arrow points from this box to a red-bordered box on the right that says 'Step 1: Enter business activity type (e.g. Farm Equipment)'. Below the search boxes, there is a list of search results for 'Farm Equipment'. A red arrow points from the first result, '333111 Feed processing equipment, farm-type, manufacturing', to another red-bordered box on the right that says 'Step 2: Select 6-digit code that best describes the business activity'.

**NAICS Search:**

Enter keyword or 2-6 digit code  
Farm Equipment  
2012 NAICS Search

Enter keyword or 2-6 digit code  
2007 NAICS Search

Enter keyword or 2-6 digit code  
2002 NAICS Search

**Downloads/Reference Files/Tools**

- 2012 NAICS
- 2007 NAICS
- 2002 NAICS
- Concordances
- NAICS Update Process
- Fact Sheet (PDF, 37x8)

**2012 NAICS Key Word Search**

Search results for: Farm Equipment  
Number of records found: 9

- 333111 Feed processing equipment, farm-type, manufacturing
- 333111 Drags, farm-type equipment, manufacturing
- 423800 Planting machinery and equipment, farm-type, merchant wholesalers
- 423800 Farm machinery and equipment merchant wholesalers
- 423800 Conveying equipment, farm, merchant wholesalers
- 423800 Conveying equipment (except farm) merchant wholesalers
- 532490 Farm equipment rental or leasing
- 811310 Tractor, farm or construction equipment repair and maintenance services
- 811310 Farm machinery and equipment repair and maintenance services

**Step 1: Enter business activity type (e.g. Farm Equipment)**

**Step 2: Select 6-digit code that best describes the business activity**

Measuring America—People, Places, and Our Economy

ABOUT US FIND DATA BUSINESS & INDUSTRY PEOPLE & HOUSEHOLDS GEOGRAPHY NEWSROOM

▪ Census Tract #

✓ 11-dlgt number used to identify the specific location of a business.

✎ <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>

FFIEC Year: 2014 Address: Search

Matched Address

Address	
MSA/MC Code	
State Code	
County Code	
Tract Code	
MSA/MC Name	
State Name	
County Name	

Complete Demographic Data

User Select Tract

Geocoding System

The FFIEC Geocoding Mapping System (System) helps financial institutions meet their legal requirement to report information on mortgage, business, and farm loan applications. Geocoding refers to the Metropolitan Statistical Area/Metropolitan Division (MSA/MC), State, County, Census Tract combination (address information) that must be provided for each reported loan application and the System allows institutions to enter a street address to determine the corresponding geocode. The System also provides Census demographic information about a particular census tract, including income, population, and housing data.

Please select the appropriate activity year for the address being geocoded. The tract definitions for 2012, 2013, and 2014 data are based on the 2010 Census. It is critical that the correct activity year is selected when using the FFIEC Geocoding System.

Census Tracts

FFIEC Year: 2014 Address: 915 Capitol Mall Sacramento Ca Search Reset

Matched Address

Address	915 Capitol Mall, SACRAMENTO, CA, 95814
MSA/MC Code	40800
State Code	06
County Code	067
Tract Code	0011.01
MSA/MC Name	SACRAMENTO-ROSEVILLE, ANDEN-ARCADE, CA
State Name	CALIFORNIA
County Name	SACRAMENTO COUNTY

Census Demographic Data

User Select Tract

Use:

1. State Code: 06
2. County Code: 067
3. Tract Code: 0011.01

This Census Tract # Is:

060670011.01

▪ Purpose of Loan	✓ Brief description of the use of loan proceeds (e.g. “working capital” or “purchase equipment”).
▪ Is business minority owned? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decline to Answer	✓ The business is minority owned if at least 51% of the business is owned by one or more minority individuals.
▪ Is business woman owned? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decline to Answer	✓ The business is woman owned if at least 51% of the business is owned by one or more women.
▪ Is business veteran owned? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decline to Answer	✓ The business is veteran owned if at least 51% of the business is owned by one or more veterans.

### Loan Information Section

**Loan Information**

Lender Loan Number  Type of Loan: ☐ Line of Credit ☐ Term Loan ☐ TRAC Lease

Total Loan Amount \$  Loan Amount Enrolled in CalCAP \$

Date of First Disbursement (Date of Loan)  Maturity Date

Interest Rate  % APR ☐ Fixed ☐ Variable Is the loan secured? ☐ Yes ☐ No

Field:	Information Needed:
▪ Lender Loan Number	✓ List the unique loan number associated with the borrower's loan. ☞ If the enrollment is a pre-qualification request, leave field blank.
▪ Type of Loan: <input type="checkbox"/> Line of Credit <input type="checkbox"/> Term Loan <input type="checkbox"/> TRAC Lease	✓ Check <b>one</b> box only.
▪ Total Loan Amount	✓ The total amount loaned to the borrower associated with the unique loan number.
▪ Loan Amount Enrolled in CalCAP	✓ The portion of the loan the lender requests to enroll with CalCAP. This amount should be equal to or less than the amount in the “Total Loan Amount” field.
▪ Date of First Disbursement (Date of Loan)	✓ Date of loan (if term loan) or date of first disbursement (if line of credit). ☞ This date triggers the clock for the 15-day deadline to submit an enrollment application to CalCAP. ☞ If the enrollment is a pre-qualification request, leave this field blank.
▪ Maturity Date	✓ The date (MM/DD/YYYY) the enrolled loan matures. ☞ If the enrollment is a pre-qualification request, leave this field blank.

<ul style="list-style-type: none"> <li>▪ Interest Rate _____%APR</li> <li>▪ <input type="checkbox"/>Fixed <input type="checkbox"/>Variable</li> </ul>	<ul style="list-style-type: none"> <li>✓ Maximum interest rate of 20% Annual Percentage Rate (APR) for the enrolled loan</li> <li>✓ Indicate whether the interest rate remains the same (fixed) or changes (variable) over the life of the loan. <ul style="list-style-type: none"> <li>☞ If answered “variable”, provide the starting rate and the index the variable rate is tied to.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>▪ Is the loan secured? <input type="checkbox"/>Yes <input type="checkbox"/>No</li> </ul>	<ul style="list-style-type: none"> <li>✓ If collateral is used to secure the loan, answer “yes”—otherwise, answer “no”.</li> </ul>



## Lender Signature and Certification Section

CALIFORNIA CAPITAL ACCESS PROGRAM  
California Pollution Control Financing Authority  
[CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov)  
(916) 654-5610

Mailing Address: P.O. Box 942809  
Sacramento, CA 94209-0001  
Fax (916) 589-2805

Borrower Name

Lender Loan Number

### LENDER CERTIFICATION

Enrolling a loan in the CalCAP ARB program requires the Participating Financial Institution to certify to each of the following program rules and regulations.

\* All capitalized terms are defined in 4 CCR §8070 of the California Code of Regulations.

- 1) The loan is a Qualified Loan as defined in 4 CCR §8078.22(g) of the California Code of Regulations.
- 2) The loan is for an Eligible Cost, as defined in 4 CCR §8078.22(b) of the California Code of Regulations.
- 3) The business receiving the Qualified Loan is a Qualified Business, as defined in 4 CCR §8078.22(f) of the California Code of Regulations.
- 4) The Qualified Loan is for a business activity that has its Primary Economic Effect in California as defined in 4 CCR §8078.22(f)(4) of the California Code of Regulations.
- 5) The Borrower has validated the number of employees currently employed by the Borrower, as defined in 4 CCR 8078.24(c)(10).
- 6) The Participating Financial Institution will provide information from financial records of the Borrower upon request of the Executive Director of the CPCFA, and the Participating Financial Institution has obtained the consent of the Borrower to such disclosure.
- 7) The Participating Financial Institution has obtained a written representation from the Borrower that the Borrower has no legal, beneficial or equitable interest in the Fees or the Contribution.
- 8) The Borrower's total principal amount of loans enrolled in any CalCAP program with any Participating Financial Institution does not exceed \$2,500,000 over a three year period.
- 9) The Participating Financial Institution has obtained a written representation from the Borrower that it has secured or made application for all applicable licenses or permits needed to conduct its business.
- 10) The Participating Financial Institution has not, and will not, enroll the same loan or portion thereof in any other government program substantially similar to the Program.
- 11) The Borrower has received CPCFA's CalCAP/ARB Privacy Notice.
- 12) The Participating Financial Institution acknowledges that its lending activities are subject to safety and soundness standards as set forth in any applicable federal banking regulations.

By signing below and enrolling this loan the Participating Financial Institution certifies, based in part on information provided by the Borrower, that each of the above assurances is true and accurate.

Authorized Lender Signature

Title

Date

Field:	Information Needed:
▪ Borrower Name	✓ Name of borrower.
▪ Lender Loan Number	✓ List the unique loan number associated with the borrower's loan. ☞ If the enrollment is a pre-qualification request, leave fieldblank.
▪ Authorized Lender Signature	✓ To be signed by the Lender designated as an authorized signer.
▪ Title	✓ Title of the Lender designated as an authorized signer.
▪ Date	✓ Date the enrollment was signed by the authorized signer.



### Form 3: CalCAP/CARB Borrower Eligibility Criteria and Self-Certification Form

#### Section I

Borrower Name \_\_\_\_\_  
 Lender/Participating Financial Institution \_\_\_\_\_  
 Lender Loan No. \_\_\_\_\_

#### HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM (HDV AIR QUALITY LOAN PROGRAM) BORROWER ELIGIBILITY CRITERIA AND SELF-CERTIFICATION FORM

The undersigned Borrower hereby applies to the California Pollution Control Financing Authority (CPCFA) for funds to pay the Borrower's premium for participation in the CPCFA's California Capital Access Program (CalCAP). The lender will submit this form with the CalCAP CARB Programs Loan Enrollment Form to CPCFA at:

California Pollution Control Financing Authority (CPCFA)  
 801 Capitol Mall, 2<sup>nd</sup> Floor  
 Attention: California Capital Access Program (CalCAP)  
 Sacramento, CA 95814  
 Fax: (916) 589-2805

For assistance, lenders please call CPCFA staff at (916) 654-5610.

#### SECTION I HDV AIR QUALITY LOAN PROGRAM ELIGIBILITY

By initialing on each line, Borrower certifies to eligibility under the HDV Air Quality Loan Program.

(a) \_\_\_\_\_ Borrower will use the program only to purchase on-road heavy duty vehicles and equipment for compliance with the California Air Resources Board's (CARB) Statewide In-Use Truck and Bus Regulation (Regulation) (California Code of Regulations, title 13, Section 2025), refer to: <https://ww2.arb.ca.gov/our-work/programs/truck-bus-regulation/truck-and-bus-regulation-regulation-advisories>

Eligible purchases with loan proceeds include:

- Used and new trucks equipped with 2010 and later model year engines CARB-certified to 2010 and later model year emission standards;
- Equipment Warranty, when funded with the purchase of an eligible truck; and
- The engines can use diesel fuel, compressed natural gas (CNG), liquefied natural gas (LNG), or other fuels including zero-emission technology.

(b) \_\_\_\_\_ Borrower certifies that his/her fleet has 10 or fewer on-road vehicles subject to the Regulation referenced in the above statement, or is a non-profit entity that meets all other CalCAP requirements. Consistent with fleet reporting requirements in California Code of Regulations, title 13, section 2025, the Borrower shall include vehicles whether or not they are registered, and include vehicles registered as non-operating. In Section III, the Borrower shall provide the total number of on-road heavy-duty vehicles in his/her fleet subject to the Regulation. (Non-profit organizations may have more than 10 vehicles but must satisfy all other requirements of the CalCAP and HDV Air Quality Loan Programs).

(c) \_\_\_\_\_ Borrower certifies that he/she has 100 or fewer employees and \$10 million or less in annual revenues averaged over the prior three (3) years.

By initialing either (d) (e), or (f) below, Borrower certifies that either (d) (e), or (f) is true and correct. If Borrower has not received a CARB grant or is not approved for a voucher below, DO NOT INITIAL ANY OF THE STATEMENTS.

(d) \_\_\_\_\_ Borrower certifies that he/she has received a grant through CARB's Proposition 1B Goods Movement Emission Reduction Program for the vehicle(s) being financed.

(e) \_\_\_\_\_ Borrower certifies that he/she has received a grant through the CARB's Carl Moyer Program On-Road Heavy-Duty Vehicle Voucher Incentive Program (VIP) for the vehicle(s) being financed.

(f) \_\_\_\_\_ Borrower certifies that he/she is approved for a voucher for CARB's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) to purchase or lease a hybrid or zero-emission truck or bus.

Revised August 31, 2020

Field:	Information Needed:
▪ Yellow Blank Spaces	✓ Borrower to initial the statement(s) if applicable. Each statement <b>must</b> be initialed for the loan to be eligible for CalCAP enrollment.
▪ Green Blank Spaces	✓ These statements should <b>only</b> be initialed by the borrower if the borrower received an applicable grant.

## Section II

Borrower Name \_\_\_\_\_  
 Lender/Participating Financial Institution \_\_\_\_\_  
 Lender Loan No. \_\_\_\_\_

### SECTION II CalCAP ELIGIBILITY

By initialing on each line, the Borrower certifies to eligibility under CalCAP.

- (a) \_\_\_\_\_ Borrower is a qualified business as defined in the CalCAP regulations section 8078.22.
- (b) \_\_\_\_\_ Borrower obtained a loan that is for a vehicle registered in California with the Department of Motor Vehicles.
- (c) \_\_\_\_\_ Borrower agrees to allow the participating financial institution to provide information from financial records of the Borrower upon request of the Executive Director of CPCFA.
- (d) \_\_\_\_\_ Borrower has no legal, beneficial, or equitable interest in the fees or the contribution.
- (e) \_\_\_\_\_ Borrower does not have a total enrolled principal amount in excess of \$2,500,000 at any CalCAP participating financial institution over a three (3) year period.
- (f) \_\_\_\_\_ Borrower has secured or made application for all applicable licenses or permits needed to conduct its business.
- (g) \_\_\_\_\_ Borrower has received CPCFA's CalCAP/CARB Privacy Notice dated December 5, 2018.
- (h) \_\_\_\_\_ Borrower is not: an executive officer, director or principal shareholder of the lender/ participating financial institution; a member of the immediate family of those individuals; or a related interest of those individuals.

*Revised August 31, 2020*

#### Field:

- Yellow Blank Spaces

#### Information Needed:

- ✓ Borrower to initial the statement(s) if applicable. Each statement **must** be initialed for the loan to be eligible for CalCAP enrollment.

## Section III

Borrower Name \_\_\_\_\_  
 Lender/Participating Financial Institution \_\_\_\_\_  
 Lender Loan No. \_\_\_\_\_

### SECTION III

By initialing on each line, the Borrower certifies that each statement below is true and correct. Please also provide the applicable information in the table below, including the engine manufacturer and model year of a truck that is replaced with a truck purchased with loan proceeds.

- (a) \_\_\_\_\_ Borrower certifies that he/she meets state and federal requirements to operate in California.  
 (b) \_\_\_\_\_ Borrower agrees to allow CARB staff or its designee to inspect the affected vehicle.

Additional Information for Completion by the Borrower				
Fleet Size <sup>a</sup>	_____			
For Truck Purchases				
For truck purchase, state the GVWR <sup>b</sup> :		_____		
	Engine Manufacturer	Engine Model Year	Engine Horsepower	Fuel Type <sup>c</sup>
New Purchase	_____	_____	_____	_____
Used Purchase	_____	_____	_____	_____
Replaced Truck (if purchase is to replace an existing truck)	_____	_____	_____	_____
DID BORROWER RECEIVE A NOTICE OF NON-COMPLIANCE FROM CARB? <input type="checkbox"/> YES <input type="checkbox"/> NO				
For Trailer Purchases <sup>d</sup>				
	Trailer Manufacturer	Trailer Model Year	SmartWay Certified? (Yes or No)	
Trailer	_____	_____	_____	

<sup>a</sup> The Borrower shall write in the total number (example: 8) of on-road vehicles subject to the Regulation referenced in the beginning of this form, in his or her fleet.

<sup>b</sup> Information about Gross Vehicle Weight Rating (GVWR) is available at <http://www.arb.ca.gov/msprog/truckstop/azregs/labels.htm>.

<sup>c</sup> Fuel Codes: D-Diesel, E-Electric, N-Natural Gas, Q-Hybrid, P-Propane.

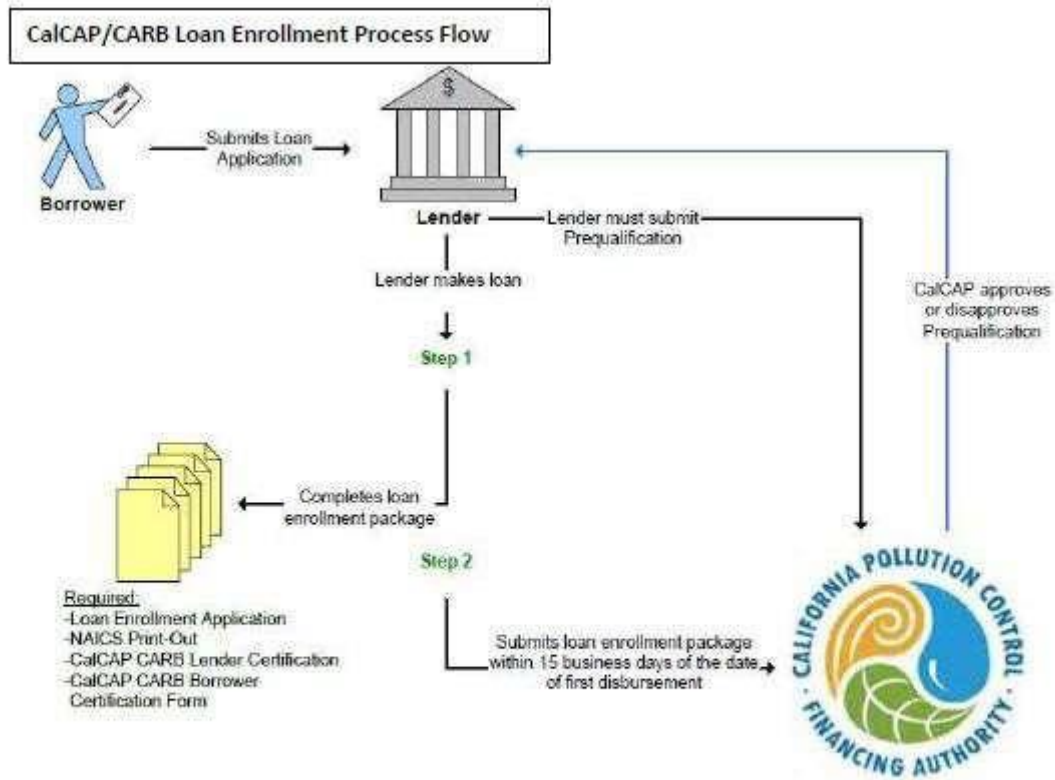
<sup>d</sup> Trailers may be eligible for financing ONLY in conjunction with an eligible tractor.

### Additional Information for Completion by the Borrower

Field:	Information Needed:
<ul style="list-style-type: none"> <li>Yellow Blank Spaces</li> <li>Fleet Size</li> <li>GVWR</li> </ul>	<ul style="list-style-type: none"> <li>Both statements <b>must</b> be initialed for the loan to be eligible for CalCAP enrollment.</li> <li>Number of on-road heavy-duty vehicles in borrower's fleet <b>prior</b> to loan.</li> <li>For a full description of the GVWR and where it can be identified, please refer to the CARB website at:  <a href="http://www.ARB.ca.gov/msprog/truckstop/azregs/labels.htm">http://www.ARB.ca.gov/msprog/truckstop/azregs/labels.htm</a>             GVWR can also be found via dmv.org VIN decoder's webpage at:  <a href="https://www.dmv.org/vehicle-history/vin-decoder.php">https://www.dmv.org/vehicle-history/vin-decoder.php</a> </li> </ul>

For Tractor Purchases	
Field:	Information Needed:
<ul style="list-style-type: none"> <li>▪ New Purchase</li> <li>▪ Used Purchase</li> <li>▪ Replaced Truck</li> </ul>	<ul style="list-style-type: none"> <li>▪ Indicate whether the loan is for a new <b>or</b> used truck purchase.</li> <li>▪ List the engine manufacturer, engine model year, engine horsepower and fuel type for <b>each</b> vehicle being purchased with these loan proceeds.</li> <li>▪ If the purchase replaces an existing tractor, list the existing tractor's engine manufacturer, engine model year, and engine horsepower.</li> </ul>
Notice of Non-Compliance from CARB	
<ul style="list-style-type: none"> <li>▪ <b>Did Borrower receive a Notice of Non-Compliance from CARB?</b>  <input type="checkbox"/> Yes <input type="checkbox"/> No </li> </ul>	<ul style="list-style-type: none"> <li>✓ If Borrower received a Notice of Non-Compliance from CARB, answer "yes"—otherwise, answer "no".</li> </ul>
For Trailer Purchases	
Field:	Information Needed:
<ul style="list-style-type: none"> <li>▪ Trailer</li> </ul>	<ul style="list-style-type: none"> <li>✓ List the trailer manufacturer and trailer model year.</li> <li>✓ Indicate whether the trailer is SmartWay certified.</li> <li>☞ Trailers may be eligible for financing <b>ONLY</b> in conjunction with an eligible tractor.</li> </ul>
Section III (continued)	
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <small>(Business Name)</small> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <small>(Print Individual's Name)</small> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <small>(Individual's Signature)</small> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <small>(Business Address, City, State, Zip Code)</small> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <small>(CPCFA Review: Signature and Date)</small> </div> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <small>(Individual's Title as it pertains to the business)</small> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <small>(Date)</small> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <small>(Phone Number)</small> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>CPCFA USE ONLY</small> <div style="display: flex; height: 15px;"> <div style="flex: 1;"></div> <div style="flex: 1;"></div> </div> </div> </div> </div> <div style="text-align: right; margin-top: 20px; font-size: small;">Revised August 31, 2020</div>	
Field	Information Needed:
<ul style="list-style-type: none"> <li>▪ Business Name</li> <li>▪ Print Borrower's Name</li> <li>▪ Borrower's Signature</li> <li>▪ Date</li> <li>▪ Business Address</li> <li>▪ Phone Number</li> <li>▪ CPCFA Review: Signature and Title</li> <li>▪ Date</li> </ul>	<ul style="list-style-type: none"> <li>✓ List the business' name.</li> <li>✓ Print the borrower's name.</li> <li>✓ Borrower signing the certification (must be the name of the <u>individual</u> listed as the Borrower).</li> <li>✓ Date borrower signed the certification.</li> <li>✓ List the business address.</li> <li>✓ List the business phone number.</li> <li>✓ Do not write on this line (CalCAP use only).</li> <li>✓ Do not write on this line (CalCAP use only).</li> </ul>

## Summary CalCAP/CARB Loan Enrollment Flow Chart



## **IV. SUBMITTING NOTIFICATION OF CHANGE IN LOAN TERMS**

---

Lenders are required to notify CPCFA within 15 business days of any change in loan terms of a currently enrolled loan prior to maturity.

The Notification of Change in Loan Terms form must be filled out properly and indicate the change in material terms of the loan. Any type of change in terms, excluding interest rate, must be submitted with an amended Loan Enrollment application, a new Lender Certification and a new Borrower Certification.

Please note that the Authority may authorize an extension of the maturity date of an enrolled loan for up to eighteen (18) months, if the Participating Financial Institution has provided the Authority written certification to its credit policy that provides for such extensions of the maturity date.






Copies of CalCAP CARB Loan Enrollment Application Package can be found in Chapter VIII of this manual. However, lenders should always check CalCAP's website for the most current version of the application:

☞ <http://www.treasurer.ca.gov/cpcfca/calcap/ARB/index.asp>



## A. Overview

Lenders must submit to CalCAP the following forms and documentation with each Change in Loan Terms Form request:

	Required
<b>Interest Rate Change</b>	
1. CalCAP Notification of Change in Loan Terms Form  <a href="http://www.treasurer.ca.gov/cpcfa/calcap/tools/notification-loan-change.pdf">http://www.treasurer.ca.gov/cpcfa/calcap/tools/notification-loan-change.pdf</a>	√
<b>Maturity Date Change or Other Change in Loan Terms</b>	
1. CalCAP Notification of Change in Loan Terms Form  <a href="http://www.treasurer.ca.gov/cpcfa/calcap/tools/notification-loan-change.pdf">http://www.treasurer.ca.gov/cpcfa/calcap/tools/notification-loan-change.pdf</a>	√
2. CalCAP/CARB Loan Enrollment Application  <a href="http://www.treasurer.ca.gov/cpcfa/calcap/ARB/enrollment.pdf">http://www.treasurer.ca.gov/cpcfa/calcap/ARB/enrollment.pdf</a>	√
3. CalCAP/CARB Lender Certification  <a href="http://www.treasurer.ca.gov/cpcfa/calcap/ARB/lender_cert.pdf">http://www.treasurer.ca.gov/cpcfa/calcap/ARB/lender_cert.pdf</a>	√
4. CalCAP/CARB Borrower Eligibility Criteria and Self-Certification Form  <a href="http://www.treasurer.ca.gov/cpcfa/calcap/ARB/certification.pdf">http://www.treasurer.ca.gov/cpcfa/calcap/ARB/certification.pdf</a>	√



Completed Change in Loan Terms form, amended Loan Enrollment application and updated Lender and Borrower Certifications must be **received** by CalCAP within **15 business days of the “Change Effective Date”** by email, fax, or regular mail:



[CalCAP@Treasurer.ca.gov](mailto:CalCAP@Treasurer.ca.gov)



(916) 657-4281



CPCFA/CalCAP CARB  
P.O. Box 942809  
Sacramento, CA 94209-0001



## B. Instructions for Completing the Notification of Change in Loan Terms Form

### Form 4: Notification of Change in Loan Terms Form

Lender Information Section	
<div style="display: flex; justify-content: space-between;"> <div> <p>CALIFORNIA CAPITAL ACCESS PROGRAM  California Pollution Control Financing Authority  Office Location: 801 Capitol Mall, 2<sup>nd</sup> Floor  Sacramento, CA 95814  Telephone (916) 654-5610</p> </div> <div> <p>Mailing Address: P.O. Box 942809  Sacramento, CA 94209-0001  CalCAP@treasurer.ca.gov  Fax (916) 657-4821</p> </div> </div> <p style="text-align: center;"><b>CalCAP NOTIFICATION OF CHANGE IN LOAN TERMS</b></p> <p>Participating lenders must provide written notification of any change in material terms of a loan, including changes to the maturity date or interest rate, within 15 days of the effective date of the change.</p> <p><b>NOTE:</b> For a loan amount increase, a new CalCAP Loan Enrollment Application must be submitted and premium contributions deposited.</p> <p>Check which CalCAP Program: <input type="checkbox"/> Small Business <input type="checkbox"/> ARB <input type="checkbox"/> EVCS <input type="checkbox"/> ADA <input type="checkbox"/> Seismic Safety</p> <p>Lender: _____ Lender's CalCAP ID #: _____</p> <p>Contact Person: _____ Phone: _____</p> <p>Email: _____</p>	
Field:	Information Needed:
▪ CalCAP Program	✓ Indicate which program the loan was enrolled into.
▪ Lender	✓ Name of the financial institution.
▪ Lenders CalCAP ID#	✓ The financial institutions' assigned CalCAP Lender ID. This number was issued and provided on the signed copy of the lender's "Financial Institution Enrollment" agreement and "Welcome Letter" that accompanied it. (This number never changes.)
▪ Contact Person	✓ Name of lender representative CalCAP can contact with questions about this enrollment change.
▪ Phone	✓ Direct phone number with area code for the Loan Contact named above.
▪ Email	✓ Email of Loan Contact named above.
Loan Information Section (see section image on next page)	
Field:	Information Needed:
▪ Borrower	✓ Name of the primary borrower representing the business.
▪ Change Effective Date	✓ Date of the change to the loan. ☞ This date triggers the clock for the 15-day deadline to submit the Change in Loan Terms form application to CalCAP.
▪ CalCAP Loan Number	✓ The number CalCAP assigned to the loan after it was approved. This number can be found on the approved CalCAP loan enrollment application form. A copy of this was returned to the lender.

Borrower:		Change Effective Date:	
CalCAP Loan Number:		Lender's Loan Number:	
<b>Type of Change:</b>			
<input type="checkbox"/> Interest Rate Change Effective Date:      New Interest Rate			
<input type="checkbox"/> Maturity Date Change *Must submit an amended loan enrollment application and complete the following two fields.			
Old Maturity Date			
New Maturity Date			
<input type="checkbox"/> Other (please provide supporting documentation) *Must submit an amended loan enrollment application and complete the following field.			
Describe the change(s) to the loan			
By signing below, the Participating Financial Institution certifies that the above loan information is true and accurate.			
Authorized Lender Signature	Title	Date	

<p>▪ Type of Change:</p> <p><input type="checkbox"/> Interest Rate Change</p> <p><input type="checkbox"/> Maturity Date Change</p> <p><input type="checkbox"/> Other</p>	<p>✓ Check the box which describes the change in the loan terms.</p> <p>☞ If the change is interest rate, enter the fields below: Effective Date and New Interest Rate.</p> <p>☞ If the change is maturity date, enter the fields below: Old Maturity Date and New Maturity Date. Submit the amended Loan Enrollment application, and new Lender and Borrower certification along with the completed change in the loan terms form.</p> <p>☞ If the change is checked for "Other" please describe the change in the field below. Submit the amended Loan Enrollment application, and new Lender and Borrower certification along with the completed change in the loan terms form.</p>
▪ Authorized Lender Signature	✓ To be signed by the Lender designated as an authorized signer.
▪ Title	✓ Title of the Lender designated as an authorized signer.
▪ Date	✓ Date the Change in Loan Terms form was signed.
▪ Print Name of Authorized Signer	✓ Print the name of the authorized signer who signed the form.

## V. SUBMITTING A CLAIM

---

Lenders are required to notify CPCFA within 120 days of when the lender has charged off all or part of a qualified loan as a result of default. If the form is filled out properly and the lender has faithfully complied with CalCAP requirements, CalCAP will authorize the Program trustee (if account is trustee-held) or the participating financial institution (if account is lender-held) to reimburse the lender for their claimed losses from the lender's loss reserve account within 30 business days.

The lender must experience a net loss originating from the outstanding principal, accrued and unpaid interest, and/or reasonable out-of-pocket expenses in order for CPCFA to approve a claim.

In addition to the claim form, lenders should submit:

1. A complete transaction history of the account
2. A short written synopsis of the loan history, including the last payment date, when and why the loan charged off, any liquidation efforts (dates and amounts) and future collections efforts
3. Receipts for any reasonable out-of-pocket expenses claimed
4. Bill of Sale for liquidated collateral

When assessing whether an out-of-pocket expense is considered reasonable, financial institutions should consider the best lending practices and act in a prudent and judicious manner during their collection processes.

Lenders must abide by their standard collection practices both before and after a claim is filed with CPCFA. If a lender receives any recoveries after a claim is filed with CPCFA, the lender must reimburse the loan loss reserve account on a dollar for dollar basis and must report the recovery on the lender's Quarterly Report.

A copy of the form can be found in Chapter VIII of this manual. However, lenders should always check the CalCAP CARB website for the most current versions:

📎 Claim Application: <http://www.treasurer.ca.gov/cpcf/calcap/forms/claim.pdf>

## A. Instructions for Completing the Claim Application

### Form 5: CalCAP Claim Application Form

#### Lender and Borrower Information Section

CALIFORNIA CAPITAL ACCESS PROGRAM  
California Pollution Control Financing Authority  
Office Location: 801 Capitol Mall, 2<sup>nd</sup> Floor  
Sacramento, CA 95814  
Telephone (916) 654-5610

Mailing Address: P.O. Box 942809  
Sacramento, CA 94209-0001  
[CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov)  
Fax (916) 589-2805

#### CalCAP FINANCIAL INSTITUTION CLAIM APPLICATION

NOTE: A lender is required to notify the Authority within 120 days of when the lender has charged off all or part of a qualified loan as a result of default by a borrower. If the form is filled out properly and the lender has faithfully complied with CalCAP requirements, CPCFA will authorize the Program trustee to reimburse the lender from the lender's loss reserve account within 30 business days.

#### Lender and Borrower Information

Participating Lender: \_\_\_\_\_ Lender's CalCAP ID #: \_\_\_\_\_  
Lender Contact: Name: \_\_\_\_\_ CalCAP Loan Number: \_\_\_\_\_  
Phone: \_\_\_\_\_ Borrower's Name: \_\_\_\_\_  
Address: \_\_\_\_\_ Borrower DBA: \_\_\_\_\_  
\_\_\_\_\_

Field:	Information Needed:
▪ Participating Lender	✓ Name of the financial institution.
▪ Lender Contact	✓ Name, phone number, and address of lender representative CalCAP can contact with questions about this claim.
▪ Lender's CalCAP ID#	✓ The financial institution's assigned CalCAP Lender ID. This number was issued and provided on the signed copy of the lender's "Financial Institution Enrollment" agreement and the "Welcome Letter" that accompanied it. (This number never changes.)
▪ CalCAP Loan Number	✓ The number CalCAP assigned to the loan after it was approved. This number can be found on the approved CalCAP loan enrollment application form. A copy of this was returned to the lender.
▪ Borrower's Name	✓ Name of the primary borrower representing the business.
▪ Borrower DBA ("Doing Business As")	✓ Name of business, sole proprietor, partnership, corporation, etc.

#### Loan Information Section

#### Loan Information

Original Principal Amount of Loan: \_\_\_\_\_ Date of Loan: \_\_\_\_\_  
Default Amount: \_\_\_\_\_ Date of Default: \_\_\_\_\_  
Is this loan secured? Yes ☐ No ☐ Date of Charge-off: \_\_\_\_\_

If yes, what form of security \_\_\_\_\_

Was the loan in the first \$1 million of CalCAP loans made by lender? Yes ☐ No ☐

Have enforcement proceedings begun? Yes ☐ No ☐

Lender's priority of claim (If two or more claims filed by lender): \_\_\_\_\_

Field:	Information Needed:
▪ Original Principal Amount of Loan	✓ Amount disbursed to borrower upon first funding of loan.
▪ Date of Loan	✓ Date of initial disbursement.
▪ Default Amount	✓ Delinquent amount of loan (outstanding principal prior to liquidation of collateral).
▪ Date of Default	✓ Date of last delinquency (date Borrower ceased repayment)
▪ Is this loan secured? <input type="checkbox"/> Yes <input type="checkbox"/> No ▪ If yes, what form of security	✓ Identify whether collateral was used to secure the loan. If answered "yes", describe the type of collateral used.
▪ Date of Charge-off	✓ Date the loan was deemed uncollectable by the lender and charged off the books from an asset to a liability.
▪ Was the loan in the first \$1 million of CalCAP loans made by lender? <input type="checkbox"/> Yes <input type="checkbox"/> No	✓ Indicate whether this loan falls within the first \$1 million for a new lender (regardless of amount enrolled).
▪ Have enforcement proceedings begun? <input type="checkbox"/> Yes <input type="checkbox"/> No	✓ Answer "yes" if lender has started collection efforts, otherwise answer "no".
▪ Lender's priority of claim (If two or more claims filed by lender)	✓ Rank the priority of this claim in comparison to other claims already filed by lender.

### Claim Information Section

**Claim Information**

Outstanding Principal \$ \_\_\_\_\_

Liquidated Collateral \$ \_\_\_\_\_

Accrued and Unpaid Interest \$ \_\_\_\_\_

Out-of-pocket expenses (Attach detailed explanation) \$ \_\_\_\_\_


Total \$ \_\_\_\_\_

**Please attach a complete transaction history report, a short narrative of the loan history, receipt(s), and Bill of Sale(s) (if applicable).**

- The lender warrants this claim is being filed within 120 days of the loan being charged off and that charge-off was consistent with the lender's usual methods for taking action on loans not enrolled in the Program.
- Lender will, as CPCFA's agent, pursue additional recovery on this defaulted loan through legal proceedings, seizure and liquidation of collateral, guarantees, and/or other sources.
- Lender certifies it has given notice to the Authority of the initial enrollment of the loan in CalCAP, and either:  
(1) has given notice to the Authority of any renewals or extensions of the loan; or  
(2) the loan was continuously renewed or extended since the date of its initial enrollment in CalCAP.
- This claim is for a loan that the undersigned holds, or a loan that has been assigned, transferred, or pledged to another entity pursuant to prior authorization by CPCFA.

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

Field:	Information Needed:
▪ Outstanding Principal	✓ List the amount of the outstanding principal calculated as: Original Principal Amount – Payments Applied to Principal = Outstanding Principal   <b>CPCFA does not authorize payment for lender-issued fees (NSF fees, late fees, etc.).</b>

▪ Liquidated Collateral	✓ This is the full liquidated amount.
▪ Accrued and Unpaid Interest <sup>5</sup>	✓ List the amount of accumulated, unpaid interest calculated from the day after the last interest payment was made until the date of loan charge-off. The interest is calculated at the rate listed on the original application.
▪ Out-of-Pocket expenses (Attach proof of payments and identifying details)	✓ List the amount of reasonable out-of-pocket expenses incurred related to delinquent loan recovery efforts (e.g. repairs, towing charges, legal fees), and include invoice and corresponding proof of payment documentation for any listed out-of-pocket expense. The receipts must contain identifying information (e.g. Borrower Name, CalCAP #, Lender Loan #, VIN #).
▪ Total	✓ This is the total sum of the outstanding principal, accrued and unpaid interest, and out-of-pocket expenses. <sup>5</sup>
▪ Authorized Signature	✓ To be signed by the Lender designated as an authorized signer.
▪ Date	✓ Date the claim was signed.
▪ Title	✓ Title of the Lender designated as an authorized signer.

---

<sup>5</sup> Claim Calculator is accessible via: <http://www.treasurer.ca.gov/cpcf/calcap/tools/calculator.xlsx>

## VI. REPORTING REQUIREMENTS

---

CalCAP Regulations require financial institutions to report to CalCAP on the status of loans enrolled in the Program on a regular basis. In addition, financial institutions should communicate to CalCAP any changes to the lender's primary contact information to ensure important communications from CalCAP are received by the appropriate point of contact.

### A. Monthly Reporting

All participating lenders with internally held loan loss reserve accounts are required to submit a monthly bank statement to CalCAP.

CalCAP Regulation §8073 (b) states:

*“For each Loss Reserve Account held by a Participating Financial Institution, the Participation Financial Institution shall submit to the Authority a monthly statement of the account activities and balance, no later than the 15th of the following month.”*

The bank statements should provide a detailed description of the account and a complete summary of all transactions for the period covered.

If the monthly bank statement is not submitted, no deposits from CalCAP will be made to the Loss Reserve Account pursuant to CalCAP Regulation §8078.25 (c)(3).



Submit Loan Loss Reserve account statement by the 15<sup>th</sup> of the following month (e.g. the statement for January must be submitted by February 15<sup>th</sup>) either by email at [CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov) or by mailto:

CPCFA/CalCAP CARB  
P.O. Box 942809 Sacramento, CA  
94209-0001

### B. Quarterly Reporting

All participating lenders are required to submit Quarterly Reports to CalCAP, pursuant to CalCAP Regulation §8078.25 (f).

The data required to be provided in the Quarterly Report is also an essential part of the Recapture calculation. Defining the term and specifying the exact data that has to be provided in the report, will ensure that all the Participating Financial Institution provide the same uniform data, allowing for a more efficient validation and reconciliation of the data.

The Quarterly Reports shall be submitted using the excel template that is provided by CPCFA on the CalCAP's webpage: <http://www.treasurer.ca.gov/cpcf/calcap/template.xls>.



All Quarterly Reports are due to CalCAP by the 15<sup>th</sup> of the month following the end of the quarter as follows:

Quarter Begins	Quarter Ends	Quarterly Report due to CalCAP
January 1	March 31	April 15
April 1	June 30	July 15
July 1	September 30	October 15
October 1	December 31	January 15

The Quarterly Report should clearly identify the CalCAP loan number, lender loan number, borrower's name and/or DBA, date of the loan (first disbursement), maturity date, total loan amount, total enrolled amount outstanding, and date the loan was paid off. If a loan previously enrolled in CalCAP by a Participating Financial Institution was assigned, transferred, or pledged to another entity pursuant to prior authorization by CPCFA, the lender which originally held the debt must record the date the loan was sold, the name of the entity to which the loan was assigned, transferred, or pledged, and the percentage of the loan which was assigned, transferred, or pledged on the Participating Financial Institution's quarterly report. For loans that received a claim approval, the report should also include the date of charge off, claim amount paid, recovery dates, recovery amounts, and comments. For an example of a quarterly report, see the graphic below and refer to the CalCAP website at:

 <http://www.treasurer.ca.gov/cpcf/calcap/ARB/index.asp>

CalCAP Lender Period:  
Quarterly Report  
Q4: 2010  
Quarter Ending 12/31/2010

12/31/2010 10:43:22 AM

LOAN INFORMATION											CLAIM INFORMATION				
CalCAP Loan #	Bank Loan Number	Borrower	DBA	Date of Loan (First Disbursement)	Maturity Date	Total Loan Amount	Total Enrolled Amount Outstanding	Date Loan Paid Off or Sold	Name of entity the loan was assigned, transferred or pledged pursuant to prior authorization by CPCFA	Percentage of loan assigned, transferred or pledged to another entity	Date of Charge Off	Claim Amount Paid	Recovery Date	Recovery Amount	Comments
0000-0000	00-04889	John Doe	John Doe Construction	11/01/2010	11/01/2014	\$ 100,000.00	\$45,000.00	NA	NA	NA	12/15/2010	\$45,000.00	12/15/2010	\$ 30,000.00	Recovery 30% 12/15/10
Totals:						\$ 100,000.00	\$ 45,000.00					\$45,000.00		\$ 30,000.00	

Noncompliance with the quarterly reporting requirement, can result in suspension from the Program, mandatory transfer of loss reserve accounts to the CalCAP Trustee Bank, and/ or termination from Program.

Please note that CalCAP will suspend enrollments of loans upon written notice to the lender at least ten (10) business days prior to the effective date of the suspension. If the violations are not corrected within thirty (30) business days from the effective date of the suspension the lender might be terminated from the program. In the event of termination from the program, the lender cannot enroll any further loans, but all previously enrolled loans will be covered by the loss reserve account until they are paid off, claims are filed, or the lender withdraws from the Program.

CalCAP Regulation §8078.25 (h) states:

*“The Authority may suspend enrollment of Qualified Loans upon written notice to the Participating Financial Institution at least ten (10) business days prior to the effective date of the suspension. Causes for suspension may include violations of*

*applicable statutes or regulations. If the violations are not corrected within thirty (30) business days from the effective date of the suspension the Executive Director is authorized to terminate participation of a Participating Financial Institution in the Program. In the event of such termination, the Participating Financial Institution shall not be authorized to enroll any further Qualified Loans.”*



Submit the Quarterly Report electronically to the CalCAP email address at [CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov) within 15 days of the end of the quarter.

### **C. Change in Lender Points of Contact**

To ensure the financial institution is aware of all current CalCAP rules and regulations as well as changes to program policies or practices, lenders should keep CalCAP informed about any changes to key lender contacts by sending a brief memo to CalCAP with the new or updated name, address, phone or email. Specifically, lenders should inform CalCAP of any changes to the:

- ☞ **Main Contact** – CalCAP’s primary lender contact
- ☞ **Public Contact** – lender contact for public inquiries (name and address will be published on the CalCAP website)
- ☞ **Financial Contact** – lender contact authorized to discuss bank statements, quarterly reports, claim refunds, etc. with CalCAP
- ☞ **Mail Recipient or Email Recipient** – lender contact authorized to receive completed loan and claim documents from CalCAP (only list **one**)
- ☞ **General Emailing List** – on occasion, CalCAP sends out email announcements for new processes, new forms, lender roundtable meetings, etc. Lender should provide the email addresses for those wishing to receive such correspondence.

Updates may be submitted to the CalCAP email [CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov) or by mail to:

CPCFA - CalCAP/CARB  
Ref. Change in Lender Contact  
P.O. Box 942809  
Sacramento, CA 94209-0001



Please use “Change in Lender Contact” reference in the email subject line or in the regular mail address line.

## VII. RECAPTURE

---

### A. Overview

To ensure program continuity, older contributions will be recycled to support future enrollments in CalCAP/CARB.

Section 8070 (w) “*Recapture means the withdrawal of the Authority's Contributions pursuant to each program's rules set forth in Sections 8073, 8078.11, 8078.18, and 8078.25.*”

The Basics of Recapture	
Recapture Process	The withdrawal of CPCFA contributions for matured loans or loans older than 5 years from the date of enrollment in the Program.
Lenders subject to Recapture	<ol style="list-style-type: none"><li>1) Lenders enrolled in the Program prior to August 15, 2017 who elect to continue enrolling loans in CalCAP/CARB</li><li>2) New Lenders enrolled in the Program on or after August 15, 2017</li></ol>
Recapture Date	At the end of every fiscal year
Documents needed to calculate the recapture amount	<ol style="list-style-type: none"><li>1) Quarterly Report ending on June 30 submitted by the Lender</li><li>2) The Lender's loan loss reserve (LLR) account balance as of June 30</li></ol>
Recapture Threshold	Effective 2020, the minimum recapture threshold will be 15%
Loans <u>not</u> subject to Recapture	<ol style="list-style-type: none"><li>1) Loans which have not matured <u>and</u> are less than five years old</li><li>2) Enrolled loans that have been charged off as a result of a default, and have a pending or approved claim with CalCAP</li></ol>
Recapture Notification	After the end of the fiscal year, a Recapture notification letter with transfer instruction will be sent to the Lender. The notification letter is to inform the Lender of the recapture amount for the fiscal year.

## B. Recapture Calculation

CalCAP will determine the actual Recapture amount from the Lender's loan loss reserve account based on the Recapture Worksheet Formula. This Worksheet Formula is provided below.

☞ Recapture Worksheet and Examples:

<http://www.treasurer.ca.gov/cpcfa/calcap/forms/recapture/recapture-worksheet.pdf>

	Amount	Label	Notes
<b>A</b>	\$ _____	Outstanding Principal Balance	<ul style="list-style-type: none"> <li>• Total of the outstanding principal balance of all loans originated on or after July 1, 2012</li> <li>• Excluding interest, fees &amp; other charges</li> <li>• Based on Lender's Quarterly Report ending June of the year of Recapture</li> </ul>
<b>B</b>	\$ _____	Lender's Loss Reserve (LLR) Minimum Threshold for Recapture	<b>B = A x 15% (0.15)</b> 15% minimum threshold percentage effective 2020 per CalCAP Regulations Section 8073(g)
<b>C</b>	\$ _____	Maximum Recapture Amount	<ul style="list-style-type: none"> <li>• Total CPCFA Contributions for all matured loans, and for all loans originated 5 years prior</li> <li>• Excludes CPCFA Contributions for any loans with pending or approved claims</li> <li>• Includes public contributions from all sources (SSBCI, State General Fund, SBAF, CARB)</li> </ul>
<b>D</b>	\$ _____	Current LLR Balance	As reflected on bank statement as of June of the fiscal year of Recapture
<b>E</b>	\$ _____	Actual Recapture Amount	<b>IF D – C ≥ B THEN E = C</b> <b>IF D – C &lt; B THEN E = D – B</b> <b>IF E = &lt; 0 THEN E = 0</b>
<b>F</b>	\$ _____	Remaining LLR Balance	<b>F = D – E</b>

## VIII. LENDER TOOLS, TIPS & FAQs

---

This section contains tools and tips to further assist lenders in enrolling loans, submitting claims and provides answers to the most frequently asked questions. For the most recent versions, refer to the CalCAP CARB website:

☞ CalCAP CARB Homepage:

<http://www.treasurer.ca.gov/cpcf/calcap/ARB/index.asp>

☞ FAQs: <http://www.treasurer.ca.gov/cpcf/calcap/ARB/faq.asp>

### A. Lender Tools & Tips

#### 1. How to Report the Number of Employees of a Small Business Concern & Related Affiliates

To report the number of employees of a borrower, the lender will request that the borrower count all individuals employed on a full-time, part-time, or other basis. If a borrower owns multiple businesses, has acquired an affiliate, or has been acquired as an affiliate, the employees counted to determine size status include the employees of all affiliates. Employees obtained from a temporary employee agency, professional employment organization, or leasing concern that received payment directly from the borrower will be included.

The borrower should consider the totality of the circumstances, including criteria used by the IRS for Federal income tax purposes, to determine whether individuals are employees of their business. In general, an individual is considered an employee of a borrower if their compensation is issued by the borrower.



Volunteers (e.g. individuals who receive no compensation, including no in-kind compensation, for work performed) are **not** considered employees.

### B. Frequently Asked Questions (FAQs)

For the most current FAQs, refer to the CalCAP CARB website at:

<http://www.treasurer.ca.gov/cpcf/calcap/ARB/faq.asp>

## **IX. SAMPLE LOAN ENROLLMENT APPLICATIONS, CERTIFICATIONS & FORMS**

---

Samples of forms required by CalCAP are provided in this Chapter for quick reference. Lenders should refer to the CalCAP website to download the most current forms:

☞ <http://www.treasurer.ca.gov/cpcf/calcap/ARB/index.asp>

## 1. CalCAP/CARB Loan Enrollment Application

CALIFORNIA CAPITAL ACCESS PROGRAM  
California Pollution Control Financing Authority  
[CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov)  
(916) 654-5610

Mailing Address: P.O. Box 942809  
Sacramento, CA 94209-0001  
Fax (916) 589-2805

CalCAP Use Only	CalCAP Loan #
	Date Received

### CalCAP AIR RESOURCES BOARD (ARB) PROGRAMS LOAN ENROLLMENT APPLICATION

#### Lender Information

Participating Lender \_\_\_\_\_ Lender ID# \_\_\_\_\_  
Loan Officer Name \_\_\_\_\_ Phone \_\_\_\_\_  
Loan Officer Email \_\_\_\_\_

#### Borrower Information

Name \_\_\_\_\_ DBA \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ County \_\_\_\_\_ Zip \_\_\_\_\_  
Type of Business/Activities \_\_\_\_\_  
Average Annual Revenue Last 3 Years \$ \_\_\_\_\_  
Number of Employees \_\_\_\_\_ Jobs created \_\_\_\_\_ Jobs retained \_\_\_\_\_  
Will loan monies be used at above address? ☐ Yes ☐ No If no, location where loan will be used:  
Address \_\_\_\_\_ City \_\_\_\_\_ County \_\_\_\_\_ Zip \_\_\_\_\_  
NAICS Code \_\_\_\_\_ Census Tract # \_\_\_\_\_  
<http://www.census.gov/eos/www/naics/> <http://www.fhiec.gov/Geocode/default.aspx>  
Purpose of Loan \_\_\_\_\_  
Is business minority owned? ☐ Yes ☐ No ☐ Decline to Answer  
Is business woman owned? ☐ Yes ☐ No ☐ Decline to Answer  
Is business veteran owned? ☐ Yes ☐ No ☐ Decline to Answer

#### Loan Information

Lender Loan Number \_\_\_\_\_ Type of Loan: ☐ Line of Credit ☐ Term Loan ☐ TRAC Lease  
Total Loan Amount \$ \_\_\_\_\_ Loan Amount Enrolled in CalCAP \$ \_\_\_\_\_  
Date of First Disbursement (Date of Loan) \_\_\_\_\_ Maturity Date \_\_\_\_\_  
Interest Rate \_\_\_\_\_ % APR ☐ Fixed ☐ Variable Is the loan secured? ☐ Yes ☐ No



## 2.CalCAP/CARB Lender Certification

CALIFORNIA CAPITAL ACCESS PROGRAM  
California Pollution Control Financing Authority  
[CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov)  
(916) 554-5610

Mailing Address: P.O. Box 942809  
Sacramento, CA 94209-0001  
Fax (916) 589-2805

Borrower Name

Lender Loan Number

### LENDER CERTIFICATION

Enrolling a loan in the CalCAP ARB program requires the Participating Financial Institution to certify to each of the following program rules and regulations.

\*All capitalized terms are defined in 4 CCR §8070 of the California Code of Regulations.

- 1) The loan is a Qualified Loan as defined in 4 CCR §8078.22(g) of the California Code of Regulations.
- 2) The loan is for an Eligible Cost, as defined in 4 CCR §8078.22(b) of the California Code of Regulations.
- 3) The business receiving the Qualified Loan is a Qualified Business, as defined in 4 CCR §8078.22(f) of the California Code of Regulations.
- 4) The Qualified Loan is for a business activity that has its Primary Economic Effect in California as defined in 4 CCR §8078.22(f)(4) of the California Code of Regulations.
- 5) The Borrower has validated the number of employees currently employed by the Borrower, as defined in 4 CCR 8078.24(c)(10)(A).
- 6) The Participating Financial Institution will provide information from financial records of the Borrower upon request of the Executive Director of the CPCFA, and the Participating Financial Institution has obtained the consent of the Borrower to such disclosure.
- 7) The Participating Financial Institution has obtained a written representation from the Borrower that the Borrower has no legal, beneficial or equitable, interest in the Fees or the Contribution.
- 8) The Borrower's total principal amount of loans enrolled in any CalCAP program with any Participating Financial Institution does not exceed \$2,500,000 over a three year period.
- 9) The Participating Financial Institution has obtained a written representation from the Borrower that it has secured or made application for all applicable licenses or permits needed to conduct its business.
- 10) The Participating Financial Institution has not, and will not, enroll the same loan or portion thereof in any other government program substantially similar to the Program.
- 11) The Borrower has received CPCFA's CalCAP/ARB Privacy Notice.
- 12) The Participating Financial Institution acknowledges that its lending activities are subject to safety and soundness standards as set forth in any applicable federal banking regulations.

By signing below and enrolling this loan the Participating Financial Institution certifies, based in part on information provided by the Borrower, that each of the above assurances is true and accurate.

Authorized Lender Signature

Title

Date

California Pollution Control Financing Authority Use Only			
CalCAP Loan Number	Analyst's Initials	Date	Reviewer's Initials
FUND		FUND	
Contribution Amount \$		Contribution Amount \$	
Authorized Signature			Date:

When complete, please send to: [CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov) or by fax (916) 589-2805

Revised August 15, 2017

### 3. CalCAP/CARB Borrower Eligibility Criteria and Self-Certification Form

(1 of 3 pages)

Borrower Name \_\_\_\_\_  
Lender/Participating Financial Institution \_\_\_\_\_  
Lender Loan No. \_\_\_\_\_

#### HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM (HDV AIR QUALITY LOAN PROGRAM) BORROWER ELIGIBILITY CRITERIA AND SELF-CERTIFICATION FORM

The undersigned Borrower hereby applies to the California Pollution Control Financing Authority (CPCFA) for funds to pay the Borrower's premium for participation in the CPCFA's California Capital Access Program (CalCAP). The lender will submit this form with the CalCAP CARB Programs Loan Enrollment Form to CPCFA at:

California Pollution Control Financing Authority (CPCFA)  
801 Capitol Mall, 2<sup>nd</sup> Floor  
Attention: California Capital Access Program (CalCAP)  
Sacramento, CA 95814  
Fax: (916) 589-2805

For assistance, lenders please call CPCFA staff at (916) 654-5610.

#### SECTION I HDV AIR QUALITY LOAN PROGRAM ELIGIBILITY

By initialing on each line, Borrower certifies to eligibility under the HDV Air Quality Loan Program.

(a) \_\_\_\_\_ Borrower will use the program only to purchase on-road heavy duty vehicles and equipment for compliance with the California Air Resources Board's (CARB) Statewide In-Use Truck and Bus Regulation (Regulation) (California Code of Regulations, title 13, Section 2025), refer to: <https://ww2.arb.ca.gov/our-work/programs/truck-bus-regulation/truck-and-bus-regulation-regulation-advisories>

Eligible purchases with loan proceeds include:

- Used and new trucks equipped with 2010 and later model year engines CARB-certified to 2010 and later model year emission standards;
- Equipment Warranty, when funded with the purchase of an eligible truck; and
- The engines can use diesel fuel, compressed natural gas (CNG), liquefied natural gas (LNG), or other fuels including zero-emission technology.

(b) \_\_\_\_\_ Borrower certifies that his/her fleet has 10 or fewer on-road vehicles subject to the Regulation referenced in the above statement, or is a non-profit entity that meets all other CalCAP requirements. Consistent with fleet reporting requirements in California Code of Regulations, title 13, section 2025, the Borrower shall include vehicles whether or not they are registered, and include vehicles registered as non-operating. In Section III, the Borrower shall provide the total number of on-road heavy-duty vehicles in his/her fleet subject to the Regulation. (Non-profit organizations may have more than 10 vehicles but must satisfy all other requirements of the CalCAP and HDV Air Quality Loan Programs).

(c) \_\_\_\_\_ Borrower certifies that he/she has 100 or fewer employees and \$10 million or less in annual revenues averaged over the prior three (3) years.

By initialing either (d) (e), or (f) below, Borrower certifies that either (d) (e), or (f) is true and correct. If Borrower has not received a CARB grant or is not approved for a voucher below, DO NOT INITIAL ANY OF THE STATEMENTS.

(d) \_\_\_\_\_ Borrower certifies that he/she has received a grant through CARB's Proposition 1B Goods Movement Emission Reduction Program for the vehicle(s) being financed.

(e) \_\_\_\_\_ Borrower certifies that he/she has received a grant through the CARB's Carl Moyer Program On-Road Heavy-Duty Vehicle Voucher Incentive Program (VIP) for the vehicle(s) being financed.

(f) \_\_\_\_\_ Borrower certifies that he/she is approved for a voucher for CARB's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) to purchase or lease a hybrid or zero-emission truck or bus.

Revised August 31, 2020

## CalCAP/CARB Borrower Eligibility Criteria and Self-Certification Form

(2 of 3 pages)

Borrower Name \_\_\_\_\_  
Lender/Participating Financial Institution \_\_\_\_\_  
Lender Loan No. \_\_\_\_\_

### SECTION II CalCAP ELIGIBILITY

By initialing on each line, the Borrower certifies to eligibility under CalCAP.

- (a) \_\_\_\_\_ Borrower is a qualified business as defined in the CalCAP regulations section 8078.22.
- (b) \_\_\_\_\_ Borrower obtained a loan that is for a vehicle registered in California with the Department of Motor Vehicles.
- (c) \_\_\_\_\_ Borrower agrees to allow the participating financial institution to provide information from financial records of the Borrower upon request of the Executive Director of CPCFA.
- (d) \_\_\_\_\_ Borrower has no legal, beneficial, or equitable interest in the fees or the contribution.
- (e) \_\_\_\_\_ Borrower does not have a total enrolled principal amount in excess of \$2,500,000 at any CalCAP participating financial institution over a three (3) year period.
- (f) \_\_\_\_\_ Borrower has secured or made application for all applicable licenses or permits needed to conduct its business.
- (g) \_\_\_\_\_ Borrower has received CPCFA's CalCAP/CARB Privacy Notice dated December 5, 2018.
- (h) \_\_\_\_\_ Borrower is not: an executive officer, director or principal shareholder of the lender/ participating financial institution; a member of the immediate family of those individuals; or a related interest of those individuals.

*Revised August 31, 2020*



# CalCAP/CARB Borrower Eligibility Criteria and Self-Certification Form

(3 of 3 pages)

Borrower Name \_\_\_\_\_  
 Lender/Participating Financial Institution \_\_\_\_\_  
 Lender Loan No. \_\_\_\_\_

## SECTION III

By initialing on each line, the Borrower certifies that each statement below is true and correct. Please also provide the applicable information in the table below, including the engine manufacturer and model year of a truck that is replaced with a truck purchased with loan proceeds.

- (a) \_\_\_\_\_ Borrower certifies that he/she meets state and federal requirements to operate in California.  
 (b) \_\_\_\_\_ Borrower agrees to allow CARB staff or its designee to inspect the affected vehicle.

Additional Information for Completion by the Borrower				
Fleet Size <sup>a</sup>	_____			
For Truck Purchases				
For truck purchase, state the GVWR <sup>b</sup> :		_____		
	Engine Manufacturer	Engine Model Year	Engine Horsepower	Fuel Type <sup>c</sup>
New Purchase	_____	_____	_____	_____
Used Purchase	_____	_____	_____	_____
Replaced Truck (if purchase is to replace an existing truck)	_____	_____	_____	_____
DID BORROWER RECEIVE A NOTICE OF NON-COMPLIANCE FROM CARB? <input type="checkbox"/> YES <input type="checkbox"/> NO				
For Trailer Purchases <sup>d</sup>				
	Trailer Manufacturer	Trailer Model Year	SmartWay Certified? (Yes or No)	
Trailer	_____	_____	_____	

<sup>a</sup> The Borrower shall write in the total number (example: 8) of on-road vehicles subject to the Regulation referenced in the beginning of this form, in his or her fleet.

<sup>b</sup> Information about Gross Vehicle Weight Rating (GVWR) is available at <http://www.arb.ca.gov/msprog/truckstop/azregs/labels.htm>.

<sup>c</sup> Fuel Codes: D-Diesel, E-Electric, N-Natural Gas, Q-Hybrid, P-Propane.

<sup>d</sup> Trailers may be eligible for financing ONLY in conjunction with an eligible tractor.

\_\_\_\_\_

(Business Name)

\_\_\_\_\_

(Print Individual's Name)

\_\_\_\_\_

(Individual's Signature)

\_\_\_\_\_

(Business Address, City, State, Zip Code)

\_\_\_\_\_

(Individual's Title as it pertains to the business)

\_\_\_\_\_

(Date)

\_\_\_\_\_

(Phone Number)

CPCFA USE ONLY	
_____	_____

(CPCFA Review: Signature and Date)

Revised August 31, 2020

## 4. CalCAP CARB Privacy Notice



CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

Office Location: 801 Capitol Mall, 2<sup>nd</sup> floor  
Sacramento, CA 95814  
Mailing Address: P.O. Box 942809  
Sacramento, CA 94209-0001  
p (916) 654-5610  
f (916) 657-4821  
cpdfa@treasurer.ca.gov



### CALIFORNIA CAPITAL ACCESS PROGRAM

#### PRIVACY NOTICE

The California Information Practices Act of 1977 (Civil Code §1798.17) requires that this notice be provided when a governmental agency collects the personal information of individuals. Name, address, telephone number, gender, and race of the borrower, guarantor and/or business owner, and business and financial information related to this loan is requested by the California Capital Access Program (CalCAP) of the California Pollution Control Financing Authority (CPCFA) for the purposes of statistical reporting on loan activities and assessing compliance with CalCAP program requirements. It is mandatory for the lender to provide this information to CalCAP. Failure to provide the information may result in rejection of the application.

The information may be disclosed under the following circumstances: (1) to consultants, auditors or contractors retained by the California Pollution Control Financing Authority where disclosure is required to fulfill CalCAP program requirements; (2) to another governmental entity where required by state or federal law; or (3) as otherwise required by law.

The agency official responsible for the maintenance of the personal information is the CalCAP Program Manager, at 801 Capitol Mall, 2nd Floor, Sacramento, CA 95814, Tel: (916) 654-5610. California Code of Regulations §8072 authorizes the solicitation and maintenance of the personal information requested. Borrowers have the right to access their information upon request by contacting the CalCAP Program Manager.

*Copy to Borrower/Do Not Submit to CalCAP*

*Revised December 5, 2018*

## 5. CalCAP Notification Change of Loan Terms Form

CALIFORNIA CAPITAL ACCESS PROGRAM  
California Pollution Control Financing Authority  
Office Location: 801 Capitol Mall, 2<sup>nd</sup> Floor  
Sacramento, CA 95814  
Telephone (916) 654-5610

Mailing Address: P.O. Box 942809  
Sacramento, CA 94209-0001  
CalCAP@treasurer.ca.gov  
Fax (916) 657-4821

### CalCAP NOTIFICATION OF CHANGE IN LOAN TERMS

Participating lenders must provide written notification of any change in material terms of a loan, including changes to the maturity date or interest rate, within 15 days of the effective date of the change.

**NOTE:** For a loan amount increase, submit CalCAP Loan Enrollment Application, new lender and borrower certifications along with proof of fees deposited.

Check which CalCAP Program: ☐ Small Business ☐ ARB ☐ EVCS ☐ ADA ☐ Seismic Safety

Lender: \_\_\_\_\_

Lender's CalCAP ID #: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

#### Loan Information

Borrower: \_\_\_\_\_

Change Effective Date: \_\_\_\_\_

CalCAP Loan Number: \_\_\_\_\_

Lender's Loan Number: \_\_\_\_\_

#### Type of Change:

☐ Interest Rate Change

Effective Date: \_\_\_\_\_ New Interest Rate: \_\_\_\_\_

☐ Maturity Date Change

Please submit an amended loan enrollment application, new lender and borrower certifications and complete the following two fields.

Old Maturity Date: \_\_\_\_\_

New Maturity Date: \_\_\_\_\_

☐ Other (please provide supporting documentation)

Please submit an amended loan enrollment application, new lender and borrower certifications and complete the following field.

Describe the change(s) to the loan: \_\_\_\_\_

By signing below, the Participating Financial Institution certifies that the above loan information is true and accurate.

Authorized Lender Signature \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name of Authorized Signer \_\_\_\_\_

California Pollution Control Financing Authority Use Only			
CalCAP Review:	Analyst:	Date:	Manager:
Database Update:		<input type="checkbox"/> Approved	
<input type="checkbox"/> If rejected, attach proof of transmittal to the lender		<input type="checkbox"/> Rejected	

When complete, please send to: [CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov) or by fax (916) 589-2805

Revised April 11, 2018



## 6. CalCAP Financial Institution Claim Application

CALIFORNIA CAPITAL ACCESS PROGRAM  
California Pollution Control Financing Authority  
Office Location: 801 Capitol Mall, 2<sup>nd</sup> Floor  
Sacramento, CA 95814  
Telephone (916) 654-5610

Mailing Address: P.O. Box 942809  
Sacramento, CA 94209-0001  
[CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov)  
Fax (916) 589-2805

### CalCAP FINANCIAL INSTITUTION CLAIM APPLICATION

NOTE: A lender is required to notify the Authority within 120 days of when the lender has charged off all or part of a qualified loan as a result of default by a borrower. If the form is filled out properly and the lender has faithfully complied with CalCAP requirements, CPCFA will authorize the Program trustee to reimburse the lender from the lender's loss reserve account within 30 business days.

#### Lender and Borrower Information

Participating Lender: \_\_\_\_\_ Lender's CalCAP ID #: \_\_\_\_\_  
Lender Contact: Name: \_\_\_\_\_ CalCAP Loan Number: \_\_\_\_\_  
Phone: \_\_\_\_\_ Borrower's Name: \_\_\_\_\_  
Address: \_\_\_\_\_ Borrower DBA: \_\_\_\_\_

#### Loan Information

Original Principal Amount of Loan: \_\_\_\_\_ Date of Loan: \_\_\_\_\_  
Default Amount: \_\_\_\_\_ Date of Default: \_\_\_\_\_  
Is this loan secured? ☐ Yes ☐ No Date of Charge-off: \_\_\_\_\_

If yes, what form of security \_\_\_\_\_

Was the loan in the first \$1 million of CalCAP loans made by lender? ☐ Yes ☐ No

Have enforcement proceedings begun? ☐ Yes ☐ No

Lender's priority of claim (If two or more claims filed by lender): \_\_\_\_\_

#### Claim Information

Outstanding Principal \$ \_\_\_\_\_  
Liquidated Collateral \$ \_\_\_\_\_  
Accrued and Unpaid Interest \$ \_\_\_\_\_  
Out-of-pocket expenses \$ \_\_\_\_\_  
(Attach detailed explanation)  
Total \$ \_\_\_\_\_

Please attach a complete transaction history report, a short narrative of the loan history, receipt(s), and Bill of Sale(s) (if applicable).

- The lender warrants this claim is being filed within 120 days of the loan being charged off and that charge-off was consistent with the lender's usual methods for taking action on loans not enrolled in the Program.
- Lender will, as CPCFA's agent, pursue additional recovery on this defaulted loan through legal proceedings, seizure and liquidation of collateral, guarantees, and/or other sources.
- Lender certifies it has given notice to the Authority of the initial enrollment of the loan in CalCAP, and either:
  - (1) has given notice to the Authority of any renewals or extensions of the loan; or
  - (2) the loan was continuously renewed or extended since the date of its initial enrollment in CalCAP.
- This claim is for a loan that the undersigned holds, or a loan that has been assigned, transferred, or pledged to another entity pursuant to prior authorization by CPCFA.

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

#### California Pollution Control Financing Authority Use Only

Authorized Signature	Date	Amount	\$
----------------------	------	--------	----

When complete, please send to: [CalCAP@treasurer.ca.gov](mailto:CalCAP@treasurer.ca.gov) or by fax (916) 589-2805

Revised August 15, 2017



## **X. CalCAP Regulations**

---

To view and print current CalCAP Regulations, please visit:  
<https://www.treasurer.ca.gov/cpcfa/calcap/regulations.asp>

## **XI. STATUTE**

---

### **California Health & Safety Code**

#### **Division 27. California Pollution Control Financing Authority Act. Article 2. Organization of Authority**

[44520.](#) (a) The authority shall, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, adopt all necessary rules and regulations to carry out its powers and duties under this division. The authority may call upon any board or department of the state government for aid and assistance in the preparation of plans and specifications and in the development of technology necessary to effectively control pollution.

(b) Notwithstanding subdivision (a), the authority, or any other agency implementing a small business or brownfield site financing assistance program pursuant to an interagency agreement with the authority, may adopt regulations relating to small business or brownfield site financing as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For purposes of that Chapter 3.5, including Section 11349.6 of the Government Code, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare. The regulations shall be repealed 180 days after their effective date, unless the adopting authority or agency complies with that Chapter 3.5.

(c) Notwithstanding subdivision (a), the authority, or any other agency implementing a loan program pursuant to an interagency agreement with the authority, may adopt regulations relating to the loans and grants authorized under subdivision (g) of Section 44526 as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For purposes of that Chapter 3.5, including Section 11349.6 of the Government Code, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare. The regulations shall be repealed 180 days after their effective date, unless the adopting authority or agency complies with that Chapter 3.5.

#### **Division 27. California Pollution Control Financing Authority Act. Article 8. Capital Access Loan Program for Small Businesses**

[44559.](#) (a) The Legislature finds and declares that small businesses are responsible for a significant amount of environmental emissions in the state, but are less able than larger businesses to afford the investment in new equipment or process modifications needed to comply with environmental regulations, with regard to controlling emissions, preventing the creation of pollutants, contaminants, or waste products, and remediating contamination of properties with a reasonable potential for economically beneficial reuse. Additionally, small businesses faced with financial pressures will be likely to reduce expenditures to achieve environmental compliance. Better access to capital will allow small businesses to more easily comply with environmental mandates, and to remediate contamination of properties with a reasonable potential of economically beneficial reuse, and to succeed economically, generating additional revenue to state and local

governments that can be used for environmental improvements, all to the benefit of all the residents of the state.

(b) The Legislature also finds and declares that it is in the best interest of the state to expand the Capital Access Loan Program for small business regardless of whether the operations of the small business affect the environment, and to permit business loans to be included in the program for small businesses whose operations do not, necessarily, affect the environment. Small businesses have difficulty gaining access to capital for startup and expansion purposes. Small businesses owned by minorities and women have special capital access difficulties. In addition, small businesses operating in areas affected by military base closures are disadvantaged by limited access to capital. The Legislature finds that improving access to capital for these small businesses will spur investment, create jobs, expand economic opportunities, assist in the recovery of communities affected by defense and aerospace losses, assist in the recovery of neighborhoods and communities affected by contaminated properties that are not being used for economically beneficial purposes but which could be so used if the contamination was remediated, and help sustain and strengthen economic recovery in California.

*(Amended by Stats. 2000, Ch. 915, Sec. 11. Effective January 1, 2001.)*

As used in this article, unless the context requires otherwise, all of the following terms have the following meanings:

(a) “Authority” means the California Pollution Control Financing Authority.

(b) “California Capital Access Fund” means a fund created within the authority to be used for purposes of the program.

(c) “Executive director” means the Executive Director of the California Pollution Control Financing Authority.

(d) (1) “Financial institution” means a federal- or state-chartered bank, savings association, credit union, not-for-profit community development financial institution certified under Part 1805 (commencing with Section 1805.100) of Chapter XVIII of Title 12 of the Code of Federal Regulations, or a consortium of these entities. A consortium of those entities may include a nonfinancial corporation, if the percentage of capitalization by all nonfinancial corporations in the consortium does not exceed 49 percent.

(2) (A) “Financial institution” also includes a lending institution that has executed a participation agreement with the Small Business Administration under the guaranteed loan program pursuant to Part 120 (commencing with Section 120.1) of Chapter I of Title 13 of the Code of Federal Regulations and meets the requirements of Section 120.410 of Chapter I of Title 13 of the Code of Federal Regulations, a small business investment company licensed pursuant to Part 107 (commencing with Section 107.20) of Chapter I of Title 13 of the Code of Federal Regulations, and a small business financial development corporation, as defined in Chapter 1 (commencing with Section 14000) of Part 5 of Division 3 of Title 1 of the Corporations Code, or microbusiness lender, as defined in Section 12100 of the Government Code, that meets standards that shall be established by the authority. For loans where all or part of the fees and matching contributions are paid by an entity participating in the program pursuant to subdivision (e) of Section 44559.2, “financial institution” also includes financial lenders, as defined in Section 22009 of the Financial Code, making commercial loans, as defined in Section 22502 of the Financial Code.

(B) A financial institution described in this paragraph shall be domiciled or have its principal office in the State of California.

(3) “Financial institution” also includes an insured depository institution, insured credit union, or community development financial institution, as these terms are defined in Section 4702 of Title 12 of the United States Code.

(e) “Loss reserve account” means an account in the State Treasury or any financial institution that is established and maintained by the authority for the benefit of a financial institution participating in the Capital Access Loan Program established pursuant to this article for the purposes of the following:

(1) Depositing all required fees paid by the participating financial institution and the qualified business.

(2) Depositing contributions made by the state and, if applicable, the federal government or other sources.

(3) Covering losses on enrolled qualified loans sustained by the participating financial institution by disbursing funds accumulated in the loss reserve account.

(f) “Participating financial institution” means a financial institution that has been approved by the authority to enroll qualified loans in the program and has agreed to all terms and conditions set forth in this article and as may be required by any applicable federal law providing matching funding.

(g) “Passive real estate ownership” means ownership of real estate for the purpose of deriving income from speculation, trade, or rental, but does not include any of the following:

(1) The ownership of that portion of real estate being used or intended to be used for the operation of the business of the owner of the real estate.

(2) The ownership of real estate for the purpose of construction or renovation, until the completion of the construction or renovation phase.

(h) “Program” means the Capital Access Loan Program created pursuant to this article.

(i) “Qualified business” means a small business concern that meets both of the following criteria, regardless of whether the small business concern has operations that affect the environment:

(1) It is a corporation, partnership, cooperative, or other entity, whether that entity is a nonprofit entity or an entity established for profit, that is authorized to conduct business in the state.

(2) It has its primary business location within the boundaries of the state.

(j) (1) “Qualified loan” means a loan or a portion of a loan made by a participating financial institution to a qualified business for any business activity that has its primary economic effect in California. A qualified loan may be made in the form of a line of credit, in which case the participating financial institution shall specify the amount of the line of credit to be covered under the program, which may be equal to the maximum commitment under the line of credit or an amount that is less than that maximum commitment. A qualified loan made under the program may be made with the interest rates, fees, and other terms and conditions agreed upon by the participating financial institution and the borrower.

(2) “Qualified loan” does not include any of the following:

(A) A loan for the construction or purchase of residential housing.

(B) A loan to finance passive real estate ownership.

(C) A loan for the refinancing of an existing loan when and to the extent that the outstanding balance is not increased.

(D) A loan, the proceeds of which will be used in any manner that could cause the interest on any bonds previously issued by the authority to become subject to federal income tax.

(k) "Severely affected community" means any area classified as an enterprise zone pursuant to the Enterprise Zone Act (Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the Government Code), any area, as designated by the executive director, contiguous to the boundaries of a military base designated for closure pursuant to Section 2687 of Title 10 of the United States Code, as amended, and any other comparable economically distressed geographic area so designated by the executive director from time to time.

(l) "Small Business Assistance Fund" means a fund created within the authority pursuant to Section 44548.

(m) "Small business concern" has the same meaning as in Section 632 of Title 15 of the United States Code, or as otherwise provided in regulations of the authority.

*(Amended by Stats. 2014, Ch. 132, Sec. 9. (AB 2749) Effective January 1, 2015.)*

(a) The authority may contract with any financial institution for the purpose of allowing the financial institution to participate in the Capital Access Loan Program established by this article.

(b) For purposes of this section, the authority may contract with participating financial institutions and shall utilize a standard form of contract that is reviewed and approved by the Department of General Services. The standard form of contract shall provide for all of the following:

(1) The creation of a loss reserve account by the authority for the benefit of the financial institution.

(2) The financial institution, qualified business, and the authority will deposit moneys to the credit of the institution's loss reserve account when the financial institution makes a qualified loan to a qualified business.

(3) The liability of the state and the authority to the financial institution under the contract is limited to the amount of money credited to the loss reserve account of the institution.

(4) The financial institution shall provide the information that the authority may require, including financial information that is identifiable with, or identifiable from the financial records of a particular customer who is the recipient of a qualified loan. In addition to any other information that the authority may require, the financial institution shall provide the complete North American Industry Classification System (NAICS) for the qualified business, the number of jobs created, the number of jobs retained, and information that provides the precise geographic location of both the qualified business and the borrower, if different.

(5) The financial institution will file a report with the executive director setting out a full description of the board of directors, including size, race, ethnicity, and gender.

(6) The participating financial institution will require each borrower, prior to receiving a loan under the program, to sign a written representation to the participating financial institution that the borrower has no

legal, beneficial, or equitable interest in the nonrefundable premium charges or any other funds credited to the loss reserve account established by the authority for the participating financial institution.

(7) Other terms that the authority may require for purposes of this article.

(c) A financial institution is not subject to laws restricting the disclosure of financial information when the financial institution provides information to the authority as required by paragraph (4) of subdivision (b).

(d) A credit union operating pursuant to a certificate issued under the California Credit Union Law (Division 5 (commencing with Section 14000) of the Financial Code) may participate in the Capital Access Loan Program established pursuant to this article only to the extent participation is in compliance with the California Credit Union Law. Nothing in this article shall be construed to limit the authority of the Commissioner of Financial Institutions to regulate credit unions subject to the commissioner's jurisdiction under the California Credit Union Law.

(e) Any individual, company, corporation, institution, utility, government agency, or other entity, including any consortium of these persons or entities, whether public or private, may participate in the Capital Access Loan Program established pursuant to this article by depositing funds in the California Capital Access Fund under those terms and conditions as may be deemed appropriate by the authority.

*(Amended by Stats. 2011, Ch. 483, Sec. 3. (AB 901) Effective January 1, 2012.)*

(a) The authority shall establish a loss reserve account for each financial institution with which the authority makes a contract.

(b) The loss reserve account for a financial institution shall consist of moneys paid as fees by borrowers and the financial institution, moneys transferred to the account from a small business assistance fund, any matching federal moneys, and any other moneys provided by the authority or other source.

(c) Notwithstanding any other law, the authority may establish and maintain loss reserve accounts with any financial institution under any policies the authority may adopt.

(d) All moneys in a loss reserve account established pursuant to this article are the exclusive property of, and solely controlled by, the authority. Interest or income earned on moneys credited to the loss reserve account shall be deemed to be part of the loss reserve account. The authority may withdraw from the loss reserve account all, or a portion of, the interest or other income that has been credited to the loss reserve account. Any withdrawal made pursuant to this subdivision may be made prior to paying any claim and shall be used for the sole purpose of offsetting costs associated with carrying out the program, including administrative costs and loss reserve account contributions.

(e) The combined amount to be deposited by the participating financial institution into any individual loss reserve account over a three-year period, in connection with any single borrower or any group of borrowers among which a common enterprise exists, shall be not more than one hundred thousand dollars (\$100,000).

*(Amended by Stats. 2011, Ch. 484, Sec. 2. (AB 981) Effective January 1, 2012.)*

(a) If a financial institution that is participating in the Capital Access Loan Program established pursuant to this article decides to enroll a qualified loan under the program in order to obtain the protection against loss provided by its loss reserve account, it shall notify the authority in writing on a form prescribed by the authority, within 15 days after the date on which the loan is made, of all of the following:

- (1) The disbursement of the loan.
- (2) The dollar amount of the loan enrolled.
- (3) The interest rate applicable to, and the term of, the loan.
- (4) The amount of the agreed upon premium.

(b) The executive director may authorize an additional five days for a financial institution to submit the written notification described in subdivision (a) to the authority on a loan-by-loan basis for a reason limited to conditions beyond the reasonable control of the financial institution.

(c) The financial institution may make a qualified loan to be enrolled under the program to an individual, or to a partnership or trust wholly owned or controlled by an individual, for the purpose of financing property that will be leased to a qualified business that is wholly owned by that individual. In that case, the property shall be treated as meeting the requirements of paragraph (1) of subdivision (i) of Section 44559.1.

(d) When making a qualified loan that will be enrolled under the program, the participating financial institution shall require the qualified business to which the loan is made to pay a fee of not less than 2 percent of the principal amount of the loan, but not more than 3<sup>1</sup>/<sub>2</sub> percent of the principal amount. The financial institution shall also pay a fee in an amount equal to the fee paid by the borrower. The financial institution shall deliver the fees collected under this subdivision to the authority for deposit in the loss reserve account for the institution. The financial institution may recover from the borrower the cost of its payments to the loss reserve account through the financing of the loan, upon the agreement of the financial institution and the borrower. The financial institution may cover the cost of borrower payments to the loan loss reserve account.

(e) When depositing fees collected under subdivision (d) to the credit of the loss reserve account for a participating financial institution, the authority shall do the following:

(1) If matching funds are not available under a federal capital access program or other source, the authority shall transfer to the loss reserve account an amount that is not less than the amount of the fees paid by the participating financial institution. However, if the qualified business is located within a severely affected community, the authority shall transfer to the loss reserve account an amount not less than 150 percent of the amount of the fees paid by the participating financial institution.

(2) If matching funds are available under a federal capital access program or other source, the authority shall transfer, on an immediate or deferred basis, to the loss reserve account the amount required by that federal program or other source. However, the total amount deposited into the loss reserve account shall not be less than the amount which would have been deposited in the absence of matching funds.

(f) This section shall become operative on April 1, 2017.

*(Amended (as added by Stats. 2012, Ch. 274, Sec. 2) by Stats. 2016, Ch. 86, Sec. 192. (SB 1171) Effective January 1, 2017. Section operative April 1, 2017, by its own provisions.)*



(a) The authority shall establish procedures under which financial institutions participating in the program established pursuant to this article may submit claims for reimbursement for losses incurred as a result of qualified loan defaults. A participating financial institution that charges off all or part of an enrolled loan to the loss reserve account may file a claim for reimbursement with the authority if both of the following conditions are met:

(1) The claim occurs contemporaneously with the action of the participating financial institution to charge off all or part of the loan.

(2) The charge off on an enrolled loan is made in a manner that is consistent with the participating financial institution's usual method for making determinations on business loans that are not enrolled loans.

(b) Costs for which a financial institution may be reimbursed from its loss reserve account include the amount of loan principal charged off, accrued interest on the principal, reasonable out-of-pocket expenses incurred in pursuing its collection efforts, including preservation of collateral, and any other related costs. Proper documentation of the expenses shall be presented at the time of the claim.

(c) If a participating financial institution files two or more claims contemporaneously, and there are insufficient funds in the reserve fund at that time to cover the entire amount of such claims, the institution may designate the order of priority in which the claims shall be paid.

(d) A financial institution may seek reimbursement of loan losses prior to the liquidation of collateral from defaulted loans. The financial institution shall repay its loss reserve account for any moneys received as reimbursement under this section if the financial institution recovers moneys from the borrower or from the liquidation of collateral for the defaulted loan, less any reasonable out-of-pocket expenses incurred in collection of such amount.

(e) In any case in which the payment of a claim under this section has fully covered a participating financial institution's loss on an enrolled loan, the participating financial institution shall assign to the authority, and to any applicable federal agency in the event federal matching funds are involved, any right, title, or interest to any collateral, security, or other right of recovery in connection with a loan made under the program.

(f) The executive director may adopt necessary rules for the authority to carry out its duties, functions, and powers relating to the program established pursuant to this article.

*(Added by Stats. 1993, Ch. 1164, Sec. 4. Effective January 1, 1994.)*

The authority shall annually prepare a report to the Governor and the Legislature that describes the financial condition and programmatic results of the capital access loan program for small businesses authorized under this article. Programmatic results shall include, but not be limited to, the total number of businesses served, jobs created, jobs retained, the geographic distribution of the loans, and the breakdown of businesses served by industry sector for all new loans issued since the report for the prior year.

*(Amended by Stats. 2011, Ch. 483, Sec. 4. (AB 901) Effective January 1, 2012.)*

The authority may enter into agreements with commercial banks or other financial institutions, or with other agencies of the state, to provide necessary assistance in carrying out the program authorized by this article, including origination and servicing of loans.

*(Added by Stats. 1993, Ch. 1164, Sec. 4. Effective January 1, 1994.)*

Notwithstanding this article, the authority may facilitate the development of a secondary market for a loan enrolled in the capital access loan program by providing security for that loan, thereby increasing participation in the program by financial institutions and improving access to capital for small businesses. For purposes of this section, the actions that the authority may take include, but are not necessarily limited to, assigning all, or a portion of, any loss reserve account to any other entity in connection with providing security for a loan, including a trustee of a securitization trust, transferring an enrolled loan from a participating financial institution to a securitization trust, and assisting underwriters in marketing a loan to the secondary market.

*(Added by Stats. 1999, Ch. 756, Sec. 4. Effective October 10, 1999.)*

The authority shall expand the Capital Access Loan Program established by this article to include outreach to financial institutions that service agricultural interests in the state for the purpose of funding air pollution control measures.

*(Added by Stats. 2003, Ch. 479, Sec. 13. Effective January 1, 2004.)*

(a) It is the intent of the Legislature to ensure that the state, through the authority, may make maximum, efficient use of capital access programs enacted by all federal and state agencies, as well as funding available from any governmental program whose goals may be advanced by providing funding to the Capital Access Loan Program.

(b) In furtherance of this intent, and notwithstanding any other provision of this article, when the contributions required pursuant to Section 44559.4 are entirely funded by a public or quasi-public entity other than the authority's fee revenue under Sections 44525 and 44548, the authority may, by regulation adopted pursuant to subdivision (b) of Section 44520 or subdivision (e) of Section 44559.14, establish alternate provisions as necessary to enable the authority to participate in the alternative funding source program, including implementing loan loss reserve programs to benefit any individual person engaged in qualifying activities in furtherance of the public or quasi-public entity's policy objectives in the state that require financing.

*(Amended by Stats. 2016, Ch. 32, Sec. 69. (SB 837) Effective June 27, 2016.)*

(a) Consistent with subdivision (b) of Section 44559.11, the authority may establish loss reserve accounts for the purposes of financing terminal rental adjustment clause leasing, if funds are available for contribution into the loss reserve account from any source other than the authority. The authority shall not contribute any funds into a loss reserve account created pursuant to this section. Funds provided by the

federal government for the purposes of providing a loan loss reserve program shall not be contributed to an account created pursuant to this section.

(b) The executive director may establish conditions for terminal rental adjustment clause leasing loss reserve accounts created pursuant to this section.

(c) As used in this section, “terminal rental adjustment clause” means “terminal rental adjustment clause” as defined in Section 7701(h)(3) of Title 26 of the United States Code.

*(Added by Stats. 2011, Ch. 492, Sec. 2. (SB 225) Effective October 6, 2011.)*

(a) It is the intent of the Legislature in this act to create and fund the California Americans with Disabilities Act Small Business Capital Access Loan Program to assist small businesses in complying with the Americans with Disabilities Act. It is not the intent of the Legislature to assist the physical expansion of small businesses that includes modifications that comply with the Americans with Disabilities Act. The program shall be administered by the California Pollution Control Financing Authority and follow the terms and conditions for the Capital Access Loan Program for Small Businesses in this article with the additional program requirements specified under this section.

(b) For purposes of this section, unless the context requires otherwise, the following words and terms shall have the following meanings:

(1) “Americans with Disabilities Act” means the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.) and amendments thereto.

(2) “California Americans with Disabilities Act Small Business Capital Access Loan Program Fund” or “fund” means a fund established and administered by the authority pursuant to Sections 44548 and 44549 to be used for purposes of this program.

(3) “Eligible cost” means and includes all or any part of the price of construction, purchase price of real or personal property, the price of demolishing or removing any buildings or structures, the price of all machinery and equipment, the amount of financing charges and interest before, during, and for a period not to exceed the later of one year or one year following completion of construction, as determined by the authority, the price of insurance during construction, the amount of funding or financing noncapital expenses, the amount of reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements, the price of engineering, financial, and legal services and other service contracts, the price of plans, specifications, studies, surveys, estimates, administrative expenses, and any other expenses of funding or financing, that are necessary and allocable to the eligible project, and shall not include costs not directly related to physical alterations necessary for compliance with the Americans with Disabilities Act.

(4) “Eligible project” means the physical alterations or retrofits to an existing small business facility of less than 10,000 square feet necessary to ensure that facility is in compliance with the Americans with Disabilities Act, and the financing necessary to pay eligible costs of the project.

(5) “Qualified loan” means a loan or portion of a loan as defined in subdivision (j) of Section 44559.1, where the proceeds of the loan or portion of the loan are limited to the eligible costs for an eligible project under this program, and where the loan or portion of the loan does not exceed fifty thousand dollars (\$50,000).

(6) “Small business” or “qualified business” means a business referred to in subdivisions (i) and (m) of Section 44559.1, that meets the following additional criteria:

(A) Fifteen or fewer full-time equivalent employees.

(B) Less than five million dollars (\$5,000,000) in total gross annual income from all sources.

(C) Does not provide overnight accommodations.

(c) (1) The California Americans with Disabilities Act Small Business Capital Access Loan Program Fund is established in the State Treasury for, and shall be administered by the authority pursuant to Sections 44548 and 44549 for, this program. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the authority for carrying out the purposes of this section. The authority may divide the fund into separate accounts. All moneys accruing to the authority pursuant to this section from any source shall be deposited into the fund.

(2) All moneys in the fund derived from any source shall be held in trust for the life of this program, subject to the program expenditures and costs of administering this section, as follows:

(A) Program expenditures shall include all of the following:

(i) Contributions paid by the authority in support of qualified loans.

(ii) Payments made to borrowers enrolling loans to participate in the program, to the extent that moneys other than the initial appropriation are deposited into the fund by the authority and are authorized for that use pursuant to paragraph (3) of subdivision (d).

(iii) Reasonable costs to educate the small business community and participating lenders about the program, including travel within the state.

(B) Administrative expenditures shall be limited to 5 percent of the initial appropriation plus 5 percent of all moneys recaptured, and shall include all of the following:

(i) Personnel costs.

(ii) Service and vending contracts necessary to carry out the program.

(iii) Other reasonable direct and indirect administrative costs.

(3) The authority may direct the Treasurer to invest moneys in the fund that are not required for its current needs in the eligible securities specified in Section 16430 of the Government Code as the authority shall designate. The authority may direct the Treasurer to deposit moneys in interest-bearing accounts in state or national banks or other financial institutions having principal offices located in the state. The authority may alternatively require the transfer of moneys in the fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code. All interest or other increment resulting from an investment or deposit shall be deposited into the fund, notwithstanding Section 16305.7 of the Government Code. Moneys in the fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, excepting the Surplus Money Investment Fund.

(d) The authority shall adopt regulations pursuant to subdivision (c) of Section 44520 to implement the program, including provisions specific to this program as described in this section and further including provisions to:

- (1) Establish a new loss reserve account for each participating lender enrolling loans in this program.
- (2) Obtain a certification from each participating lender and small business upon enrollment of a qualified loan that the proceeds of the loan will be used for the eligible costs of an eligible project.
- (3) Contribute an additional incentive from the fund for each loan enrolled for a qualified business located in a severely affected community, or make non reimbursable payments from other moneys to participating borrowers to offset all or a portion of the reasonable costs of architectural inspections obtained from a person who is certified as an access specialist pursuant to the program described in Section 4459.5 of the Government Code.
- (4) Restrict the enrollment of a qualified loan in any other Capital Access Loan Program for small business offered by the authority as long as funds are available for this program.
- (5) Limit the term of loss coverage for each qualified loan to no more than five years.
- (6) Recapture from the loss reserve account the authority's contribution for each enrolled loan upon the maturation of such loan or after five years from the date of enrollment, whichever happens first, to be deposited in the fund and applied to future program and administrative expenditures.

*(Amended by Stats. 2017, Ch. 644, Sec. 2. (AB 1553) Effective January 1, 2018.)*

(a) (1) It is the intent of the Legislature in enacting the act adding this section to create and fund a program to assist residential property owners and small business owners in seismically retrofitting residences and small businesses with a priority on soft-story buildings and unreinforced brick and concrete buildings. It is not the intent of the Legislature to assist the physical expansion of small businesses and residences.

(2) The Legislature hereby establishes the California Seismic Safety Capital Access Loan Program. The program shall cover losses on qualified loans by participating lenders to qualified residential property owners or qualified small businesses for eligible projects, as specified under this section. The program shall be administered by the California Pollution Control Financing Authority and follow the terms and conditions for the Capital Access Loan Program in this article with the additional program requirements specified under this section.

(b) For purposes of this section, unless the context requires otherwise, the following words and terms shall have the following meanings:

(1) "Seismic retrofit construction" means alteration performed on or after January 1, 2017, of a qualified building or its components to substantially mitigate seismic damage. "Seismic retrofit construction" includes, but is not limited to, all of the following:

- (A) Anchoring the structure to the foundation.
- (B) Bracing cripple walls.
- (C) Bracing hot water heaters.

(D) Installing automatic gas shutoff valves.

(E) Repairing or reinforcing the foundation to improve the integrity of the foundation against seismic damage.

(F) Anchoring fuel storage.

(G) Installing an earthquake-resistant bracing system for mobilehomes that are registered with the Department of Housing and Community Development.

(2) “Eligible costs” means the costs paid or incurred on or after January 1, 2017, for an eligible project, including any engineering or architectural design work necessary to permit or complete the eligible project less the amount of any grant provided by a public entity for the eligible project. “Eligible costs” do not include costs paid or incurred for any of the following:

(A) Maintenance, including abatement of deferred or inadequate maintenance, and correction of violations unrelated to the seismic retrofit construction.

(B) Repair, including repair of earthquake damage.

(C) Seismic retrofit construction required by local building codes as a result of addition, repair, building relocation, or change of use or occupancy.

(D) Other work or improvement required by local building or planning codes as a result of the intended seismic retrofit construction.

(E) Rent reductions or other associated compensation, compliance actions, or other related coordination involving the qualified residential property owner or qualified small business and any other party, including a tenant, insurer, or lender.

(F) Replacement of existing building components, including equipment, except as needed to complete the seismic retrofit construction.

(G) Bracing or securing nonpermanent building contents.

(H) The offset of costs, reimbursements, or other costs transferred from the qualified residential property owner or qualified small business to others.

(3) “Eligible project” means seismic retrofit construction that is necessary to ensure that the qualified building is capable of substantially mitigating seismic damage, and the financing necessary to pay eligible costs of the project.

(4) “Qualified building” means a building that is certified by the appropriate local building code enforcement authority for the jurisdiction in which the building is located as hazardous and in danger of collapse in the event of a catastrophic earthquake.

(5) “Qualified loan” means a loan or portion of a loan as defined in subdivision (j) of Section 44559.1, where the proceeds of the loan or portion of the loan are limited to the eligible costs for an eligible project under this program, and where the loan or portion of the loan does not exceed two hundred fifty thousand dollars (\$250,000).

(6) “Qualified small business” means a business referred to in subdivisions (i) and (m) of Section 44559.1 that owns and occupies, or intends to occupy, a qualified building for the operation of the business.

(7) “Qualified residential property owner” means either an owner and occupant of a residential building that is a qualified building or a qualified small business that owns one or more residential buildings, including a multiunit housing building, that is a qualified building.

(c) (1) The California Seismic Safety Capital Access Loan Program Fund is established in the State Treasury and shall be administered by the authority pursuant to Sections 44548 and 44549 for this program. For purposes of this section, the references in Sections 44548 and 44549 to “small business” shall include “qualified residential property owner,” as defined in this section. Notwithstanding Section 13340 of the Government Code, all moneys in the fund are continuously appropriated to the authority for carrying out this section. The authority may divide the fund into separate accounts. All moneys accruing to the authority pursuant to this section from any source shall be deposited into the fund.

(2) All moneys in the fund derived from any source shall be held in trust for the life of this program, for program expenditures and costs of administering this section, as follows:

(A) Program expenditures shall include both of the following:

(i) Contributions paid by the authority in support of qualified loans.

(ii) Costs for a qualified expert to validate that the proceeds of the loans are eligible costs, as defined under this section.

(iii) Reasonable costs to educate the small business community, residential property owners, and participating lenders about the program, including travel within the state.

(B) Administrative expenditures shall be limited to 5 percent of the initial appropriation plus 5 percent of all moneys recaptured, and shall include all of the following:

(i) Personnel costs.

(ii) Service and vending contracts, other than program expenditures described in subparagraph (A), that are necessary to carry out the program.

(iii) Other reasonable direct and indirect administrative costs.

(3) The authority may direct the Treasurer to invest moneys in the fund that are not required for its current needs in the eligible securities specified in Section 16430 of the Government Code as the authority shall designate. The authority may direct the Treasurer to deposit moneys in interest-bearing accounts in state or national banks or other financial institutions having principal offices located in the state. The authority may alternatively require the transfer of moneys in the fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code. All interest or other increment resulting from an investment or deposit shall be deposited into the fund, notwithstanding Section 16305.7 of the Government Code. Moneys in the fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, excepting the Surplus Money Investment Fund.

(d) The authority shall adopt regulations pursuant to Section 44520 to implement the program, including, but not limited to, provisions to:



- (1) Establish a new loss reserve account for each participating lender enrolling loans in this program.
  - (2) Obtain a certification from each participating lender and qualified small business or qualified residential property owner upon enrollment of a qualified loan that the proceeds of the loan will be used for the eligible costs of an eligible project.
  - (3) Contribute an additional incentive from the fund for each loan enrolled for a qualified small business or qualified residential property owner located in a severely affected community.
  - (4) Restrict the enrollment of a qualified loan in any other Capital Access Loan Program for a qualified small business or qualified residential property owner offered by the authority as long as funds are available for this program.
  - (5) Limit the term of loss coverage for each qualified loan to no more than 10 years.
  - (6) Recapture from the loss reserve account the authority's contribution for each enrolled loan upon the maturation of that loan or after 10 years from the date of enrollment, whichever happens first, to be deposited in the fund and applied to future program and administrative expenditures.
- (e) The authority may adopt regulations relating to residential property owner or small business financing as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For purposes of that Chapter 3.5, including Section 11349.6 of the Government Code, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare. The regulations shall be repealed 180 days after their effective date, unless the adopting authority or agency complies with that Chapter 3.5.

## **XII. INTERAGENCY AGREEMENT**

---

To view and print the current Interagency Agreement, please visit:

<https://www.treasurer.ca.gov/cpcfa/calcap/arb/18MSC004-A3.pdf>