

TITLE 4. CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

NOTICE OF PROPOSED RULEMAKING

Proposed Regulatory Action

The California Pollution Control Financing Authority (“CPCFA” or the “Authority”) proposes to adopt and amend Sections 8070 - 8078.35 of Title 4 of the California Code of Regulations (the “Proposed Regulations”) concerning the administration of the California Pollution Control Financing Authority’s California Capital Access Loan Program (“CalCAP”), the Collateral Support Program and the CalCAP Heavy-Duty Vehicle Air Quality Loan Program (“CalCAP/ARB”). These Proposed Regulations are necessary to ensure program clarity and continuity, and to refine and clarify program features of the California Pollution Control Financing Authority Act (the “Act”). The Proposed Regulations have been approved by the Office of Administrative Law (“OAL”) on an emergency basis, and this proposed rulemaking would make these changes permanent.

Authority and Reference

Authority: Sections, 44520, 44559.5(f) and 44559.11, Health and Safety Code. Sections 44520, 44559.5(f) and 44559.11 of the Health and Safety Code authorize the Authority to adopt regulations relating to small business financing.

Reference: Sections 39601(a), and 39650, Health and Safety Code. Sections 39601(a) and 39650 provide the Air Resources Board the authority to adopt standards, rules, and regulations regarding air quality.

Informative Digest/Policy Statement Overview

Existing law establishes the Capital Access Program and authorizes the Authority to contract with specified financial institutions to make loans to eligible small businesses that may have difficulty obtaining capital. (Health and Safety Code, § 44559)

The proposed amendments to the regulations allow the Authority to include provisions specific to CalCAP. The regulations will refine and clarify some definitions and program requirements, adopt the recapture mechanism to recycle older contributions to support future loan enrollments, and delete sections that are no longer applicable.

The proposed amendments to the regulations allow the Authority to implement and administer the CalCAP / ARB. The CalCAP /ARB assists owners and operators of small fleets of heavy-duty diesel trucks achieve early compliance with ARB’s Statewide Truck and Bus Regulations designed to reduce diesel particulate matter emissions.

The proposed amendments to the regulations also allow the Authority to include provisions specific to the Collateral Support Program within CalCAP’s existing Small Business Loan Program. The proposed regulations will clarify rules and procedures for the program participation.

The Authority has performed a search of existing regulations and has determined that the proposed regulations are not inconsistent or incompatible with existing state regulations.

Anticipated Benefits of the Proposed Regulations:

The broad objective of the amendments to the regulations is to refine and clarify some definitions and program requirements, adopt the recapture mechanism to recycle older contributions to support future loan enrollments, and clean up sections that are not in use anymore.

The proposed amendments to the regulations also prescribe the implementation and administration of the CalCAP/ARB Loan Program, which assists owners and operators of small fleets of heavy-duty diesel trucks achieve early compliance with ARB's Statewide Truck and Bus Regulations designed to reduce diesel particulate matter emissions. The proposed amendments also allow the Authority to include alternate provisions specific to the Collateral Support Program within CalCAP's existing Small Business Loan Program. The proposed regulations will clarify rules and procedures for program participation.

Determination of Inconsistency/Incompatibility with Existing State Regulations: Pursuant to California Code of Regulations, Title 1, Section 12(b), the proposed additions to the regulations repeat and rephrase existing law to provide clarity to the CalCAP Financing Program's participating financial institutions and qualified borrowers.

Government Code Section 11346.5(a)(3)(D) requires that the notice of proposed rulemaking shall include, "an evaluation of whether the proposed regulation is inconsistent or incompatible with existing state regulations." CPCFA staff reviewed the California Code of Regulations and found that the only inconsistencies are those that are allowed by Health and Safety Code 44559.11(b), which authorizes the Authority to adopt regulations to establish alternate provisions as necessary to enable the authority to participate in the CalCAP Program. The seemingly inconsistent but statutorily compatible regulations are as follows:

- (a) Section 8073(g) provides a full description of the recapture process and the voluntary election process of the lenders to participate in this process. A threshold of 10% of the outstanding enrolled loan balance is a reasonable reserve in the loss reserve account to provide loss protection. Recapture is necessary to recycle funds for program sustainability.
- (b) Sections 8078.22, 8078.23, and 8078.24 define the terms and describes the program rules commonly used throughout the CalCAP/ARB. The numerical figures are based on the Interagency Agreement between the Authority and the Air Resources Board.
- (c) Section 8078.29, 8078.3, 8078.32, and 8078.33 define the terms and describes the program rules commonly used throughout the Collateral Support Program. These sections provide clarification on how a financial institution may participate in the Collateral Support Financing Program, and align the regulations with the state and federal program rules that provided the initial allocations.

The proposed sections above impose some restrictions on eligible businesses and loans in order adopt the recapture mechanism to recycle older contributions to support future enrollments in CalCAP, to ensure that funding is available for future financial assistance for the small businesses that have difficulty obtaining financing. Changes to the Authority's CalCAP regulations are necessary to refine and clarify program features, and adopt the recapture mechanism to recycle older contributions to support future enrollments in CalCAP. In addition, the proposed regulations provide the necessary details for the implementation and administration of the CalCAP/ARB program. Regulations are also necessary to incorporate material program rules from the allocation agreement with the U.S. Treasury to the state-funded program. To ensure clarity for CalCAP's Participating Financial Institutions, these changes must be reflected in the regulations.

CPCFA also aims to ensure that funding is continuously available to support additional loans to small businesses after the funds are initially disbursed by establishing a maximum term of loss coverage and a subsequent recapture component.

While these sections may initially seem inconsistent with existing regulation, Health and Safety Code section 44559.11(b) allows CPCFA to create alternate provisions in order to create sustainability for the program and to participate in a program with an alternate funding source, and in this instance, the sole funding source is recycled contribution and ARB funding.

§ 8070. Definitions

This section defines terms commonly used throughout the regulations to avoid ambiguity or misunderstanding.

Section 8070(c). Adds the term “Change in Terms” defined as the process to report any change in material terms of an enrolled loan. This term is needed to distinguish between a new loan established through a Refinance and an existing loan with revisions to the terms. The Authority will be able to determine if the changes in terms affect the eligibility of the original loan enrolled under the program.

Section 8070(d). Clarifies the term “Contribution” as funds deposited in the loan loss reserve account by the Authority or an Independent Contributor. This distinction is needed to eliminate confusion between the funds deposited in the Loss Reserve Account by the Authority or Independent Contributor and funds deposited by the Participating Financial Institution or Borrower.

Section 8070(f). Eliminates the word “Premium” or “Premiums” from the definition. This change simplifies the reference to lenders or borrower’s contribution, and eliminates confusion of the CalCAP program with an insurance program. It adds clarity by limiting the reference to the lender and borrower’s contribution to one single word “fee”. The fees are clearly non-refundable as compared to the term “premium” which might be associated with regular insurance provisions that allow for refunds.

Section 8070(j). Eliminates the term “Matching Contributions” from the definition section. This change is needed because the programs do not allow for matching contributions. The Program only distinguishes between contributions or fee. Eliminating the term provides clarity for the existing definitions.

Section 8070(p). Adds the term “Outstanding Principal Balance” in order to clarify how the balance amount will be calculated. The Outstanding Principal Balance is part of the Recapture calculation and is a term that needs to be updated every quarter and reported in the Quarterly Report. Different Financial Institutions calculate the outstanding principal balance with minor discrepancies, as it relates to the specific categories included in the calculation. This definition provides a standard calculation for all Participating Financial Institutions.

Section 8070(u). Updates the definition of “Qualified Loan” to add more specificity to the businesses that are excluded from participation in the program. The updates are necessary to provide clarification for the Participating Financial Institutions what type of businesses are not qualified to participate in the CalCAP program. The update is aligning the definition with state statute and federal regulations.

Section 8070(v). Adds the term “Quarterly Report”. This term is needed to assign a name for the report and clarify the exact due date for the submission of the report to the Authority. The data required to be provided in the Quarterly Report is 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.

Section 8070(w). Adds the term “Recapture”. The adoption of the recapture mechanism is necessary in order to recycle older contributions for enrolled loans to support future loan enrollments. Recapture of older contribution is a necessary tool for the sustainability of the CalCAP program, as it allows for recycling of funds under specified terms. The recycled funds will be used as contribution for future loan enrollments. The recycling of funds is essential for the continuation of the CalCAP programs, as the fund balances for these programs are anticipated to be exhausted by the end of this year.

Section 8070(x). Adds the term “Refinance”. This is necessary to refine Program enrollment eligibility for specific types of financing. This term is needed to distinguish between a new loan established through a Refinance and an existing loan with revisions to the terms. The Authority will be able to determine if the Refinance of the original loan is eligible under the terms and conditions of each specific program.

Section 8070(y). Updates the term “Severely Affected Community” in order to eliminate unnecessary and outdated language.

Necessity. The proposed amendments are necessary to include definitions specific to the implementation of the recapture mechanism for the Capital Access Program for Small Businesses, and to eliminate and refine existing definitions for clarity.

§ 8071. Application by Financial Institution.

This section describes how financial institutions may apply to participate in the Capital Access Program for Small Businesses.

Section 8071(a)(9). Adds the requirement for the Financial Institution to provide annual audited statements upon the Authority’s request. This section is necessary to assess whether the applicant is financially stable and to ensure that the Loss Reserve Account is appropriately reflected on the balance sheet of the Participating Financial Institution.

Section 8071(b). Specifies the authority of the Executive Director to determine at enrollment in the program whether to establish the Loss Reserve Account at the Program Trustee or at the Participating Financial Institution.

Section 8071(c). Eliminates the option for the Participating Financial institution to request the establishment of two or more Loss Reserve Accounts. This will eliminate confusion and corrections for transferred funds.

Necessity. The proposed amendments are necessary to include definitions specific to the Capital Access Program for Small Businesses.

§ 8072. Loan Enrollment.

This section describes the contents of a completed application, contribution amounts, and terms of the enrollment. For an application to be deemed complete, the lender must submit information concerning the borrower and the project, and submit a lender certification that the application meets the Capital Access Program for Small Businesses Financing Program’s policies and regulations.

Section 8072(c). Adds the Census Tract Number associated to the Borrower's business address, and the location of the facilities being financed if different from the borrower's business, as information needed for the loan enrollment and for the Authority to understand the scope of the project.

Sections 8072(c)(1), 8072(c)(2), 8072(c)(5), 8072(c)(7), 8072(c)(13). Add clarifications as to the information needed for the loan enrollment by specifying exact terms for the requested information, and editing the sections with newly defined terms. The name of the prior loan lender is necessary to ensure that the prior lender is qualified under the program.

Section 8072(c)(17). Adds and makes clarifications to the certification requirements of the Participating Financial Institutions by combining and eliminating repetitive language.

Section 8072(c)(17)(J). Adds the requirement in the certification submitted to the Authority regarding the refinancing of loans. Clarifies that refinancing by the Participating Financial Institution of an existing loan originated by the lender and not enrolled in the Program is not eligible.

Section 8072(c)(2)(K). Specifies the necessity of the Participating Financial Institution to provide the borrower with the Authority's Privacy Notice for the CalCAP for Small Business Loan Program. The Authority's Privacy Notice informs the borrower of the circumstances under which personal information may be disclosed. The notice is required under the California Information Practices Act (Civil Code section 1798.17).

Section 8072(c)(2)(L). Adds the requirements that the Participating Financial Institution certifies to providing the Authority with records related to the use of funds in the Loss Reserve Account. This provides the Authority with access to documentation needed for reconciliation of funds.

Section 8072(c)(18). Specifies conditions to which the borrower must certify in writing and the Participating Financial Institution must submit this certification with the application for loan enrollments. The certification assures the Authority that the borrower is committed and will abide by the conditions for loan eligibility, and confirms to the Authority the accuracy of the information.

Section 8072(i). Provides the eligible time for notification on a Change in Terms for enrolled loans and describes the process for submitting such notification. This provision eliminates the time spent by the Authority for reconciliation of accounts, recapture on loans with extended terms, and enrollment coverage for non-eligible loans. The provision also helps the Authority to ensure that the loan continues to remain an eligible Refinance.

Section 8072(k). Specifies that loan enrollments submitted after August 15, 2017, will be automatically subject to Recapture. This provision is necessary because funds from the Recapture will be used to support future loan enrollments.

Necessity. A description of the application information is necessary to specify the application contents that must be provided in order for the Authority to evaluate whether the loan is qualified for enrollment in the Capital Access Program for Small Businesses Financing Program.

§ 8073. Loss Reserve Accounts.

These sections describe the establishment of loss reserve accounts for participating financial institutions, and guidelines governing reporting and use of funds deposited in the loss reserve accounts.

Section 8073(b). Adds clarity to the reporting requirement for Loss Reserve Accounts held by the Participating Financial Institutions and the due date for submission. . The submission of monthly statements for lender held Loss Reserve Accounts is critical for the reconciliation of funds which is performed on a monthly basis.

Section 8073(c)(3). Adds the timely submission of the Quarterly Report to the funding conditions in the Loss Reserve Account. The Quarterly Report is essential for the Recapture calculation and non-compliance with program requirements provides the Executive Director with remedies.

Section 8073(d). Prohibits withdrawal from the Loss Reserve Accounts held by the Participating Financial Institution without express, written instruction from the Authority and includes authorization for recapture withdrawal. This provision is necessary to prevent withdrawal of from Loss Reserve Account held by Participating Financial Institution without informing the Authority of such transactions.

Section 8073(e). Adds clarification to the process of loans enrolled in the program who are assigned, transferred, pledged or securitized to another entity. This process requires prior written approval of the Executive Director to ensure that the third party is an entity qualified to participate in the Program.

Section 8073(f). Adds clarification to the data needed to be included in reports if requested by the Authority and introduces suspension for failure to submit the Quarterly reports. This provision is providing the Participating Financial Institution with the exact information required for compliance and assures consistency of data collected and used for recapture calculations. The suspension provision is an enforcement mechanism needed to ensure compliance with the program, short of immediate termination.

Section 8073(g). Provides a full description of the recapture process and the voluntary election process of the lenders to participate in this process. A threshold of 10% of the outstanding enrolled loan balance is a reasonable reserve in the loss reserve account to provide loss protection. Recapture is necessary to recycle funds for program sustainability.

Contributions for loans that are charged off and have a pending or approved claim are excluded to offset funds that were used towards a loss.

The opt-in provision permits Participating Financial Institutions to rely on original program rules and their current portfolio can remain fully supported by the loss reserve account. The recaptured funds will be used for the same Program providing sustainability of the Program.

Necessity. A description of how loss reserve funds are to be utilized and managed is necessary to ensure accountability and transparency.

§ 8074. Claim for Reimbursement.

These sections describe how participating financial institutions are to make claims for reimbursement for loans enrolled in the Capital Access Program for Small Businesses.

Section 8074(c). Clarifies that the Authority may reasonably request additional information from the Borrower's loan file to substantiate the eligibility and the reasonableness of the costs claimed.

Section 8074(e)(6). Specifies the required documentation that needs to be submitted with the claim reimbursement request. This is necessary to ensure that the collection efforts for loans enrolled in the program are similar to regular procedures followed by the Participating Financial institution in the regular course of business.

Necessity. The proposed regulation is necessary to provide a description regarding how participating financial institutions can file a claim for reimbursement on enrolled loans.

§ 8076. Termination and Withdrawal from Program.

This section describes how a participant in the Program can withdraw or be terminated as a Participating Financial Institution. It also references how to handle the balance of the Loss Reserve Accounts in case of termination or withdrawal from the program.

Necessity. The proposed regulation is necessary to provide a description on how a Participating Financial Institution can withdraw from the program. It is also necessary as it describes how the Executive Director can terminate participation of a Participating Financial Institution in the Program. The proposed amendment clarifies outstanding balance to mean Outstanding Principal Balance, and eliminates unnecessary and outdated language.

§ 8078.1. Preferred Lenders.

This section is eliminated as periodic evaluation of the regulations determined that there is no need for this section.

Necessity. The proposed elimination of an unnecessary section of the regulation is necessary for simplification.

§ 8078.2. Federal Capital Access Program and Funding.

This section is eliminated as the allocation agreement with the United States Treasury ended March 31, 2017.

Necessity. The proposed elimination of this section of the regulation is necessary because this program ended.

§ 8078.3. Definitions.

This section is amended to adjust references throughout the definitions.

Necessity. The proposed amendments are necessary to correct references to the definitions specific to the Capital Access Program for Small Businesses.

§ 8078.22. Definitions.

This section defines the terms commonly used throughout the regulations to avoid ambiguity or misunderstanding. The numerical figures are based on the Interagency Agreement between the Authority and the Air Resources Board.

Necessity. The proposed amendments are necessary to include definitions specific to the CalCAP / ARB Program.

§ 8078.23. Application by Financial Institution.

This section describes how financial institutions may apply to participate in the Air Resources Board Program.

Necessity. The proposed regulation is necessary to provide clarification on how a financial institution may participate in the CalCAP / ARB Program.

§ 8078.24. Loan Enrollment.

This section describes the contents of a completed application, contribution amounts, and terms of the enrollment. For an application to be deemed complete, the lender must submit information concerning the borrower and the project, and submit a lender certification that the application meets the ARB's Program policies and regulations.

Necessity. A description of the application information is necessary to specify the application contents that must be provided in order for the Authority to evaluate whether the loan is qualified for enrollment in the CalCAP / ARB Program, pursuant to the terms of the Interagency Agreement with ARB administered by the Authority.

§ 8078.25. Loss Reserve Accounts.

This section describes the establishment of loss reserve accounts for participating financial institutions, and guidelines governing reporting and use of funds deposited in the loss reserve accounts.

Necessity. A description of how loss reserve funds are to be utilized and managed is necessary to ensure accountability and transparency.

§ 8078.26. Claim for Reimbursement.

This section describes how participating financial institutions are to make claims for reimbursement for loans enrolled in the CalCAP / ARB Program.

Necessity. The proposed regulation is necessary to provide a description regarding how participating financial institutions can file a claim for reimbursement on enrolled loans.

§ 8078.27. Subrogation.

This section describes the procedure for the Authority's right to subrogation of participating financial institution's collateral during the claim process, should the situation arise.

Necessity. A description on how the Authority is to secure recovery under any collateral or security documents to which the Authority has been subrogated will help the Authority enforce its rights.

§ 8078.28. Termination and Withdrawal from Program

This section describes how a participant in the Program can withdraw or be terminated as a Participating Financial Institution. It also references how to handle the balance of the Loss Reserve Accounts.

Necessity. The proposed regulation is necessary to provide a description on how a Participating Financial Institution can withdraw from the program. It is also necessary as it describes how the Executive Director can terminate participation of a Participating Financial Institution in the Program. The proposed

amendment clarifies outstanding balance to mean Outstanding Principal Balance, and eliminates unnecessary and outdated language.

§ 8078.29. Definitions.

This section defines terms commonly used throughout the regulations to avoid ambiguity or misunderstanding.

Necessity. The proposed amendments are necessary to include definitions specific to the Collateral Support Financing Programs, and to align the regulations with the state and federal program rules that provide the initial allocations.

§ 8078.30. Application by Financial Institution.

This section describes how financial institutions may apply to participate in the Collateral Support Financing Program.

Necessity. The proposed regulation is necessary to provide clarification on how a financial institution may participate in the Collateral Support Financing Program, and to align the regulations with the state and federal program rules that provide the initial allocations.

§ 8078.31. Loan Enrollment.

This section describes the contents of a completed application, contribution amounts, and terms of the enrollment. For an application to be deemed complete, the lender must submit information concerning the borrower and the project, and submit a lender certification that the application meets the Collateral Support Financing Program policies and regulations.

Necessity. A description of the application information is necessary to specify the application contents that must be provided in order for the Authority to evaluate whether the loan is qualified for enrollment in the Collateral Support Financing Program, and to align the regulations with the state and federal program rules that provide the initial allocations.

§ 8078.32. Loss Reserve Accounts.

This section describes the establishment of loss reserve accounts for participating financial institutions, and guidelines governing reporting and use of funds deposited in the loss reserve accounts.

Necessity. A description of how loss reserve funds are to be utilized and managed is necessary to ensure accountability and transparency, and to align the regulations with the state and federal program rules that provide the initial allocations.

§ 8078.33. Claim for Reimbursement.

This section describes how participating financial institutions are to make claims for reimbursement for loans enrolled in the Collateral Support Financing Program.

Necessity. The proposed regulation is necessary to provide a description regarding how participating financial institutions can file a claim for reimbursement on enrolled loans

§ 8078.34. Subrogation.

This section describes the procedure for the Authority’s right to subrogation of participating financial institution’s collateral during the claim process, should the situation arise.

Necessity. A description on how the Authority is to secure recovery under any collateral or security documents to which the Authority has been subrogated will help the Authority enforce its rights.

§ 8078.35. Termination and Withdrawal from Program.

This section describes how a participant in the Program can withdraw or be terminated as a Participating Financial Institution. It also references how to handle the balance of the Loss Reserve Accounts.

Necessity. The proposed regulation is necessary to provide a description on how a Participating Financial Institution can withdraw from the program. It is also necessary as it describes how the Executive Director can terminate participation of a Participating Financial Institution in the Program. The proposed amendment clarifies outstanding balance to mean Outstanding Principal Balance, and eliminates unnecessary and outdated language.

Disclosure Regarding the Proposed Action

The Authority has made the following determinations regarding the effect of the Proposed Regulations:

Mandate on local agencies or school districts: None.

Cost or savings to any state agency: None.

Cost to any local agency or school district that must be reimbursed in accordance with Government Code sections 17500–17630: None.

Other non–discretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Significant effect on housing costs: None.

Cost impact on a representative private person or business: The Authority is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Small Business: The proposed regulations will not have an effect on small business because the program is voluntary for any small business that seeks to apply for financial assistance in any of the CalCAP Programs.

Significant, statewide, adverse economic impact directly affecting businesses including the ability of California businesses to compete with businesses in other states: The Authority has made an initial determination that the proposed regulations will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

Results of the Economic Impact Analysis

Assessment regarding effect on jobs/businesses: The proposed regulations will not have a significant effect on the creation or elimination of jobs in California, significantly affect the creation of new businesses or elimination of existing businesses within California, or significantly affect the expansion of businesses currently doing business in California.

Benefits of the regulation to the health and welfare of California residents, worker safety, and the state's environment: The broad objective of the regulations is to provide sustainable access to small businesses that have difficulty obtaining financing. It is anticipated that the regulations implementing the CalCAP/ARB will promote and protect public health and welfare of California residents, by replacing and upgrading older, polluting vehicles. The upgrades and retrofits also boost the environment by reducing greenhouse gas emissions that contribute to global warming and climate change.

Consideration of Alternatives

In accordance with Government Code Section 11346.5(a)(13) the Authority must determine that no reasonable alternative to the proposed regulations considered by the Authority or that has otherwise been identified and brought to the attention of the Authority would be more effective in carrying out the purpose for which the proposed regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Authority invites interested parties to present statements with respect to alternatives to the Proposed Regulations during the written comment period.

Agency Contact Person

Written comments, inquiries, and any questions regarding the substance of the Proposed Regulations must be submitted or directed to:

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Written Comment Period

Any interested person, or his or her authorized representative, may submit written comments relevant to the Proposed Regulations to the Authority. The written comment period on the Proposed Regulations ends at **5:00 p.m. (PT) on January 8, 2018**. All comments must be submitted in writing to the Agency Contact Person identified in this Notice by that time and day in order to be considered by the Authority.

Availability of Initial Statement of Reasons And Text of Proposed Regulations

The Authority has established a rulemaking file for this regulatory action, which contains those items required by law. The file is available for inspection at the Authority's office at 801 Capitol Mall, Second Floor, Sacramento, California 95814, during normal business working hours. As of the date this Notice is published in the California Regulatory Notice Register, the rulemaking file consists of this Notice, the Initial Statement of Reasons and the proposed text of the Proposed Regulations. Copies of these items and all the information upon which the proposed rulemaking is based are available upon request from the Agency Contact Person designated in this Notice or at the Authority's website located at <http://www.treasurer.ca.gov/cpcfai/index.asp>.

Public Hearing

CPCFA does not intend to conduct a Public Hearing on the matter of these regulations, unless requested. Any interested person may submit a written request for a public hearing no later than 15 days prior to the close of the written comment period.

Availability of Changed or Modified Text

After the written comment period ends and following a public hearing, if any is requested pursuant to Section 11346.8 of the Government Code, the Authority may adopt the Proposed Regulations substantially as described in this Notice, without further notice. If the Authority makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with changes clearly indicated) available to the public for at least fifteen (15) calendar days before the Authority adopts the proposed regulations, as modified. Inquiries about and requests for copies of any changed or modified regulations should be addressed to the Agency Contact Person identified in this Notice. The Authority will accept written comments on the modified regulations for fifteen (15) calendar days after the date on which they are made available.

Availability of Final Statement of Reasons

Upon completion, a copy of the Final Statement of Reasons may be requested from the Agency Contact Person designated in this Notice or found on the Authority's website at <http://www.treasurer.ca.gov/cpcfai/index.asp>.