VII. ~~RECAPTURE~~ Removal of Recapture per Emergency Regulations Approved by the Office of Administrative Law on August 4, 2022.

A. ~~Overview~~

~~To ensure program continuity, older contributions will be recycled to support future enrollments in CalCAP for Small Business.~~

~~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~~	~~1) Lenders enrolled in the Program prior to August 15, 2017 who elect to continue enrolling loans in CalCAP for Small Business~~ ~~2) New Lenders enrolled in the Program on or after August 15, 2017~~
~~Recapture Date~~	~~At the end of every fiscal year~~
~~Documents needed to calculate the recapture amount~~	~~1) Quarterly Report ending on June 30 submitted by the Lender~~ ~~2) The Lender's loan loss reserve (LLR) account balance as of June 30~~
~~Recapture Threshold~~	~~Effective 2020, the minimum recapture threshold will be 15%~~
~~Loans **not** subject to Recapture~~	~~1) Loans which have not matured **and** are less than five years old~~ ~~2) Enrolled loans that have been charged off as a result of a default, and have a pending or approved claim with CalCAP~~
~~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
A	$_____	Outstanding Principal Balance	• Total of the outstanding principal balance of all loans originated on or after July 1, 2012 • Excluding interest, fees & other charges • Based on Lender's Quarterly Report ending June of the year of Recapture
B	$_____	Lender's Loss Reserve (LLR) Minimum Threshold for Recapture	B = A x 15% (0.15) 15% minimum threshold percentage effective 2020 per CalCAP Regulations Section 8073(g)
C	$	Maximum Recapture Amount	• Total CPCFA Contributions for all matured loans, and for all loans originated 5 years prior • Excludes CPCFA Contributions for any loans with pending or approved claims • Includes public contributions from all sources (SSBCI, State General Fund, SBAF, ARB)
D	$_____	Current LLR Balance	As reflected on bank statement as of June of the fiscal year of Recapture
E	$_____	Actual Recapture Amount	IF D – C ≥ B THEN E = C IF D – C < B THEN E = D – B IF E = < 0 THEN E = 0
F	$_____	Remaining LLR Balance	F = D – E