CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA)

2025 Emergency Wildfire Help Loan Program
Frequently Asked Questions

January 2025

1. Who is eligible for a loan through the 2025 Emergency Wildfire Help Loan Program?

A California non-profit 501(c)(3) corporation, or a public health facility with annual gross revenues of $40 million or less as shown on the most recent audited financial statements (if over $40 million, see question #2 below). The $40 million cap applies to the parent company and not to subsidiaries that are owned or controlled by another company. A borrower must have been in existence for at least three years and provide three years of audited financial statements. Eligibility for this program was modeled after CHFFA's preexisting Healthcare Expansion Loan Program II (HELP II).

Eligible types of health facilities (California Government Code, Section 15432(d)) may include:

- Acute Care Hospitals
- Adult Day Health Centers
- Alcoholism Recovery Facilities
- Blood Banks
- Chemical Dependency Facilities
- Child Day Care Facilities
- Community Clinics
- Community Mental Health Facilities
- Developmental Disability Facilities
- Diagnostic or Treatment Centers
- Group Homes
- Intermediate Care Facilities
- Multilevel Care Facilities
- Psychiatric Hospitals and Facilities
- Rehabilitation Facilities
- Residential Care Facility for the Elderly
- Skilled Nursing Facility

2. Is my organization ineligible for a loan through the 2025 Emergency Wildfire Help Loan Program if our most recent audited financial statements show an annual gross revenue of more than $40 million?

An organization with annual gross revenues greater than $40 million may still be eligible to apply if it has facilities that are designated within a rural Medical Service Study Area (MSSA). As long as funding is used at the facilities designated as a rural MSSA, the $40 million gross revenue maximum requirement does not apply. District hospitals are also exempt from the $40 million gross revenue maximum requirement.

3. How do I determine if my health facility is designated as rural?

CHFFA considers a health facility as rural for the purposes of this program based on the California Department of Health Care Access and Information (HCAI) Medical Service Study Area (MSSA) determination as a rural or frontier health facility. A health facility must be located within an MSSA to qualify. The link below can be used to look up the MSSA designation of your facility.

https://geo.hcai.ca.gov/hpsa-search

4. What demonstrates fiscal soundness?

In order for a health facility to demonstrate fiscal soundness, the health facility must have at least a 1.0x proforma debt service coverage ratio utilizing the most recent fiscal year audited financial statements. CHFFA conducts a financial analysis of the health facility's financial position based on the three most recent fiscal years of audited financial statements, and utilizes the services of its Financial Analyst, TAP International (CPA accounting firm), to assist in the final determination of fiscal soundness/credit worthiness.

5. Is there a minimum loan amount?

There is no minimum loan amount.

6. What is considered evidence of being impacted by the 2025 wildfires?

The evidence of an impact from 2025 wildfires may vary for each borrower. Please contact CHFFA to discuss potential evidence of proof of impact from the 2025 wildfires.

7. Are there any fees associated with the 2025 Emergency Wildfire Help Loan Program?

There is a 1% loan closing fee. With a maximum loan amount of $500,000, the maximum loan closing fee would be $5,000. This fee may be deducted from the loan amount at closing.

There is NO application fee, and there are NO prepayment penalties.

8. Does a 2025 Emergency Wildfire Help Loan Program require a down payment or borrower contribution?

For loans requiring property as collateral, securitized through a lien, the maximum loan-to-value ratio is 95% and would require a minimum contribution of 5% from the borrower.

9. What can loan proceeds be used for?

Loan proceeds may only be used to address the impact of the 2025 wildfires and may include property acquisition, construction, remodeling, renovation, improvement, equipment and/or furnishings.

Loan proceeds cannot be used to fund start-up projects or to refinance an existing loan or other debt.

10. What are the terms for a loan through the 2025 Emergency Wildfire Help Loan Program, and what, if any, collateral is required?

Loan terms vary depending on the type of loan. Please see the table below for specific loan terms and collateral for each type of loan.

	Equipment & Furnishings	Property Acquisition, Construction, Remodeling, Renovation, & Improvements
Interest Rate	0%	0%
Maximum Loan Amount	$500,000	$500,000
Amortization	Up to 5 years	Up to 20 years
Loan Security	Gross revenue pledge & lien on equipment/furnishings	Gross revenue pledge & lien on real property

11. How long does it take to be approved and to receive funding?

As CHFFA's board has already approved the Program and delegated authority to the Executive Director and Deputy Executive Director to approve loan applications, the loan approval and closing process is expected to be completed quickly and efficiently. While the length of time for approval will depend on the completeness and quantity of applications received, CHFFA anticipates being able to approve an application and disburse funds within a month. All loans must close within six (6) months after approval.

12. When is the deadline for submitting an application?

Applications are continuously accepted and will be reviewed on a first-come, first-served basis. Applications will be accepted until December 20, 2025, or until all available funding for the Program is exhausted, whichever comes first.