

Manual for CalCAP ZEHD

CalCAP Zero-Emission Heavy-Duty Infrastructure Loan Program, Funded by the California Energy Commission



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1. Introduction

The Capital Programs & Climate Financing Authority, commonly known as CPCFA, administers the California Capital Access Program (CalCAP) which provide participating financial institutions (PFIs) up to 100% coverage on certain loan defaults. By participating in one or more CalCAP programs, financial institutions have available to them a proven financing mechanism to meet the financing needs of California's small businesses.

This Manual for the CalCAP ZEHD Program (California Capital Access Program Zero-Emission Heavy-Duty Infrastructure Loan Pilot Project), funded by independent contributor California Energy Commission (CEC), provides instructions, examples, and regulations for enrolling loans and filing claims. Participating financial institutions (PFIs) are encouraged to use this manual as a guide. PFIs may submit pre-qualifications if unsure whether particular loans are eligible and compliant; however, this is optional. For the most current version of the manual, forms, and rules and regulations, PFIs may visit the CalCAP ZEHD website at

<https://www.treasurer.ca.gov/cpcfca/calcap/zehd/tools.asp>.

CalCAP Contact Information:

When a financial institution enrolls as a participating financial institution (PFI), they are assigned an analyst to whom they can direct questions. However, PFIs can also use the contact information below. It is the responsibility of PFIs to ensure that CalCAP is kept informed of changes to their organization's contact information.

Email: CalCAP@treasurer.ca.gov **Main Phone Number:** (916) 654-5610

Mailing Address: P.O. Box 942809, Sacramento, CA 94209

Link to CalCAP ZEHD Main Webpage:

<https://www.treasurer.ca.gov/cpcfca/calcap/zero-emission/index.asp>

2. Background

On March 19, 2024, the CPCFA Board approved an [Interagency Agreement with the California Energy Commission \(CEC\)](#) for the pilot Zero-Emission Heavy-Duty Vehicle Infrastructure Pilot Project to be administered by the Capital Programs & Climate Financing Authority (CPCFA) utilizing the California Capital Access Program (CalCAP) loan loss reserve mechanism.

Similar to the [CalCAP ZEHDV program](#), however this program focuses on the construction of zero-emission medium and heavy-duty vehicle charging and fueling infrastructure. CEC allocated up to \$5 million to CPCFA for the pilot program.

The funding allocation comes from CEC's [Clean Transportation Program](#).

The Governor's [Executive Order N-79-20](#) requires 100 percent of sales of new passenger vehicles and trucks, all drayage trucks, off-road vehicles and equipment to be zero-emission by 2035, where feasible, and all other vehicles in the MDHD fleet to be zero-emission by 2045, where feasible.

In partnership with CARB's Zero-Emission Heavy-Duty Vehicle (ZEHDV) Air Quality Loan Program, the CEC has established the ZEHDV Project, which will assist the state in meeting the goals of N-79-20.

3. California Statute

HEALTH AND SAFETY CODE - HSC

DIVISION 27. [44500 - 44563]

CHAPTER 1. Article 8 Capital Access Loan for Small Businesses

Link to Statute:

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=27.&title=&part=&chapter=1.&article=8

4. California Code of Regulations

TITLE 4. BUSINESS REGULATIONS

DIVISION 11. SECTIONS 8001 – 8148

SECTIONS 8001 – 8125

- ARTICLE 1. General Provisions
- ARTICLE 2. Definitions
- ARTICLE 3. General Provisions Relating to Authority Actions
- ARTICLE 4. Provisions Relating to Small Business Financings
- ARTICLE 5. California Loans for Environmental Assistance Now
- ARTICLE 6. Environmental Assessment
- **ARTICLE 7. Capital Access Program for Small Businesses**
- ARTICLE 8. Designation and Disclosure of Confidential Information
- ARTICLE 9. California Recycle Underutilized Sites (CALReUSE) Program
 - SUBARTICLE 1. CALReUSE Brownfield Assessment Program
 - SUBARTICLE 2. CALReUSE Remediation Program.
- ARTICLE 10. Sustainable Communities Grant and Loan Program-Grants
- ARTICLE 11. Sustainable Communities Grant and Loan Program-Loans
- ARTICLE 12. Rate Reduction Bonds
- ARTICLE 13. California Investment and Innovation Program

Link to current and any proposed CalCAP Regulations:

<https://www.treasurer.ca.gov/cpcfafa/calcap/regulations.asp>

Published text of all CPCFA regulations can be found by visiting the website of the [Office of Administrative Law](#) and following the instructions below:

Instructions

- Select Cal. Code Regs

- Select List of CCR Titles
- Select Title 4 Business Regulations
- Select Division 11

5. Interagency Agreement

The current Interagency Agreement is available here:

<https://www.treasurer.ca.gov/cpcfafa/calcap/zero-emission/documents/approved.pdf>

6. Fees to Participate

Lender and Borrower Fees

To incentivize participation in the CalCAP ZEHDl Program, the Program will waive the fees charged to the participating financial institution (PFI) and borrower and shall be the source of funding to the loan loss reserve account assigned to the PFI in an amount equal to 25 percent of a borrower's enrolled loan amount each time a loan is enrolled in the CalCAP ZEHDl Program.

7. Financial Institution Participation Eligibility

Financial Institutions that wish to participate in the CalCAP ZEHDl program can check to see if they are an eligible financial institution type here:

<https://www.treasurer.ca.gov/cpcfafa/calcap/participate.pdf>

To apply to become a participating financial institution please:

- Fill out the CalCAP Financial Institution Application Form located: <https://www.treasurer.ca.gov/cpcfafa/calcap/forms/application.pdf>
- Attach a description of the Board of Directors, including names of all members, ethnicity, and gender.
- Once complete, send to the CalCAP Email inbox at CalCAP@treasurer.ca.gov.

*If the institution has already been approved for previous CalCAP programs, please select the **Amended Financial Institution Application** box on the form, otherwise select New Financial Institution Application.

Upon approval for enrollment in the CalCAP ZEHDl program, the financial institution will be advised if the loan loss reserve account will be held at the CalCAP Trustee Bank or at the financial institution. After approval the following steps must be completed before loans can be enrolled:

- Financial institution staff attends CalCAP-provided training on eligibility and forms.
- Financial institution provides authorized signers.
- Financial institution provides points of contact and authorized signers.

8. Program Loan Enrollment Eligibility

Business and Loan Requirements:

- **Maximum loan size** is \$5 million (loans larger than \$5 million cannot be enrolled)
- **Maximum enrolled loan amount** is \$2.5 million per borrower over a three-year period across all CalCAP programs
- **Maximum interest rate** is 20% APY (Annual Percentage Yield)
- **Maximum average annual revenue (last three years)** is \$10 million
- **Maximum number of employees** is 500
- **Maximum eligible fleet size** is 20 vehicles with a gross vehicle weight rating of more than 8,500 pounds and include vans, buses, and trucks
 - **Maximum eligible fleet size exemption:** Non-profit organizations may have more than 20 vehicles, but must satisfy all other requirements of the CalCAP ZEHDH Program
- **Refinance** of an existing loan already enrolled in the CalCAP ZEHDH program is allowed, but the new loan must satisfy all other requirements of the CalCAP ZEHDH Program.

Authorized Loan Types and Uses:

- **Term Loan or Terminal Rental Adjustment Clause (TRAC) Lease**
- **Medium- and heavy-duty vehicle(s) and trailer(s)**
 - Maximum of 20 electric charging ports and/or hydrogen nozzles to support ZE MDHD vehicles registered with CA DMV
 - Supply equipment, electric panel or grid improvements, materials and supplies, required signage, hardware and software
 - Installation labor
- **Warranty & Maintenance Plans** Warranty and/or maintenance plan ONLY when purchased with eligible equipment. Excludes warranty exceeding 3 years.

- **Vehicle registration** must be in California with the Department of Motor Vehicles
- **Business activity** funded by the loan must have its primary economic effect in California

Transfer and Sale of CalCAP Program Loan Enrollments

The Executive Director shall be authorized, with the approval of the applicable Participating Financial Institution, to assign, transfer, pledge, or create security interests in all or a portion of any Loss Reserve Account to any other entity or entities (including a trustee of a securitization trust or trusts) in connection with the securitization of all or a portion of the Participating Financial Institution's loans enrolled in the Program.

Any loan enrolled in the program or portion thereof which is subsequently assigned, transferred, pledged, or securitized without the advance written approval of the Executive Director shall no longer be deemed a Qualified Loan or covered by the Loss Reserve Account.

If a Participating Financial Institution desires to assign, transfer, pledge, or securitize all or a portion of any enrolled loan or Loss Reserve Account, the Participating Financial Institution shall submit a written request to the Authority no less than thirty (30) calendar days in advance of such action, together with the list of loans and the amount of the Loss Reserve Account subject to the request, and a draft of the legal document describing the assignment, transfer, pledge, or securitization.

9. Program Enrollment Forms and Timeframes

To enroll a loan in the CalCAP ZEHDl program, the participating financial institution (PFI) must submit the following documents to CalCAP **within 15 business days of the “Date of First Disbursement” (Date of Loan):**

- Loan Enrollment Application
- Lender Certification
- Borrower Certification
- NAICS Code Printout

The PFI may choose either the date of first disbursement or the date of loan but must be consistent.

The link to the most current version of each form is displayed in the table below:

CalCAP ZEHDl Program Enrollment Forms

Required Forms and Certifications	Submit to CalCAP	Provide to Borrower
1. CalCAP ZEHDl Loan Enrollment Application https://www.treasurer.ca.gov/cpcfca/calcap/zehdi/loan-enrollment-application.pdf	✓	
2. CalCAP ZEHDl Lender Certification https://www.treasurer.ca.gov/cpcfca/calcap/zehdi/lender-cert.pdf	✓	
3. CalCAP ZEHDl Borrower Eligibility Criteria and Self-Certification Form https://www.treasurer.ca.gov/cpcfca/calcap/zehdi/borrower-cert.pdf	✓	
4. North American Industry Classification System (NAICS) – Six Digit Code Printout https://www.census.gov/naics/	✓	

5. CalCAP Privacy Notice https://www.treasurer.ca.gov/cpcfafa/calcap/forms/privacy.pdf		✓
6. Pre-Qualification (OPTIONAL) – May be submitted if participating financial institution is unsure whether the loan enrollment is eligible and compliant https://www.treasurer.ca.gov/cpcfafa/calcap/zehdi/loan-enrollment-application.pdf & https://www.treasurer.ca.gov/cpcfafa/calcap/zehdi/borrower-cert.pdf	✓	

The original set should be maintained with the borrower’s loan file along with the entire loan qualification documentation, and the entire loan file made available to CalCAP for review upon request.

Once the loan enrollment application is approved, the PFI will receive a copy of the approved loan enrollment. The PFI shall maintain a copy of the approved loan enrollment in the loan file as well.

The PFI must also maintain documentation in each loan file demonstrating that the borrower is licensed to operate in California. Satisfaction of this requirement is at the sole discretion of CPCFA, and the documents shall 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
- Current California Commercial Driver’s License
- Annual Business Income Tax Statements
- Transportation Contract and Mileage Logs

10. Enrollment Forms and Field Descriptions

Loan Enrollment Application

The loan enrollment application consists of the participating financial institution's (PFI's) contact information, the borrower's contact information, and general information about the business and the loan. Below is a listing of all fields on the loan enrollment application and the information needed for each field.

Lender Information Section

- **Participating Lender:** Name of the PFI (as enrolled).
- **Lender CalCAP ID#:** The PFI's assigned CalCAP Lender ID. This number was issued and provided on the signed copy of the PFI's "Financial Institution Application". (This number never changes.)
- **Lender Contact Name:** Name of PFI representative CalCAP can contact with questions about this enrollment.
- **Lender Contact Phone Number:** Direct phone number with area code for PFI representative named above.
- **Lender Contact Email:** Email of PFI representative named above.

Borrower Information Section

- **Borrower Name:** Name of the primary borrower (and co-borrower(s) if applicable) representing the business.
- **Borrower's Business Name (DBA):** Name of the business, sole proprietor, partnership, corporation, etc.
- **Address, City, County, Zip:** Physical address of the business. If the business has a P.O. Box, or receives mail at an alternate location, the physical address where the vehicle will be housed must be included in the line below.
- **Will loan monies be used at the above address? (Yes or No):**
 - If answered "no", list the address of where the loan proceeds will be used. (If the business has a P.O. Box, or receives mail at an alternate location,

the physical address where the vehicle(s) will be housed must be entered here.)

- If answered “yes”, leave address, city, county, zip fields blank.
- **Type of Business/Activities, List the function of the business:** “What does the business do?” (e.g. transportation, short-haul trucking, 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 did 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 500.)
 - Refer to <http://www.treasurer.ca.gov/cpcfca/calcap/tools/employees.pdf> for instructions on how to report the number of employees.
- **Number of Jobs Created:** Number of jobs created for the business as a result of the loan.
 - If jobs are not created as a result of the loan, use “0”.
- **Number of Jobs Retained:** Number of jobs retained for the business as a result of the loan.
 - If jobs are not retained as a result of the loan, use “0”.
- **6-Digit NAICS Code** (<https://www.census.gov/naics/>): Six-digit number used by the North American Industry Classification System (NAICS) to categorize business types for the most current year.
- **11-Digit Census Tract #** (<https://geomap.ffiec.gov/ffiecgeomap/>): Eleven-digit number used to identify the specific location of the business. Please do not include decimal point.
- **Purpose of Loan:** Brief description of the use of loan proceeds (e.g. “truck purchase” or “Truck and trailer purchase”).
- **Is business minority owned:** (State Yes, No, or 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:** (State Yes, No, or 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:** (State Yes, No, or Decline to Answer)
 - The business is veteran owned if at least 51% of the business is owned by one or more veterans.
- **Is business a disabled veteran business enterprise:** (State Yes, No, or Decline to Answer)
 - The business is a disabled veteran business enterprise owned if at least 51% of the business is owned by one or more disabled veterans.

Loan Information Section

- **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** (Term Loan or TRAC Lease): State one type 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 PFI 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 or date of first disbursement). PFI can select either date but must be consistent across loan enrollment applications.
 - 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.

- **Interest Rate (%) APR:** Maximum interest rate of 20% Annual Percentage Rate (APR) for the enrolled loan is allowable in the program.
- **Is Interest Rate Fixed or Variable:** Indicate whether the interest rate remains the same (fixed) or changes (variable) over the life of the loan.
 - If answered “variable”, provide the starting rate and the index the variable rate is tied to.
- **Is the loan secured (Yes or No):** If collateral is used to secure the loan, answer “yes”—otherwise, answer “no”.
- **Is this loan a restructure of a prior loan? (Yes or No)**
- **If yes, is this loan a restructure of a prior CalCAP loan? (Yes or No):** Select Yes if the loan was previously enrolled in CalCAP. Select No if the loan was not previously enrolled in CalCAP.
- **If yes, provide the CalCAP Loan #:** Provide previous CalCAP Loan Number
- **Remaining balance on loan being restructured (\$):** State the remaining balance on loan being restructured.
- **Amount of increase requested (\$):** State the amount of increase requested

Lender Certification Form

By signing the Certification Form the PFI certifies their adherence to the CalCAP and program rules and requirements regarding the loan and the borrower’s business.

- **Borrower Name:** Name of borrower (and co-borrower(s) if applicable)
- **Lender Loan Number:** List the unique loan number associated with the borrower’s loan
- **Authorized Lender Signature:** To be signed by the PFI-designated authorized signer listed on the authorized signers list most recently provided to CalCAP by the PFI
- **Printed Name of Authorized Signer:** Printed name of authorized signer
- **Title:** Title of authorized signer
- **Date:** Date the authorized signer signed the form

Borrower Self-Certification Form

The borrower is required to review and sign the borrower self-certification form. The borrower self-certification form states that the business is a qualified business per regulatory definitions, the borrower is licensed to conduct the type of business, and that the loan proceeds are used for permitted loan purposes.

- **Borrower Name:** Name of borrower (and co-borrower(s) if applicable).
- **Lender/Participating Financial Institution:** Name of the PFI (as enrolled).
- **Lender Loan Number:** List the unique loan number associated with the borrower's loan.
- **SECTION I: CalCAP ZEHDI PROGRAM ELIGIBILITY**
 - Borrower to initial the statement(s) if applicable. Each statement must be initialed for the loan to be eligible for CalCAP enrollment.
- **SECTION II: GRANTS OR INCENTIVES**
 - These statements should only be initialed by the borrower if the borrower received an applicable grant/incentive.
- **SECTION III: CALCAP ELIGIBILITY**
 - Borrower to initial the statement(s) if applicable. Each statement must be initialed for the loan to be eligible for CalCAP enrollment.
- **SECTION IV: INFRASTRUCTURE INFORMATION**
 - Borrower to initial the statement(s) if applicable. Each statement must be initialed for the loan to be eligible for CalCAP enrollment

Additional Information for Completion by the Borrower

- **Fleet Size:** The Borrower shall write in the total number of on-road vehicles in their fleet with a GVWR greater than 8,500 lbs.
- **Number of Zero-Emission Vehicles in Fleet to Use Infrastructure (including those ordered):** report as stated

For Electric Vehicle Supply Equipment (EVSE)

- **List EVSE Equipment Manufacturer(s):** List EVSE manufacturers on lines A-C as applicable.

- **List EVSE Model(s):** List EVSE models on lines A-C as applicable.
- **Is EVSE Unit capable of bi-directional charging?** List if EVSE unit is bi-directional charging capable on lines A-C as applicable correlating to the above equipment. State Yes or No.
- **Total Units to be Purchased:** State the total number.
- **Total Number of Charging Ports:** State the total number.
- **Cost per EVSE Unit:** List cost per EVSE unit on lines A-C as applicable.
- **Total EVSE Cost:** State the total cost of the EVSE unit.
- **Product Warranty Cost:** State the product warranty cost, if applicable.
- **Estimated Installation Cost:** State the estimated installation cost.
- **Nameplate capacity of the installed equipment:** State the nameplate capacity of the EVSE unit in kilowatt (kW) per day for chargers.
- **Location type for chargers:** State the location type for the charger(s) (such as street, parking lot, hotel, restaurant, or multi-unit housing, etc.)

For Hydrogen Fueling Equipment to be Purchased

- **Hydrogen Dispenser with Hose and Nozzles:** State Yes or No.
 - **If yes,** Specify total number of nozzles
 - **If yes,** state manufacturer
 - **If yes,** specify cost per unit
- **Compressor:** State Yes or No.
 - **If yes,** state manufacturer
 - **If yes,** specify cost per unit
- **Liquid or Gaseous Hydrogen Pump:** State Yes or No.
 - **If yes,** state manufacturer
 - **If yes,** specify cost per unit
- **Electrolyzer:** State Yes or No
 - **If yes,** state manufacturer
 - **If yes,** specify cost per unit
- **Hydrogen Storage:** State Yes or No
 - **If yes,** state manufacturer

- **If yes**, specify cost per unit
- **Chiller:** State Yes or No
 - **If yes**, state manufacturer
 - **If yes**, specify cost per unit
- **Transformer:** State Yes or No
 - **If yes**, state manufacturer
 - **If yes**, specify cost per unit
- **Switch Gear, Meter Mains and Circuit Breaker Panel:** State Yes or No
 - If yes, state manufacturer
 - If yes, specify cost per unit
- **Product Warranty Cost:** State the product warranty cost, if applicable.
- **Estimated Installation Cost:** State the estimated installation cost.
- **Nameplate capacity of the installed equipment:** State the nameplate capacity in kilogram per day (kg/day) for hydrogen.
- **Location type for chargers:** State the location type for the charger(s) (such as street, parking lot, hotel, restaurant, or multi-unit housing, etc.).
- **Individual's Name:** Print the borrower's Name.
- **Individual's Title:** State the borrower's title as it pertains to the business.
- **Signature of above Individual:** Borrower to sign their name.
- **Date:** State the date the borrower signed the certification.
- **Business Address:** Borrower to provide the address for the business.
- **Phone Number:** Borrower to provide phone number.

North American Industry Classification System (NAICS) Printout

The North American Industry Classification System or NAICS coding is an industry classification, which produces a 6-digit code, relating to the type of business for the borrower.

Each loan enrolled into the program, must have a NAICS code on their loan enrollment application.

The PFI shall use the NAICS website (<https://www.census.gov/naics/>), to enter the type of business for the most current year and select go. A list of classifications will generate. Select the appropriate NAICS code that most closely defines the type of business for the borrower.

Enter this 6-digit code on the loan enrollment application. The 6 digits consist of the state code, the county code, and the tract code. Do not enter the decimal.

Privacy Notice

The CalCAP Privacy Notice is required for the participating financial institution to provide to the borrower and retain in the borrower's loan file. The privacy notice should **not** be sent to CalCAP.

The CalCAP Privacy Notice can be found here:

<https://www.treasurer.ca.gov/cpcfafa/calcap/forms/privacy.pdf>.

11. Submitting a Notification of Change in Terms

In the event a change that is a benefit to the borrower is needed in one or more of the material terms of a loan, in order for the CalCAP loan enrollment to remain valid, the participating financial institution (PFI) must submit a request to CalCAP. To request the review of a change in terms of a loan enrollment in the CalCAP ZEHDl program, the PFI must submit the following documents to CalCAP **within 15 business days of the effective date of the change(s)**:

- Notification of Change in Loan Terms
- Revised Loan Enrollment Application, detailing the changed terms
- New Lender Certification
- New Borrower Certification

The type of changes which can occur are:

- Maturity date extension: the date can be extended for up to 18 months
- Interest rate change (Note: the maximum interest rate of 20% still applies)
- Borrower name change (Note: this does not include transfers between businesses)

Other changes can be considered and will be reviewed on a case-by-case basis.

The link to the most current version of each form is displayed in the table below:

CalCAP ZEHDl Change in Terms

Required Forms and Certifications	Submit to CalCAP	Provide to Borrower
1. CalCAP Notification of Change in Loan Terms https://www.treasurer.ca.gov/cpcfafa/calcap/tools/notification-loan-change.pdf	✓	
2. Revised CalCAP ZEHDl Loan Enrollment Application https://www.treasurer.ca.gov/cpcfafa/calcap/zehdi/loan-enrollment-application.pdf	✓	

3. New CalCAP ZEHDI Lender Certification https://www.treasurer.ca.gov/cpcfafa/calcap/zehdi/lender-cert.pdf	✓	
4. New CalCAP ZEHDI Borrower Eligibility Criteria and Self-Certification Form https://www.treasurer.ca.gov/cpcfafa/calcap/zehdi/borrower-cert.pdf	✓	

The PFI must maintain a complete copy of these documents in the borrower’s loan files, in addition to all the other required items.

To complete a CalCAP Notification of Change in Loan Terms, the document must be filled out with the following information:

- Identify the CalCAP program the loan is enrolled in
- The PFI and loan information sections must be filled out and match the information on the original loan enrollment application
- Identify and detail all changes, and demonstrate that each change provides a benefit to the borrower
- Complete the authorized signer portion of the form; the authorized signer must be on the most current authorized signers list CalCAP has received from the PFI

12. Submitting a Claim

If a participating financial institution (PFI) charges off all or part of an enrolled loan as a result of default, and the PFI has experienced a net loss originating from the outstanding principal, accrued and unpaid interest, and/or reasonable out-of-pocket expenses, the PFI may be eligible to have a claim approved for up to 100% of the enrolled loan amount.

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

The PFI is required to submit the claim packet to CalCAP within 120 days of the charge off. The claim packet must include the following:

- Claim Application
- A complete transaction history of the account
- 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
- Bill of Sale for liquidated collateral
- Receipts for any reasonable out-of-pocket expenses claimed
 - When assessing whether an out-of-pocket expense is considered reasonable, the PFI should consider the best lending practices and act in a prudent and judicious manner during their collection processes.

If the claim packet is filled out properly and the PFI has faithfully complied with CalCAP requirements, CalCAP will approve a claim. An approved claim is reimbursed from the funds available in the loan loss reserve account assigned to the PFI for the program in which the charged off loan is enrolled, whether the loan loss reserve account is held at the CalCAP Trustee Bank or the PFI.

Claim Application: <https://www.treasurer.ca.gov/cpcfca/calcap/forms/claim.pdf>

13. Claim Form and Field Descriptions

Lender and Borrower Information Section

Participating Lender: Name of the participating financial institution (PFI).

Lender Contact: Name, phone number, and email address of PFI representative CalCAP can contact with questions about this claim.

Lender's CalCAP ID#: The PFI's assigned CalCAP Lender ID. This number is 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 that is provided to the PFI via email.

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

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? Yes or 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 PFI and charged off the books from an asset to a liability.

Was the loan in the first \$1 million of CalCAP loans made by PFI? Yes or No. Also, Indicate whether this loan falls within the first \$1 million for a PFI (regardless of amount currently enrolled).

Have enforcement proceedings begun? Yes or No. Answer “yes” if PFI 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 PFI.

Claim Information Section

Outstanding Principal: List the amount of the outstanding principal calculated as:

- Original Principal Amount
 - Less Payments Applied to Principal
 - Resulting in Outstanding Principal
- Note: CalCAP does not authorize reimbursement for PFI-issued fees (NSF fees, late fees, etc.).

Liquidated Collateral: This is the full liquidated amount.

Accrued and Unpaid Interest: 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.

Authorized Signature: The authorized signer must be on the most current authorized signers list CalCAP has received from the PFI.

Date: Date the claim was signed.

Title: Title of the authorized signer.

14. Reporting Requirements

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

Monthly Reporting

Each PFI with a PFI-held (internally held) loan loss reserve account is required to **submit a monthly account statement to CalCAP by the 15th of the following month** (e.g. the statement for January must be submitted by February 15th) by email at CalCAP@treasurer.ca.gov.

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.”

If the monthly account statement is not submitted, no deposits from CalCAP will be made to the loan loss reserve account pursuant to CalCAP Regulation §8078.25 (c)(3).

The account statement must provide a detailed description of the account and a complete summary of all transactions for the period covered.

Quarterly Reporting

Each PFI is required to submit Quarterly Reports to CalCAP, pursuant to CalCAP Regulation §8078.25 (f), **by the 15th of the month following the end of the quarter**, by email at CalCAP@treasurer.ca.gov 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

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 PFI 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 PFI may be terminated from the program. In the event of termination from the program, the PFI cannot enroll any further loans, but all previously enrolled and still eligible loans will be covered by the loss reserve account until they are paid off, claims are filed, or the PFI 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.”

The Quarterly Reports shall be submitted using the excel template located here:

<http://www.treasurer.ca.gov/cpcfafa/calcap/template.xls>.

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 enrolled in CalCAP by the PFI was assigned, transferred, or pledged to another entity, the PFI 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. The Quarterly Report must indicate if the loan was transferred to another PFI pursuant to prior authorization by CPCFA, or if it was transferred to an entity which is not a PFI. If the PFI did not receive pre-approval for a transfer or if a transfer was made to a financial institution not approved to be a CalCAP PFI, The loan enrollment is no longer deemed a Qualified Loan or covered by the Loss Reserve Account.

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 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).

Change in Lender Points of Contact and/or Authorized Signers List

To ensure CalCAP is able to contact the appropriate parties and that the participating financial institution (PFI) is aware of all current CalCAP rules and regulations as well as changes to program policies or practices, the **PFI shall inform CalCAP by email sent to calcap@treasurer.ca.gov of any changes** to the name, address, phone, or email of the contacts listed below:

- **Main Contact** – CalCAP's primary PFI contact
- **Public Contact** – PFI contact for public inquiries (name and address will be published on the CalCAP website)
- **Financial Contact** – PFI contact authorized to discuss bank statements, quarterly reports, claim refunds, etc. with CalCAP

- **Loan and Claim Documents Email Recipient** – PFI 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. PFI should provide the email addresses for those wishing to receive such correspondence.
- **Authorized Signers** – PFI contacts authorized to submit applications for enrollments and claims.