• CalCAP LPP Frequently Asked Questions

December 8, 2025

The CPCFA Loan Participation Program, administered by Community Capital Alliance (CCA), is currently being developed and is designed to expand access to affordable capital for small businesses across California. Our goal is to support economic opportunity, job creation, and help small businesses - especially those with limited access to capital - grow and thrive! **The program is set to launch with a spring rollout before summer, during the 2nd quarter of 2026.** *(exact date to be determined).*

FAQ FOR LENDERS

- **How can lenders participate?**

  Answer: *Currently, community depository institutions that are headquartered in California may participate. If you are a community bank and would like to participate in the program, please contact Community Capital Alliance (CCA) at contact@teamcca.com.*

- **Does CalCAP administer the program?**

  Answer: *No, the LPP is administered by third-party via request for proposal (RFP): Community Capital Alliance (CCA). CPCFA is the program sponsor and policy authority*

- **How does the program work?**

  Answer:

  - *CPCFA partners with community banks to provide shared financing*
  - *CPCFA purchases up to 25–50% of an eligible loan*
  - *Lenders retain servicing role and client relationships*
  - *Businesses gain access to capital that might otherwise be out of reach*

- **What are the loan sizes and participation amounts?**

  Answer:

  - *Eligible loans range from $100,000 to $20,000,000 under the CPCFA Loan Participation Program.*
  - *CPCFA may participate up to 25 to 50 percent of an eligible loan.*
  - *The maximum participation amount is $5 million per loan.*

    - *Final loan size and structure are determined by the participating lender based on borrower needs and underwriting*
    - *Term loans up to 10 years (amortization can exceed 10 years, but final loan maturity cannot exceed 10 years)*

- **What types of loans can be supported by the program?**

  Answer: *We offer three types of loans through the CPCFA LPP:*

    - *Short-term lines of credit*
    - *SBA 504 bridge loans*
    - *Term loans*

- ***Can lenders use their own loan documents?***

  Answer: *Yes. Participating lenders may use their standard loan documents when originating a loan. CPCFA does not require separate loan documentation - only the program-specific forms and participation documents need to be completed in addition to the lender's normal closing package.*

- **What are the rates and fees for the loan?**

  Answer:

    - *Competitive interest rates are set by the participating lender*
    - *CPCFA's participation amount is priced 100 basis points below the lender's portion which provides a rate buy down for the borrower*
    - *There are no CPCFA program or enrollment fees to enroll a loan in the program*

- **What are the eligibility requirements for a borrower?**

  Answer:

    - *Small businesses with 750 or fewer employees*
    - *Majority (51%+) of business -primary economic effect needs to be in California*

- **Can a lender use the Loan Participation Project for a prior existing loan that has already closed?**

Answer: *No. This Program is only for new loan originations that are approved prior to loan funding.*

- **Can a lender refinance an existing loan that has already been booked under an existing or other California SSBCI Program?**

  Answer: *Yes. Loans that were originally made with SSBCI support — including loans previously originated under an SSBCI program — may be refinanced.*

- **If a lender orders a third-party report, will the CPCFA pay their share of the expense?**

  Answer: *No. As part of this program, the community bank agrees that CPCFA will not bear any expenses (third-party or otherwise) related to the management of the loans.*

- **Can a lender charge prepayment penalty fees?**

  Answer: *Yes, but only for loans above $100,000 and such fees are reasonable, customary, and clearly disclosed.*

  - *For loans with an original principal amount of $100,000 or more, lenders may include prepayment fees so long as any such fees are reasonable, customary, and clearly disclosed to the borrower.*

- **Can lenders enroll the same loan into other SSBCI or similar governmental Programs?**

  Answer*: No, lenders must certify that they will not enroll the same loan or portion thereof in any other government program.*

- **If there is collateral to secure the loan, does that collateral need to be located within California? For example, if a borrower is headquartered in California, but is looking to buy another owner-occupied property in Nevada, is that okay?**

  Answer: *No, any owner-occupied property using SSBCI dollars must be located within the state (California) that is disbursing SSBCI dollars.*

FAQ FOR BORROWERS

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  Answer:

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  Answer:

  - *Small business with 750 or fewer employees*
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- **What types of loans can be supported by the program?**

  Answer: *The program offers three types of loans through the CPCFA LPP.*

  - *Short-term lines of credit*
  - *SBA 504 bridge loans*
  - *Term loans*

- **What are the loan sizes and participation amounts?**

  Answer:

  - *Eligible loans can range from $100,000 to $20,000,000 under the CPCFA Loan Participation Program.*
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- **What are the rates and fees for the loan?**

  Answer:

  - *Competitive interest rates are set by the participating lender*
  - *CPCFA's participation amount is priced 100 basis points below the lender's portion which provides a rate buy down for the borrower*
  - *There are no program or enrollment fees to enroll a loan in the program*

- ***Is there a minimum credit score for borrowers?***

  Answer:

  - *The CPCFA LPP does not impose a minimum credit score requirement*
  - *Participating lenders apply their own internal credit policies and scoring standards for loan approval eligibility*
  - *CPCFA relies on the lender's underwriting and due diligence and does not conduct a separate credit review*
  - *CPCFA's participation helps make the loan more attainable and more affordable by reducing the lender's risk and offering a lower interest rate on its portion of the loan*

- **Is it okay if the borrower does business in other states?**

  ***Answer**: Yes, but the majority (51%) of businesses must have a primary economic effect in California where 51% of the total jobs of the business are created or 51% of the total revenues of the business activity are generated in California.*

- **Does the borrower need to be formed in the State of California? Or can it be formed in another state, such as Delaware?**

  ***Answer:** No, participating small businesses can be formed in Delaware and other states – but majority of business -primary economic effect needs to be in California where 51% of the total jobs of the business are created or 51% of the total revenues of the business activity are generated in California.*

- **Can a small business owner enroll more than one loan into the program?**

  ***Answer:** Yes, a small business owner can enroll more than one loan in the program. All outstanding loan amounts for a single entity (i.e., EIN) may not total more than $20MM in any single calendar year. Maximum participation amount(s) across all these loans cannot exceed $5MM.*