CPCFA Loan Participation Program

HOW IT WORKS

A Partnership That *Expands Access to Capital*

The CPCFA LPP helps participating lenders extend more accessible financing to eligible California small businesses. When a lender approves a loan, CPCFA can purchase a portion of it **at an interest rate below the lender's** — helping share part of the risk while your lender keeps its own stake in the loan, which can blend down your overall rate. This may help lenders say "yes" more often, and where eligible, offer lower rates, more flexible terms, or larger loan sizes.

HOW IT WORKS

1

You apply to a participating lender

Bring your financing need to a participating lender. They underwrite the request and decide whether to approve your loan.

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2

The lender approves & confirms eligibility

The lender approves the loan, confirms SSBCI eligibility, originates the loan, and manages your relationship and repayments.

→

3

CPCFA purchases a participation

CPCFA buys a portion of the loan at a rate below the lender's — sharing part of the risk — which can lower your blended rate.

→

4

You access better financing

This shared structure can help the lender offer more accessible terms to more California small businesses.

WHY YOUR RATE CAN BE LOWER — A BLENDED RATE

LENDER'S PORTION
Market rate

+

CPCFA'S PORTION
Below-market rate

=

YOUR BLENDED RATE
Lower overall rate

What this means for your business

- Increased access to capital
- Potentially lower borrowing costs through a blended rate
- Potential for more flexible terms or larger loan amounts
- Support for your loan application when you're loan-ready

A partnership that shares part of the risk

- CPCFA's participation helps reduce the lender's exposure, so they can extend more credit
- CPCFA's participation can help to increase loan flexibility and loan amounts
- The lender services your loan

This summary is for general guidance only; it is not a grant and does not guarantee approval, pricing, or terms, and is subject to eligibility and fund availability.