



GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

STATE OF CALIFORNIA • OFFICE OF GOVERNOR EDMUND G. BROWN JR.

Small Business Loan Guarantee Program Report

Budget Item # 0509-001-0001

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Executive Summary

Since 1968, the Small Business Loan Guarantee Program (SBLGP or Program) has helped small businesses access capital to create and retain jobs by providing lenders with loan guarantees. Loan guarantees minimize small businesses' credit risk to lenders by guaranteeing repayment of a portion of a loan if a default were to occur. The Program is administered by the California Infrastructure and Economic Development Bank (I-Bank) within the Governor's Office of Business and Economic Development (GO-Biz). Loan guarantees are issued on behalf of the state by Financial Development Corporations (FDCs), a network of 11 non-profit organizations located throughout the state.

Pursuant to the 2013/14 state budget, the Legislature requires a report on the SBLGP's administrative costs. This SBLGP Report (Report) contains the following information that is required by the Legislature:

- Annual funding since 2003/04 from state, federal, and other funds (including fees and charges) for the Program, including funds used for backing loan guarantees, administrative costs, and paying defaulted loan guarantees.
- A summary of annual activity under the Program since 2003/04, including number of loan guarantees, total amount guaranteed, average guarantee size, and average number of individuals employed by loan guarantee recipients.
- Number of FDC employees supported in whole or in part by state, federal, and other funds associated with the Program. The report shall include a brief description of their responsibilities.
- A discussion of the adequacy of current administrative funding levels for the Program and, if appropriate, options for modifying the Program to operate within existing resources.

Summary of Findings and Opportunities for Modification

Detailed information on annual funding, loan guarantee activity and FDC staffing begins on **Page 17** and is summarized below.

- Funding from the state and federal government for state overhead and FDC administration costs for the Program remained flat from FY 2004/05¹ through FY 2006/07 and then gradually increased through FY 2008/09. In FY 2009/10, funding slightly declined and then spiked in FY 2010/11. Since then, state and federal funding has consistently declined. To compensate, FDCs have relied on a variety of other funding sources, including guarantee fees, loan packaging fees, and other FDC funds, to cover the costs of Program administration.
- Annual loan activity increased from FY 2003/04 through FY 2007/08, and then steeply declined until FY 2009/10 following the economic downturn. Since FY 2009/10, loan activity has remained static, with a slight decline in FY 2012/13.
- Ten FDCs employ a total of 59 employees that are supported in whole or in part by the Program.² The number of employees associated with the Program in each FDC ranges from 3 to 10, depending on loan guarantee volume.

¹ 2003/04 data on state funding for state overhead is not available from CHP.

² San Fernando Valley FDC did not submit data for this report.

The Program continues to serve California's small business community despite recent declines in state and federal funding. I-Bank is considering opportunities to reduce cost, improve competitiveness, and increase revenue for the Program. Specific options under consideration are listed here and described in detail on **Pages 15 and 16**.

- Consolidation of the total number of state FDCs. Consolidation would provide more adequate funding for the remaining FDCs. Any future consolidation plan would ensure adequate statewide coverage of FDCs.
- Centralization of guarantee authority. Under this option, underwriting would occur through automation or by I-Bank's Small Business Finance Center staff. The Program currently lacks an automated system for guarantee processing and consequently requires additional effort from both FDC staff and participating lenders. Centralization would also enable the FDCs to focus their efforts on marketing and technical assistance for the Program and would lead to more standardization across the Program.
- Introduction of performance-based contracts. This option could increase FDC fee revenue for the Program and reduce the state's costs associated with default guarantee payouts.

Purpose of Report

Pursuant to the 2013/14 state budget, the Legislature requires a report on the SBLGP's administrative costs. This Report satisfies the Legislature's requirement by identifying the SBLGP's annual funding, loan guarantee activity, and staffing to administer the Program. The Report also discusses current funding adequacy and options to modify the Program.

The Report requirements are identified in the Legislative Analyst Office's Supplemental Report of the 2013/14 Budget Package under Item 0509-001-0001.

Introduction to the Program

The SBLGP helps small businesses access capital to create and retain jobs by providing lenders with loan guarantees. Loan guarantees minimize small businesses' credit risk to lenders by guaranteeing repayment of a portion of a loan if a default were to occur. Through this Program, a small business owner can establish a favorable credit history with a lender and obtain access to future loans on their own, independent of the Program. The SBLGP has a long history in California of enabling small businesses to obtain term loans or lines of credit. Since it started in 1968, the Program has guaranteed over 30,000 loans. Business size eligibility for the SBLGP generally follows the U.S. Small Business Administration's (SBA) 7(a) program guidelines. The FDCs also assist numerous other businesses and individuals interested in starting a business by providing professional one-on-one counseling and other technical assistance in the areas of business and financial management and planning. For more information on these other services, please see **Appendices A-1** through **A-7** at the end of this Report.

Loan guarantees are issued on behalf of the state by FDCs, a network of 11 non-profit organizations located throughout the state. FDCs are based in the community and encourage investment in low- and moderate-income areas. The names of each FDC and their locations are shown in the figure below.

| | FDC | Location |
|----|------------------------|-----------------|
| 1 | California Capital | Sacramento |
| 2 | California Coastal | Salinas |
| 3 | California Southern | San Diego |
| 4 | Hancock | Los Angeles |
| 5 | Inland Empire | Ontario |
| 6 | Nor-Cal | Oakland |
| 7 | Orange County | Santa Ana |
| 8 | Pacific Coast Regional | Los Angeles |
| 9 | SAFE-BIDCO | Santa Rosa |
| 10 | San Fernando Valley | Van Nuys |
| 11 | Valley Regional | Fresno |

Administrative funding for FDCs has been provided through the state's General Fund during most years since the Program's inception. In 2011, the state began to receive federal funding for the Program. The

SBLGP was approved for \$84.2 million in federal grant funds from the U.S. Treasury under the State Small Business Credit Initiative (SSBCI), a component of President Obama's Small Business Jobs Act. The federal grant also provided the state with administrative funding. In 2011, the state transferred 85 percent of the federal funds for administration to the FDCs to launch the SSBCI subset of the Program.

The SSBCI grant has unique requirements. Consequently, the SSBCI-funded loan guarantees are administered separately as a subset of the SBLGP. Thus, since 2011, the SBLGP has consisted of two subsets: the state-funded portion of the Program and the federal SSBCI-funded portion.

Pursuant to Assembly Bill (AB) 1247, on October 4, 2013 the SBLGP was transferred from the Business, Transportation and Housing Agency (BT&H) to I-Bank within GO-Biz. In addition, AB 1247 modernized the Program's structure and oversight. Among other changes, it enables FDCs to offer loan guarantees through an expanded pool of eligible financial institutions to include credit unions, community development financial institutions, and micro-lenders. Further, AB 1247 established the California Small Business Finance Center within I-Bank to offer programs and financial products aimed at providing California's small businesses with better access to capital and other technical resources.

The SBLGP and FDCs are subject to the I-Bank's Directives and Requirements. As referenced in AB 1247, the Directives and Requirements are adopted by the I-Bank Board of Directors to provide policy direction as well as key rules governing particular subject areas of I-Bank.

Program Fundamentals

The SBLGP enables a bank, credit union, or community development financial institution to make a direct loan to a small business while minimizing their risk of capital. The FDC issues a state loan guarantee of the lender's loan of up to 90 percent under the state-funded portion of the SBLGP and up to 80 percent under the SSBCI-portion of the Program. Below is a summary of the process from the perspective of the participating lender and FDC:

1. Lender underwrites the loan and requests the FDC for a loan guarantee.
2. FDC reviews the lender write-up and loan package and does its own underwriting.
3. FDC approves the guarantee and sends the lender the Commitment Letter, Certifications, and Guarantee Agreement with Default Procedures.
4. Lender executes Certifications; borrower executes the Certifications.
5. Lender executes Guarantee Agreement with Default Procedures, Note, and Security Agreement.
6. Lender disburses loan funds.
7. Lender manages the credit and keeps FDC informed per Commitment Letter.
8. Lender and FDC work together on any work-out or modification.

Guidelines of State-Funded Program

Under the state-funded portion of the Program, small businesses located in California may use SBLGP funds for the following:

- Business start-up costs
- Working capital

- Inventory; equipment
- Franchise fees
- Business expansion
- Lines of credit
- Business real estate acquisitions; new construction and renovations (passive income projects prohibited)
- SBA 504 bridge financing (provides interim financing for the SBA 504 loan program)
- Refinancing of existing business debt (with conditions/original use of funds)

State-Funded Program Fundamentals

| | |
|--------------------------|--|
| MAXIMUM GUARANTEE AMOUNT | \$1,000,000 for each borrower and up to 90% of the loan amount. |
| MAXIMUM LOAN AMOUNT | No loan maximum. |
| MATURITY OF GUARANTEE | Up to 7 years. The loan may be amortized over a term longer than the guarantee term. |
| INTEREST RATE | Market rate as negotiated between lender and borrower. |
| COLLATERAL | Available business and personal assets (machinery, equipment, accounts receivables, inventory and real property). |
| FEES | The FDC guarantee fee is 2% of the guaranteed portion of the loan for new loans and 1% for renewals, plus \$250 documents fee. |

Guidelines of SSBCI-Funded Program

Under the SSBCI-portion of the Program, businesses located in California may use SBLGP funds for the following:

- Business start-up costs
- Working capital
- Inventory; equipment
- Franchise fees
- Business expansion
- Lines of credit
- Business real estate acquisitions; new construction and renovations (passive income projects prohibited)
- SBA 504 bridge financing (provides interim financing for the SBA 504 loan program)
- Refinancing of existing business debt (with conditions/original use of funds)

Non-profit organizations qualify for SSBCI-funded guarantees provided the use is a business use (i.e., daycare, bookstore, clothing store).

SSBCI-Funded Program Fundamentals

| | |
|--------------------------|---|
| MAXIMUM GUARANTEE AMOUNT | \$2,500,000 for each borrower and up to 80% of the loan amount. |
| MAXIMUM LOAN AMOUNT | \$20,000,000 |
| MATURITY OF GUARANTEE | Up to 7 years. The loan may be amortized over a term longer than the guarantee term. |
| INTEREST RATE | Market rate as negotiated between lender and borrower. |
| COLLATERAL | Available business and personal assets (machinery, equipment, accounts receivables, inventory and real property). |
| FEES | The FDC guarantee fee is 2% of the guaranteed portion of the loan, plus \$250 documents fee. |

Other State-Sponsored FDC Programs

The FDCs offer a variety of other programs in addition to the SBLGP and SSCBI that are sponsored by the state. The availability of these other programs varies across FDCs. Below is a summary of other programs offered.

Direct Loans

An FDC may participate in a direct lending program to small businesses. Currently, direct lending is limited and subject to the I-Bank's Directives and Requirements.

Surety Bond Guarantee

FDCs may act as a guarantor on surety bonds to assist with projects where the individual contractor is unable to secure bonding on their own. The surety bond guarantee may be funded through state or federal funding sources. As a surety bond guarantor, an FDC will:

- Guarantee, endorse, or act as surety on the bonds, notes, contracts, or other obligations of a person, firm, corporation, or association.
- Establish and regulate the terms and conditions with respect to any such guarantees and the charges for interest and service connected therewith.

Disaster Loan Guarantee

Subject to I-Bank Directives and Requirements, an FDC may provide loan guarantees to small businesses, small farms, nurseries, and agriculture-related enterprises that have suffered actual physical damage or significant economic injury as a result of the disaster.

Loan guarantees are limited to areas affected by a state of emergency within the state and declared a disaster by the President of the United States, the Administrator of the United States Small Business Administration, or the United States Secretary of Agriculture, or declared to be in a state of emergency by the Governor of California.

To issue a disaster loan guarantee, an FDC must determine that the following conditions are satisfied:

- The borrower cannot reasonably obtain a disaster loan without some form of credit enhancement.
- The borrower has demonstrated a reasonable prospect of repayment.
- The guaranteed loan will be used exclusively in this state.
- The disaster loan qualifies as a small business loan or employment incentive loan.

Methodology

This section discusses the methodology underlying the Report. It describes the data sources used to generate the analysis, identifies assumptions, and describes the analytical approach. It also provides the reader with an overview of the spreadsheets used to provide the Program reporting.

Required Information

The Legislature requires that the Report include the following information:

- Annual funding since 2003/04 from state, federal, and other funds (including fees and charges) for the Program, including funds used for backing loan guarantees, administrative costs, and paying defaulted loan guarantees. The report shall separately display funding for state and FDC administration.
- A summary of annual activity under the Program since 2003/04, including number of loan guarantees, total amount guaranteed, average guarantee size, and average number of individuals employed by loan guarantee recipients.
- Number of FDC employees supported in whole or in part by state, federal, and other funds associated with the Program. The report shall include a brief description of their responsibilities.
- A discussion of the adequacy of current administrative funding levels for the Program and, if appropriate, options for modifying the Program to operate within existing resources. These options could include, for example, supporting fewer FDCs under the Program, guaranteeing larger loans, and charging higher fees.

Data Sources

A variety of sources were used to generate the data required in this Report. Some reporting was supplied by state reports and the state's SBLGP staff. Other reporting was provided by the FDCs and the California Highway Patrol (CHP), which managed the Program's contract payments when it was under BT&H. Below is a list of specific data sources:

- FDC records, including audited financial statements.³
- Q36 CalStars Report.
- Small Business Loan Guarantee Program database. This database is managed by state SBLGP staff.

Assumptions

I-Bank used certain assumptions to determine how to satisfy the requirements of this Report based on the actual data available. These assumptions are described below.

- Funds used for administrative cost – The Legislature requires that the Report identify the “funds used” for administrative costs. This Report assumes that the “funds used” for administrative costs refers to the state and federal funding used by FDCs to cover administrative costs for the SBLGP.
- Fees and charges for the Program include the following:
 - State fixed-fee payments (based on annual legislative appropriations)
 - State variable-fee payments (prior to FY 2009/10)
 - Federal fixed-fee payments (funded by SSBCI)
 - FDC Fees – These fees are charged by the FDCs to banks that participate in the Program and are passed through to borrowers:
 - Loan Guarantee Fees
 - Loan Packaging Fees
 - Other (loan servicing and other loan fees)
- Fiscal year reporting – Annual funding and guarantee activity for the SBLGP is based on the state’s fiscal year (July 1st to June 30th).
- FDC staffing information – This data is based on current staffing levels as of December 20, 2013.

SBLGP Reporting

This Report provides the SBLGP reporting in a set of attached tables. For purposes of presentation, annual funding and loan guarantee activity are shown together on individual tables for each fiscal year. Staffing information is shown separately. Below is a description of the specific tables and the information they contain.

Annual Funding and Loan Guarantee Activity

The table set begins on **Page 17**. **Tables 1** through **10** identify annual funding and loan guarantee activity for each FDC under the state and SSBCI-funded portions of the Program from 2003-04 through 2012/13.

State and SSBCI data are shown separately in each table. Funding from other sources, such as FDC loan guarantee fees, is also shown separately.

Table 1: Annual Funding and Guarantee Activity as of June 2003/04

Table 2: Annual Funding and Guarantee Activity as of June 2004/05

³ San Fernando Valley FDC did not submit data for this Report. As a result, no FDC-based data is available for San Fernando Valley FDC.

Table 3: Annual Funding and Guarantee Activity as of June 2005/06

Table 4: Annual Funding and Guarantee Activity as of June 2006/07

Table 5: Annual Funding and Guarantee Activity as of June 2007/08

Table 6: Annual Funding and Guarantee Activity as of June 2008/09

Table 7: Annual Funding and Guarantee Activity as of June 2009/10

Table 8: Annual Funding and Guarantee Activity as of June 2010/11

Table 9: Annual Funding and Guarantee Activity as of June 2011/12

Table 10: Annual Funding and Guarantee Activity as of June 2012/13

The figure below defines specific terms in these tables and how they correspond with the data required in the Report.

| Terms | Definition |
|--|--|
| Annual Funding Data | |
| <i>State Funding</i> | |
| Fees and Charges from FDCs | Variable fees paid to FDCs for performance. |
| Funds Used for Backing Loan Guarantees | Funds held with the state's trustee for the SBLGP. |
| Funding for Admin. - FDC Operations | The state's reimbursement to FDCs for Program administration. |
| Funding for Admin. - State Overhead | State expenditure for state Program office's Program administration expenses. |
| <i>Federal Funding (SSBCI)</i> | |
| Fees and Charges from FDCs | Represents variable fees, but these do not apply to the SSBCI Program. |
| Funds Used for Backing Loan Guarantees | Funds held with the state's trustee for the SSBCI Program. |
| Funding for Admin. - FDCs | State's reimbursement (using federal funds) to FDCs for Program administration. |
| Funding for Admin. - State Overhead | Federal expenditure for state Program office's Program administration expenses. |
| <i>Other Funding</i> | |
| Funding to Back Loan Guarantees | Private funds generated by the FDCs to back loan guarantees. |
| Loan Guarantee Fees | Fees received from issuance of guarantees. |
| Loan Packaging Fees | Fees received from loan packaging. |
| Other Fees | Includes any servicing or other loan-related fees. |
| Self-Funded Share of Admin. Costs | Only applicable if actual costs of administering the Program exceed the funding received from the state, SSBCI, and other funding to administer the Program. |
| Annual Loan Guarantee Activity | |
| <i>SBLGP Activity</i> | |
| Total Amount (\$) Guaranteed | Based on the initial loan guarantee amount in each fiscal year. |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | Based on the number of jobs created and retained to date in each fiscal year. |
| <i>SSBCI Activity</i> | |
| Total Amount (\$) Guaranteed | Based on the initial loan guarantee amount in each fiscal year. |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | Based on the number of jobs created and retained to date in each fiscal year. |

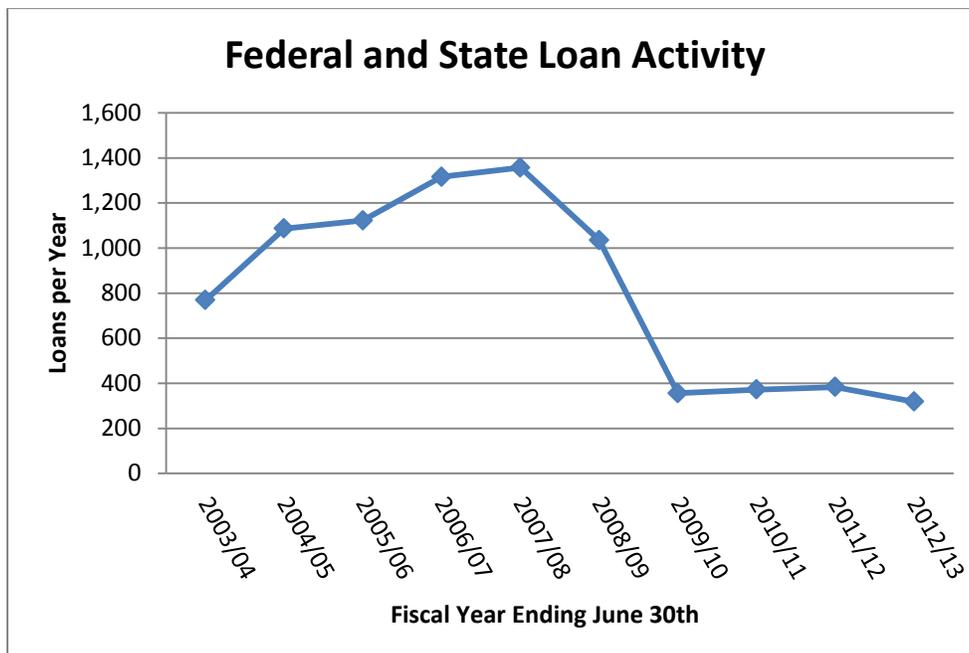
Funding and Loan Guarantee Trends and Highlights

Below is a discussion of trends identified in the annual reporting shown in **Tables 1** through **10**.

SBLGP Loan Activity

Chart 1 below illustrates the Program's annual loan activity based on the number of loans from the state-funded portion of the Program and the federal SSBCI-funded portion of the Program. The annual loan activity increased from FY 2003/04 through FY 2007/08, and then steeply declined until FY 2009/10 following the economic downturn. Since FY 2009/10, loan activity has remained flat, with a slight decline in FY 2012/13.

Chart 1
Federal and State Loan Activity



The SBLGP's gradual increase and sharp decline in loan activity reflected national economic indices, but at a lagged pace. For example, the Thomson Reuters/PayNet Small Business Lending Index⁴ and the Conference Board's Index of Leading Economic Indicators⁵ peaked between 2006 and 2007 and reached their lowest points in 2009. These indices are shown in **Charts 2** and **3**.

⁴ The Thomson Reuters/PayNet Small Business Lending Index measures the net volume of loans to small businesses based on data from small business lenders in the nation.

⁵ The Conference Board's Leading Economic Index is an American economic leading indicator that forecasts future economic activity. It is calculated by The Conference Board, a non-governmental organization, which determines the value of the index based on ten key variables.

Chart 2
Thomson Reuters/PayNet Small Business Lending Index

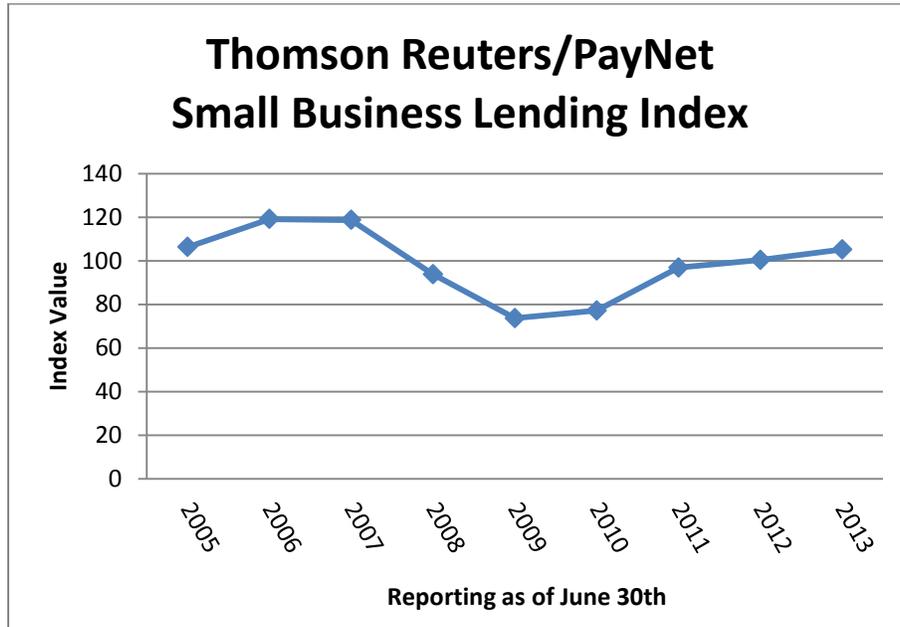
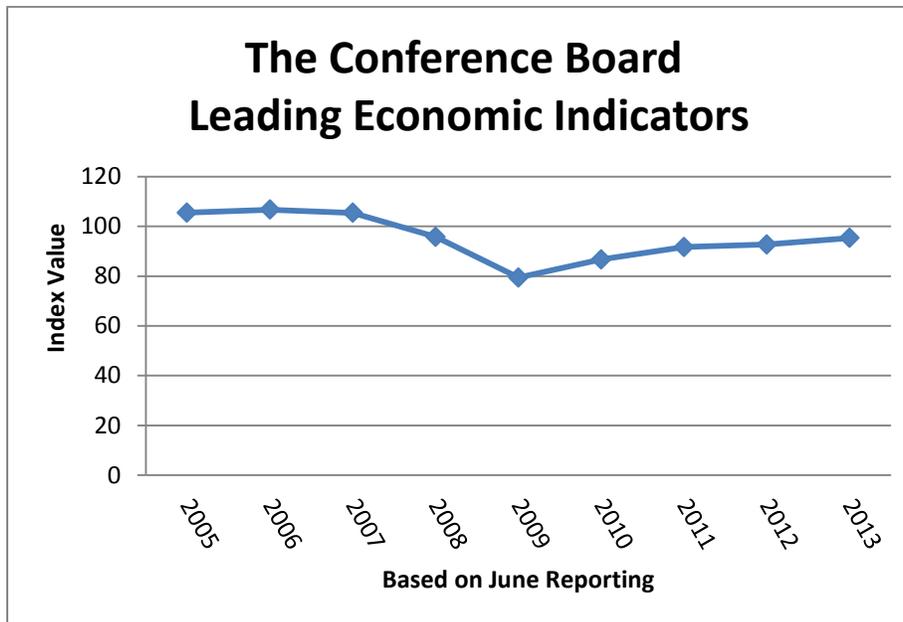


Chart 3
The Conference Board Index of Leading Economic Indicators



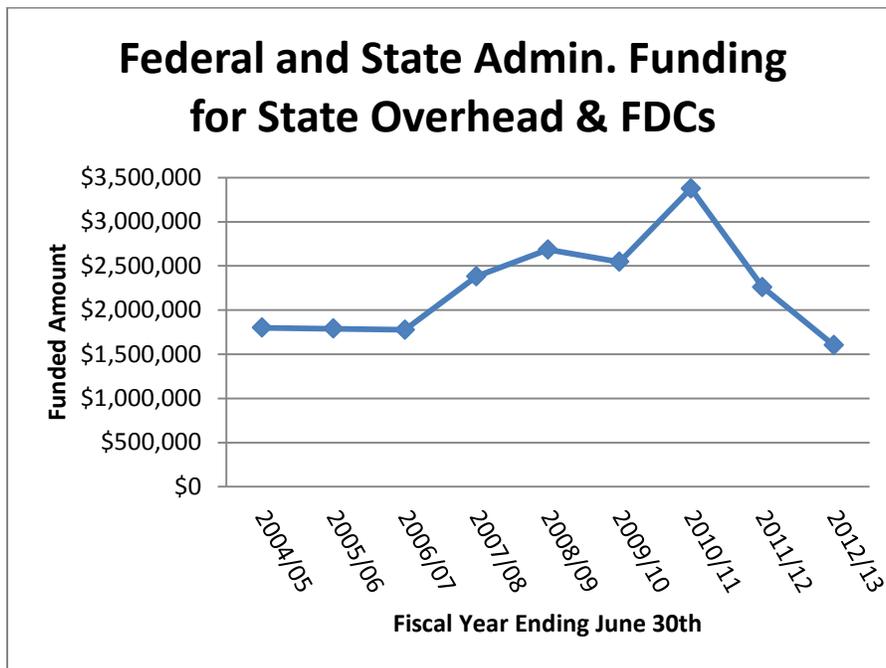
The SBLGP's loan activity has diverged from these indices since the economic recovery. As shown in the charts, both national economic indices show a gradual increase from 2009 to the present, while the

SBLGP has remained relatively flat. Thus, the Program’s loan activity has not improved in tandem with the broader economy and small business lending environment.

SBLGP Funding for State Overhead and FDC Administration

Chart 4 below tracks the annual funding from the state and federal government for state overhead and FDC administration costs for the Program.⁶ As shown, funding remained flat from FY 2004/05 through FY 2006/07 and then gradually increased through FY 2008/09. In FY 2009/10, funding slightly declined and then spiked in FY 2010/11 as the result of federal SSBCI funding and state funding for two one-time costs described in the following section. Since then, funding has consistently declined.

Chart 4
Federal and State Administration Funding for State Overhead and FDCs



This trend is particularly interesting when compared with the loan activity trend line shown in **Chart 1**. While funding has experienced relatively sharp increases and decreases since FY 2009/10, loan activity has remained static.

Increase in Funds Used for Backing Loan Guarantees (FY 2006/07 and FY 2007/08)

Funds used for backing loan guarantees represent the monies held with the state’s trustee for the SBLGP. These trust funds typically decrease over time as they are used to pay out claims against defaulted loan guarantees. During the period examined in this report, the funding for the state portion of the SBLGP increased as a result of two different factors.

⁶ 2003/04 data on state funding for state overhead is not available from CHP. As a result, this chart analyzes historical funding data starting in 2004/05.

1. In FY 2006/07, funding increased slightly and then more dramatically (by over \$1 million) between FY 2006/07 and FY 2007/08. The funding increase in FY 2006/07 was from a Wells Fargo contribution to support Pacific Coast Regional FDC's loan guarantee activity. The funding increase in FY 2007/08 was due to \$1.07 million in interest payments that were received from a loan that was issued out of the SBLGP guarantee reserve⁷ and repaid in FY 2007/08.
2. Between FY 2010/11 and FY 2011/12, funding increased significantly from \$25.9 Million to \$38.2 million. This increase was the result of an additional allocation to the SBLGP in 2010 pursuant to AB 1632.

Increase in State Overhead Costs (FY 2008/09)

State overhead administrative funding increased in FY 2008/09 as the result of two one-time factors:

- A greater than normal pro rata allotment to BT&H based on the Statewide Cost Allocation Program, which apportions central services costs to state departments.
- Costs associated with a Department of Finance contract for approximately \$144,070.

Together, these added nearly \$312,000 to the Program's expenditures.

FDC Staffing

Tables 11 through **20** identify the number of FDC employees supported in whole or in part by the state, federal, and other funds associated with the Program. The tables also describe the specific employee positions and respective responsibilities. The number and type of staff that each FDC associates with the Program vary based on different levels of Program activity and staff titles.

Table 11: California Capital FDC Staffing Information

Table 12: California Coastal FDC Staffing Information

Table 13: California Southern FDC Staffing Information

Table 14: Hancock FDC Staffing Information

Table 15: Inland Empire FDC Staffing Information

Table 16: Nor-Cal FDC Staffing Information

Table 17: Orange County FDC Staffing Information

Table 18: Pacific Coast Regional FDC Staffing Information

Table 19: SAFE-BIDCO FDC Staffing Information

Table 20: Valley Regional FDC Staffing Information

Funding Adequacy: Current Conditions and Opportunities to Modify the Program

This section describes the current funding adequacy of the Program based on the data provided in the previous section. It also identifies Program modifications opportunities that I-Bank may consider to increase guarantee activity and available funding.

⁷ The loan was issued pursuant to the Budget Act of FY 2002-03.

Current Conditions

The Program continues to serve California's small business community despite a variety of challenges. As discussed earlier, funding for state overhead and FDC administration has consistently declined over the past three years. To compensate, FDCs rely on a variety of other funding sources, including guarantee fees, loan packaging fees, and other FDC funds, to cover the costs of Program administration. FDC Program administration costs include staffing and overhead to process guarantees, provide technical assistance counseling, and host classes for small business owners.

In terms of loan activity, the Program's performance has been static. A variety of factors attribute to the Program's lack of growth since the economic recovery. Key issues affecting the Program are described below.

- Lack of automation – The Program does not have an automated system for guarantee processing. As a result, FDC staff must undertake additional effort to underwrite, originate, and service loan guarantees. Other programs, such as the SBA 7(a) program, are automated and thus faster and more efficient to administer and service.
- Competition from federal programs – As a collection guarantee, the Program provides protection to lenders against loan delinquencies after the collection process is completed. Payment guarantees provide lenders with greater default protection.
- Lack of centralization of guarantee authority and standardization of administration – Each FDC makes its own determination regarding the approval of a new loan guarantee. In addition, each FDC has their own underwriting criteria. This accounts for significant differences in the administration of the Program across FDCs.

Opportunities for Modification

In response to the issues described above, I-Bank is considering opportunities to reduce cost, improve competitiveness, and increase revenue for the Program. Each of these opportunities is in the exploratory phase. To date, GO-Biz and I-Bank leadership have engaged the FDCs in multiple meetings to consider programmatic changes. In addition, I-Bank leadership is meeting with consultants to explore current software and online products for automation. Specific options under consideration are below.

- Consolidation of the total number of state FDCs. Consolidation would provide more adequate funding for the remaining FDCs. Any future consolidation plan would ensure adequate statewide coverage of FDCs.
- Centralization of guarantee authority. To reduce FDC administrative costs, I-Bank is evaluating the option of centralizing guarantee authority within the I-Bank's Small Business Finance Center, which was established as part of AB 1247. Under this option, underwriting would occur through automation or by Small Business Finance Center staff. This would enable the FDCs to focus their efforts on marketing and technical assistance for the Program and would lead to more standardization across the Program.
- Introduction of performance-based contracts. Until FY 2009/10, the contract between the state and each FDC included fee funding based on loan guarantee activity. The current contract only provides

a fixed fee from the state to each FDC. I-Bank is exploring the option of re-introducing performance-based contracts that provide variable fee revenue to FDCs based on the following criteria:

- Volume of loans
- Default rate
- Credit quality of loan guarantees
- FDC compliance with I-Bank Directives and Requirements and SSBCI federal reporting requirements.

This option could increase FDC fee revenue for the Program and reduce the state's costs associated with default guarantee payouts.

Table 1
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Annual Funding and Guarantee Activity as of June 2003/04

FY 2003/04
Reporting

| ACTIVITY | SUMMARY | CAL CAPITAL Sacramento | CAL COASTAL Salinas | CAL SOUTHERN San Diego | HANCOCK Los Angeles | INLAND EMPIRE Ontario | NOR- CAL Oakland | ORANGE COUNTY Santa Ana | PACIFIC COAST Los Angeles | SAFE- BIDCO Santa Rosa | SAN FERNANDO VALLEY Pacoima | VALLEY Fresno |
|--|---|------------------------------|---------------------------|------------------------------|------------------------|-----------------------------|------------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------------|------------------|
| Annual Funding Data | | | | | | | | | | | | |
| <i>State Funding</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | 2,068,560 | 206,455 | 315,865 | 175,726 | 302,750 | 63,962 | 79,433 | 72,625 | 482,969 | 29,750 | 71,525 | 267,500 |
| Funds Used for Backing Loan Guarantees | 39,235,372 | 4,157,882 | 5,719,969 | 4,290,865 | 4,165,695 | 2,085,527 | 4,388,118 | 2,059,987 | 3,588,638 | 1,013,985 | 2,078,292 | 5,686,414 |
| Funding for Admin. - FDCs | 2,677,478 | 243,477 | 243,477 | 243,477 | 243,477 | 243,477 | 243,476 | 242,709 | 243,477 | 243,477 | 243,477 | 243,477 |
| Funding for Admin. - State Overhead [1] | Not Available | - | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | (1,353,502) | (75,944) | (462,829) | (247,732) | (75,637) | (93,283) | (124,820) | 0 | (73,938) | 0 | 0 | (199,319) |
| Less Recovery | 415,718 | 42,890 | 161,886 | 17,176 | 0 | 0 | 0 | 0 | 193,766 | 0 | 0 | 0 |
| Net Payments of Defaulted Guarantees | (937,784) | (33,054) | (300,943) | (230,556) | (75,637) | (93,283) | (124,820) | 0 | 119,828 | 0 | 0 | (199,319) |
| <i>Federal Funding (SSBCI)</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | | |
| Funds Used for Backing Loan Guarantees | | | | | | | | | | | | |
| Funding for Admin. - FDCs | | | | | | | | | | | | |
| Funding for Admin. - State Overhead | | | | | | | | | | | | |
| Payments of Defaulted Guarantees | | | | | | | | | | | | |
| Less Recovery | | | | | | | | | | | | |
| Net Payments of Defaulted Guarantees | | | | | | | | | | | | |
| <i>Other Funding</i> | | | | | | | | | | | | |
| Funding to Back Loan Guarantees [2] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan Guarantee Fees | 965,067 | 115,387 | 163,700 | 156,855 | 37,261 | 57,512 | 104,532 | 17,738 | 78,865 | 28,558 | [3] | 204,658 |
| Loan Packaging Fees | 90,267 | 0 | 17,335 | 0 | 7,500 | 5,750 | 56,432 | 3,250 | 0 | 0 | [3] | 0 |
| Other Fees | 147,438 | 0 | 0 | 0 | 0 | 64,250 | 8,765 | 0 | 0 | 0 | [3] | 74,423 |
| Self-Funded Share of Admin. Costs | 182,653 | 0 | 0 | 0 | 0 | 0 | 132,653 | 50,000 | 0 | 0 | [3] | 0 |
| Annual Loan Guarantee Activity | | | | | | | | | | | | |
| <i>SBLGP Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | 769 | 86 | 82 | 79 | 90 | 23 | 35 | 29 | 221 | 10 | 30 | 84 |
| Total Amount (\$) Guaranteed | 56,332,521 | 4,302,143 | 8,540,245 | 7,805,952 | 2,822,675 | 2,912,924 | 3,832,899 | 3,780,000 | 6,240,620 | 1,467,389 | 3,440,710 | 11,186,964 |
| Average Guarantee Size (\$) | 73,254 | 50,025 | 104,149 | 98,810 | 31,363 | 126,649 | 109,511 | 130,345 | 28,238 | 146,739 | 114,690 | 133,178 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | 20 | 10 | 73 | 15 | 5 | 17 | 21 | 50 | 8 | 5 | 23 | 22 |
| <i>SSBCI Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | Not Applicable - The program was not active during this fiscal year. The SSBCI program started in 10/11. The first contract was dated 2/17/11 and disbursements began in 11/12. | | | | | | | | | | | |
| Total Amount (\$) Guaranteed | | | | | | | | | | | | |
| Average Guarantee Size (\$) | | | | | | | | | | | | |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | |
| [1] Includes staffing costs (salaries and benefits) and operating expenses and equipment. These costs are reported as one total amount. | | | | | | | | | | | | |
| [2] Includes private funds contributed by certain FDCs pursuant to memorandum of understanding. Hancock and Pacific Coast Regional FDCs used private funding in certain years. | | | | | | | | | | | | |
| [3] San Fernando Valley FDC did not submit data for this report. | | | | | | | | | | | | |

Table 2
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Annual Funding and Guarantee Activity as of June 2004/05

FY 2004/05
Reporting

| ACTIVITY | SUMMARY | CAL CAPITAL Sacramento | CAL COASTAL Salinas | CAL SOUTHERN San Diego | HANCOCK Los Angeles | INLAND EMPIRE Ontario | NOR- CAL Oakland | ORANGE COUNTY Santa Ana | PACIFIC COAST Los Angeles | SAFE- BIDCO Santa Rosa | SAN FERNANDO VALLEY Pacoima | VALLEY VALLEY Fresno |
|--|---|------------------------------|---------------------------|------------------------------|------------------------|-----------------------------|------------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------------|----------------------------|
| Annual Funding Data | | | | | | | | | | | | |
| <i>State Funding</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | 3,086,201 | 441,750 | 392,000 | 218,751 | 317,550 | 78,400 | 93,950 | 48,450 | 1,016,550 | 22,200 | 134,100 | 322,500 |
| Funds Used for Backing Loan Guarantees | 38,476,422 | 3,875,537 | 5,574,672 | 4,151,784 | 3,935,640 | 1,979,614 | 4,370,191 | 2,054,258 | 3,849,660 | 1,026,198 | 2,072,032 | 5,586,835 |
| Funding for Admin. - FDCs | 1,414,853 | 124,597 | 125,000 | 125,000 | 120,089 | 175,000 | 111,834 | 175,000 | 125,000 | 33,333 | 175,000 | 125,000 |
| Funding for Admin. - State Overhead [1] | 385,249 | - | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | (352,033) | (7,395) | (28,228) | (18,503) | (46,071) | (66,227) | (108,210) | 0 | (28,499) | (48,903) | 0 | 0 |
| Less Recovery | 454,965 | 105,832 | 118,666 | 8,748 | 84,140 | 0 | 30,000 | 0 | 107,579 | 0 | 0 | 0 |
| Net Payments of Defaulted Guarantees | 102,931 | 98,437 | 90,439 | (9,755) | 38,069 | (66,227) | (78,210) | 0 | 79,080 | (48,903) | 0 | 0 |
| <i>Federal Funding (SSBCI)</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | | |
| Funds Used for Backing Loan Guarantees | | | | | | | | | | | | |
| Funding for Admin. - FDCs | | | | | | | | | | | | |
| Funding for Admin. - State Overhead | | | | | | | | | | | | |
| Payments of Defaulted Guarantees | | | | | | | | | | | | |
| Less Recovery | | | | | | | | | | | | |
| Net Payments of Defaulted Guarantees | | | | | | | | | | | | |
| <i>Other Funding</i> | | | | | | | | | | | | |
| Funding to Back Loan Guarantees [2] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan Guarantee Fees | 1,003,695 | 97,725 | 195,495 | 203,766 | 31,634 | 63,154 | 95,950 | 17,638 | 68,018 | 13,869 | [3] | 216,446 |
| Loan Packaging Fees | 72,539 | 2,499 | 16,398 | 0 | 2,000 | 6,750 | 43,142 | 1,750 | 0 | 0 | [3] | 0 |
| Other Fees | 145,479 | 24,003 | 0 | 0 | 0 | 78,466 | 6,010 | 0 | 0 | 0 | [3] | 37,000 |
| Self-Funded Share of Admin. Costs | 575,301 | 0 | 0 | 0 | 66,387 | 0 | 427,850 | 0 | 0 | 81,064 | [3] | 0 |
| Annual Loan Guarantee Activity | | | | | | | | | | | | |
| <i>SBLGP Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | 1,087 | 153 | 164 | 91 | 98 | 26 | 41 | 19 | 328 | 10 | 47 | 110 |
| Total Amount (\$) Guaranteed | 69,034,733 | 5,442,937 | 11,654,221 | 9,530,582 | 3,712,845 | 3,161,708 | 3,371,519 | 2,606,897 | 13,157,537 | 1,343,436 | 4,035,215 | 11,017,837 |
| Average Guarantee Size (\$) | 63,509 | 35,575 | 71,062 | 104,732 | 37,886 | 121,604 | 82,232 | 137,205 | 40,114 | 134,344 | 85,856 | 100,162 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | 16 | 6 | 46 | 14 | 10 | 13 | 12 | 18 | 7 | 14 | 18 | 18 |
| <i>SSBCI Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | Not Applicable - The program was not active during this fiscal year. The SSBCI program started in 10/11. The first contract was dated 2/17/11 and disbursements began in 11/12. | | | | | | | | | | | |
| Total Amount (\$) Guaranteed | | | | | | | | | | | | |
| Average Guarantee Size (\$) | | | | | | | | | | | | |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | | | | | | | | | | | |

Notes

[1] Includes staffing costs (salaries and benefits) and operating expenses and equipment. These costs are reported as one total amount.

[2] Includes private funds contributed by certain FDCs pursuant to memorandum of understanding. Hancock and Pacific Coast Regional FDCs used private funding in certain years.

[3] San Fernando Valley FDC did not submit data for this report.

Table 3
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Annual Funding and Guarantee Activity as of June 2005/06

FY 2005/06
Reporting

| ACTIVITY | SUMMARY | CAL CAPITAL Sacramento | CAL COASTAL Salinas | CAL SOUTHERN San Diego | HANCOCK Los Angeles | INLAND EMPIRE Ontario | NOR-CAL Oakland | ORANGE COUNTY Santa Ana | PACIFIC COAST Los Angeles | SAFE-BIDCO Santa Rosa | SAN FERNANDO VALLEY Pacoima | VALLEY Fresno |
|--|---|---------------------------|------------------------|---------------------------|------------------------|-----------------------------|--------------------|-------------------------------|---------------------------------|--------------------------|-----------------------------------|------------------|
| Annual Funding Data | | | | | | | | | | | | |
| <i>State Funding</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | 3,127,895 | 438,049 | 401,500 | 275,827 | 450,036 | 66,750 | 200,425 | 72,500 | 789,858 | 28,700 | 89,900 | 314,350 |
| Funds Used for Backing Loan Guarantees | 38,012,210 | 4,001,594 | 5,965,895 | 4,355,566 | 3,213,083 | 2,027,115 | 3,581,759 | 2,153,820 | 3,676,282 | 1,029,375 | 2,158,961 | 5,848,760 |
| Funding for Admin. - FDCs | 1,417,892 | 124,128 | 125,000 | 123,958 | 109,865 | 175,000 | 124,965 | 175,000 | 125,000 | 36,630 | 174,388 | 123,958 |
| Funding for Admin. - State Overhead [1] | 371,978 | - | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | (358,849) | 0 | (38,020) | (32,836) | (117,675) | 0 | (11,301) | 0 | (159,017) | 0 | 0 | 0 |
| Less Recovery | 70,828 | 0 | 25,265 | 19,281 | 0 | 1,360 | 0 | 0 | 24,921 | 0 | 0 | 0 |
| Net Payments of Defaulted Guarantees | (288,021) | 0 | (12,755) | (13,554) | (117,675) | 1,360 | (11,301) | 0 | (134,096) | 0 | 0 | 0 |
| <i>Federal Funding (SSBCI)</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | | |
| Funds Used for Backing Loan Guarantees | | | | | | | | | | | | |
| Funding for Admin. - FDCs | | | | | | | | | | | | |
| Funding for Admin. - State Overhead | | | | | | | | | | | | |
| Payments of Defaulted Guarantees | | | | | | | | | | | | |
| Less Recovery | | | | | | | | | | | | |
| Net Payments of Defaulted Guarantees | | | | | | | | | | | | |
| <i>Other Funding</i> | | | | | | | | | | | | |
| Funding to Back Loan Guarantees [2] | 508,194 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 508,194 | 0 | 0 | 0 |
| Loan Guarantee Fees | 994,309 | 112,830 | 170,047 | 168,628 | 69,382 | 47,739 | 156,094 | 35,111 | 18,754 | 16,320 | [3] | 199,404 |
| Loan Packaging Fees | 85,179 | 0 | 14,025 | 0 | 0 | 5,500 | 60,054 | 5,600 | 0 | 0 | [3] | 0 |
| Other Fees | 149,956 | 38,000 | 0 | 0 | 0 | 66,750 | 5,645 | 0 | 0 | 0 | [3] | 39,561 |
| Self-Funded Share of Admin. Costs | 70,620 | 0 | 0 | 0 | 0 | 0 | 49,747 | 0 | 0 | 20,873 | [3] | 0 |
| Annual Loan Guarantee Activity | | | | | | | | | | | | |
| <i>SBLGP Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | 1,123 | 171 | 164 | 96 | 153 | 22 | 67 | 25 | 272 | 14 | 30 | 109 |
| Total Amount (\$) Guaranteed | 70,164,317 | 6,327,018 | 11,326,688 | 8,807,035 | 9,217,705 | 2,405,021 | 5,252,727 | 2,871,600 | 10,467,741 | 1,763,299 | 2,852,281 | 8,873,201 |
| Average Guarantee Size (\$) | 62,479 | 37,000 | 69,065 | 91,740 | 60,246 | 109,319 | 78,399 | 114,864 | 38,484 | 125,950 | 95,076 | 81,406 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | 16 | 8 | 49 | 15 | 10 | 9 | 10 | 27 | 6 | 16 | 14 | 16 |
| <i>SSBCI Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | Not Applicable - The program was not active during this fiscal year. The SSBCI program started in 10/11. The first contract was dated 2/17/11 and disbursements began in 11/12. | | | | | | | | | | | |
| Total Amount (\$) Guaranteed | | | | | | | | | | | | |
| Average Guarantee Size (\$) | | | | | | | | | | | | |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | |
| [1] Includes staffing costs (salaries and benefits) and operating expenses and equipment. These costs are reported as one total amount. | | | | | | | | | | | | |
| [2] Includes private funds contributed by certain FDCs pursuant to memorandum of understanding. Hancock and Pacific Coast Regional FDCs used private funding in certain years. | | | | | | | | | | | | |
| [3] San Fernando Valley FDC did not submit data for this report. | | | | | | | | | | | | |

Table 4
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Annual Funding and Guarantee Activity as of June 2006/07

FY 2006/07
Reporting

| ACTIVITY | SUMMARY | CAL CAPITAL Sacramento | CAL COASTAL Salinas | CAL SOUTHERN San Diego | HANCOCK Los Angeles | INLAND EMPIRE Ontario | NOR-CAL Oakland | ORANGE COUNTY Santa Ana | PACIFIC COAST Los Angeles | SAFE-BIDCO Santa Rosa | SAN FERNANDO VALLEY Pacoima | VALLEY VALLEY Fresno |
|---|------------|---------------------------|------------------------|---------------------------|------------------------|--------------------------|--------------------|----------------------------|------------------------------|--------------------------|--------------------------------|-------------------------|
| Annual Funding Data | | | | | | | | | | | | |
| <i>State Funding</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | 3,729,900 | 545,300 | 422,050 | 307,050 | 341,100 | 111,300 | 655,250 | 89,900 | 738,000 | 52,800 | 104,100 | 363,050 |
| Funds Used for Backing Loan Guarantees | 38,176,188 | 4,064,637 | 6,244,221 | 4,441,931 | 2,244,019 | 2,070,847 | 3,485,993 | 2,174,329 | 4,183,005 | 1,080,778 | 2,185,263 | 6,001,164 |
| Funding for Admin. - FDCs | 1,446,269 | 124,358 | 125,000 | 125,000 | 123,911 | 175,000 | 124,153 | 175,000 | 125,000 | 49,583 | 174,264 | 125,000 |
| Funding for Admin. - State Overhead [1] | 330,288 | - | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | (732,849) | (60,727) | (45,805) | (48,091) | (22,102) | (95,191) | (9,950) | 0 | (331,449) | 0 | 0 | (119,535) |
| Less Recovery | 176,153 | 4,122 | 0 | 12,219 | 83,370 | 0 | 0 | 0 | 76,443 | 0 | 0 | 0 |
| Net Payments of Defaulted Guarantees | (556,696) | (56,605) | (45,805) | (35,872) | 61,268 | (95,191) | (9,950) | 0 | (255,006) | 0 | 0 | (119,535) |
| <i>Federal Funding (SSBCI)</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | | | | | | | | | | | | |
| Funds Used for Backing Loan Guarantees | | | | | | | | | | | | |
| Funding for Admin. - FDCs | | | | | | | | | | | | |
| Funding for Admin. - State Overhead | | | | | | | | | | | | |
| Payments of Defaulted Guarantees | | | | | | | | | | | | |
| Less Recovery | | | | | | | | | | | | |
| Net Payments of Defaulted Guarantees | | | | | | | | | | | | |
| Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | | | |
| <i>Other Funding</i> | | | | | | | | | | | | |
| Funding to Back Loan Guarantees [2] | 927,946 | 0 | 0 | 0 | 407,292 | 0 | 0 | 0 | 520,654 | 0 | 0 | 0 |
| Loan Guarantee Fees | 1,459,874 | 66,184 | 228,219 | 157,376 | 48,719 | 74,735 | 605,250 | 39,770 | 27,160 | 27,897 | [3] | 184,565 |
| Loan Packaging Fees | 117,635 | 4,826 | 18,406 | 0 | 0 | 9,250 | 78,388 | 6,765 | 0 | 0 | [3] | 0 |
| Other Fees | 187,514 | 28,000 | 0 | 0 | 0 | 111,300 | 17,224 | 0 | 0 | 0 | [3] | 30,990 |
| Self-Funded Share of Admin. Costs | 500,700 | 0 | 0 | 0 | 250,557 | 0 | 187,423 | 54,500 | 0 | 8,220 | [3] | 0 |
| Annual Loan Guarantee Activity | | | | | | | | | | | | |
| <i>SBLGP Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | 1,316 | 210 | 170 | 106 | 110 | 37 | 213 | 30 | 251 | 18 | 38 | 133 |
| Total Amount (\$) Guaranteed | 76,277,461 | 5,293,836 | 13,588,548 | 9,644,790 | 5,765,610 | 4,462,508 | 7,919,536 | 3,081,793 | 10,220,666 | 2,209,500 | 4,518,943 | 9,571,731 |
| Average Guarantee Size (\$) | 57,962 | 25,209 | 79,933 | 90,989 | 52,415 | 120,608 | 37,181 | 102,726 | 40,720 | 122,750 | 118,920 | 71,968 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | 13 | 7 | 43 | 10 | 11 | 11 | 4 | 20 | 6 | 11 | 16 | 11 |
| <i>SSBCI Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | | | | | | | | | | | | |
| Total Amount (\$) Guaranteed | | | | | | | | | | | | |
| Average Guarantee Size (\$) | | | | | | | | | | | | |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | | | | | | | | | | | |
| Not Applicable - The program was not active during this fiscal year. The SSBCI program started in 10/11. The first contract was dated 2/17/11 and disbursements began in 11/12. | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | |
| [1] Includes staffing costs (salaries and benefits) and operating expenses and equipment. These costs are reported as one total amount. | | | | | | | | | | | | |
| [2] Includes private funds contributed by certain FDCs pursuant to memorandum of understanding. Hancock and Pacific Coast Regional FDCs used private funding in certain years. | | | | | | | | | | | | |
| [3] San Fernando Valley FDC did not submit data for this report. | | | | | | | | | | | | |

Table 5
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Annual Funding and Guarantee Activity as of June 2007/08

FY 2007/08
Reporting

| ACTIVITY | SUMMARY | CAL CAPITAL Sacramento | CAL COASTAL Salinas | CAL SOUTHERN San Diego | HANCOCK Los Angeles | INLAND EMPIRE Ontario | NOR-CAL Oakland | ORANGE COUNTY Santa Ana | PACIFIC COAST Los Angeles | SAFE-BIDCO Santa Rosa | SAN FERNANDO VALLEY Pacoima | VALLEY Fresno |
|--|---|---------------------------|------------------------|---------------------------|------------------------|--------------------------|--------------------|----------------------------|------------------------------|--------------------------|--------------------------------|------------------|
| Annual Funding Data | | | | | | | | | | | | |
| <i>State Funding</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | 3,875,600 | 654,800 | 507,350 | 482,700 | 408,250 | 109,000 | 607,300 | 109,250 | 461,550 | 42,500 | 107,900 | 385,000 |
| Funds Used for Backing Loan Guarantees | 39,240,590 | 4,151,642 | 6,524,295 | 4,514,877 | 2,771,724 | 2,017,209 | 3,574,317 | 2,225,224 | 4,076,358 | 1,096,840 | 2,221,805 | 6,066,300 |
| Funding for Admin. - FDCs | 2,034,182 | 197,090 | 198,333 | 198,333 | 197,632 | 200,000 | 198,213 | 198,332 | 200,000 | 49,583 | 198,333 | 198,333 |
| Funding for Admin. - State Overhead [1] | 347,047 | - | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | (1,467,499) | (86,503) | (230,719) | (112,553) | (178,056) | (30,222) | (50,295) | 0 | (516,946) | 0 | (128,519) | (133,687) |
| Less Recovery | 53,962 | 14,660 | 6,566 | 0 | 0 | 0 | 0 | 0 | 1,333 | 0 | 0 | 31,403 |
| Net Payments of Defaulted Guarantees | (1,413,536) | (71,843) | (224,153) | (112,553) | (178,056) | (30,222) | (50,295) | 0 | (515,613) | 0 | (128,519) | (102,283) |
| <i>Federal Funding (SSBCI)</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | | |
| Funds Used for Backing Loan Guarantees | | | | | | | | | | | | |
| Funding for Admin. - FDCs | | | | | | | | | | | | |
| Funding for Admin. - State Overhead | | | | | | | | | | | | |
| Payments of Defaulted Guarantees | | | | | | | | | | | | |
| Less Recovery | | | | | | | | | | | | |
| Net Payments of Defaulted Guarantees | | | | | | | | | | | | |
| <i>Other Funding</i> | | | | | | | | | | | | |
| Funding to Back Loan Guarantees [2] | 912,802 | 0 | 0 | 0 | 419,726 | 0 | 0 | 0 | 493,076 | 0 | 0 | 0 |
| Loan Guarantee Fees | 1,589,546 | 59,683 | 237,465 | 156,151 | 44,817 | 72,232 | 607,300 | 36,077 | 25,366 | 37,812 | [3] | 312,643 |
| Loan Packaging Fees | 124,595 | 6,000 | 22,363 | 0 | 0 | 8,750 | 80,007 | 7,475 | 0 | 0 | [3] | 0 |
| Other Fees | 160,465 | 32,000 | 0 | 0 | 0 | 109,000 | 5,512 | 1,225 | 0 | 0 | [3] | 12,728 |
| Self-Funded Share of Admin. Costs | 526,873 | 0 | 0 | 135,419 | 83,835 | 0 | 223,012 | 63,500 | 0 | 21,107 | [3] | 0 |
| Annual Loan Guarantee Activity | | | | | | | | | | | | |
| <i>SBLGP Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | 1,357 | 251 | 200 | 159 | 131 | 35 | 197 | 38 | 156 | 16 | 37 | 137 |
| Total Amount (\$) Guaranteed | 76,276,200 | 6,161,495 | 14,525,650 | 9,460,549 | 5,071,461 | 4,216,971 | 5,734,324 | 3,946,616 | 6,986,447 | 2,346,550 | 4,855,801 | 12,970,336 |
| Average Guarantee Size (\$) | 56,209 | 24,548 | 72,628 | 59,500 | 38,713 | 120,485 | 29,108 | 103,858 | 44,785 | 146,659 | 131,238 | 94,674 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | 12 | 6 | 34 | 7 | 5 | 12 | 6 | 19 | 7 | 29 | 20 | 12 |
| <i>SSBCI Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | Not Applicable - The program was not active during this fiscal year. The SSBCI program started in 10/11. The first contract was dated 2/17/11 and disbursements began in 11/12. | | | | | | | | | | | |
| Total Amount (\$) Guaranteed | | | | | | | | | | | | |
| Average Guarantee Size (\$) | | | | | | | | | | | | |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | |
| [1] Includes staffing costs (salaries and benefits) and operating expenses and equipment. These costs are reported as one total amount. | | | | | | | | | | | | |
| [2] Includes private funds contributed by certain FDCs pursuant to memorandum of understanding. Hancock and Pacific Coast Regional FDCs used private funding in certain years. | | | | | | | | | | | | |
| [3] San Fernando Valley FDC did not submit data for this report. | | | | | | | | | | | | |

Table 6
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Annual Funding and Guarantee Activity as of June 2008/09

FY 2008/09
Reporting

| ACTIVITY | SUMMARY | CAL CAPITAL Sacramento | CAL COASTAL Salinas | CAL SOUTHERN San Diego | HANCOCK Los Angeles | INLAND EMPIRE Ontario | NOR- CAL Oakland | ORANGE COUNTY Santa Ana | PACIFIC COAST Los Angeles | SAFE- BIDCO Santa Rosa | SAN FERNANDO VALLEY Pacoima | VALLEY VALLEY Fresno |
|--|---|------------------------------|---------------------------|------------------------------|------------------------|-----------------------------|------------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------------|----------------------------|
| Annual Funding Data | | | | | | | | | | | | |
| <i>State Funding</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | 2,837,750 | 519,600 | 341,750 | 524,000 | 171,000 | 77,850 | 528,300 | 76,750 | 131,150 | 31,400 | 73,500 | 362,450 |
| Funds Used for Backing Loan Guarantees | 37,603,295 | 3,981,633 | 6,216,974 | 4,297,479 | 2,686,858 | 1,959,673 | 3,442,889 | 2,166,762 | 3,729,045 | 1,079,395 | 2,050,579 | 5,992,007 |
| Funding for Admin. - FDCs | 2,050,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 50,000 | 200,000 | 200,000 |
| Funding for Admin. - State Overhead [1] | 634,595 | - | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | (4,632,779) | (493,364) | (989,921) | (611,942) | (327,161) | (77,080) | (552,327) | (132,918) | (756,925) | (158,745) | (112,861) | (419,534) |
| Less Recovery | 70,793 | 16,896 | 28,706 | 24,591 | 0 | 0 | 0 | 0 | 0 | 0 | 600 | 0 |
| Net Payments of Defaulted Guarantees | (4,561,986) | (476,468) | (961,215) | (587,351) | (327,161) | (77,080) | (552,327) | (132,918) | (756,925) | (158,745) | (112,261) | (419,534) |
| <i>Federal Funding (SSBCI)</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | | |
| Funds Used for Backing Loan Guarantees | | | | | | | | | | | | |
| Funding for Admin. - FDCs | | | | | | | | | | | | |
| Funding for Admin. - State Overhead | | | | | | | | | | | | |
| Payments of Defaulted Guarantees | | | | | | | | | | | | |
| Less Recovery | | | | | | | | | | | | |
| Net Payments of Defaulted Guarantees | | | | | | | | | | | | |
| <i>Other Funding</i> | | | | | | | | | | | | |
| Funding to Back Loan Guarantees [2] | 668,409 | 0 | 0 | 0 | 298,466 | 0 | 0 | 0 | 369,943 | 0 | 0 | 0 |
| Loan Guarantee Fees | 1,053,601 | 34,204 | 113,712 | 68,062 | 20,990 | 44,643 | 528,850 | 31,879 | 16,213 | 17,618 | [3] | 177,430 |
| Loan Packaging Fees | 71,046 | 4,000 | 10,160 | 0 | 0 | 7,500 | 43,091 | 6,295 | 0 | 0 | [3] | 0 |
| Other Fees | 120,995 | 30,000 | 0 | 0 | 0 | 70,950 | 6,745 | 0 | 0 | 0 | [3] | 13,300 |
| Self-Funded Share of Admin. Costs | 947,955 | 0 | 80,850 | 38,627 | 328,396 | 47,058 | 43,091 | 50,000 | 97,618 | 36,608 | [3] | 225,707 |
| Annual Loan Guarantee Activity | | | | | | | | | | | | |
| <i>SBLGP Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | 1,035 | 217 | 137 | 171 | 57 | 27 | 176 | 28 | 52 | 12 | 27 | 131 |
| Total Amount (\$) Guaranteed | 44,798,889 | 4,921,190 | 9,253,725 | 4,474,159 | 1,895,109 | 3,729,493 | 3,614,846 | 2,712,462 | 1,716,330 | 902,869 | 1,781,485 | 9,797,221 |
| Average Guarantee Size (\$) | 43,284 | 22,678 | 67,545 | 26,165 | 33,248 | 138,129 | 20,539 | 96,874 | 33,006 | 75,239 | 65,981 | 74,788 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | 13 | 7 | 52 | 5 | 4 | 10 | 4 | 13 | 7 | 7 | 15 | 11 |
| <i>SSBCI Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | Not Applicable - The program was not active during this fiscal year. The SSBCI program started in 10/11. The first contract was dated 2/17/11 and disbursements began in 11/12. | | | | | | | | | | | |
| Total Amount (\$) Guaranteed | | | | | | | | | | | | |
| Average Guarantee Size (\$) | | | | | | | | | | | | |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | | | | | | | | | | | |
| Notes | | | | | | | | | | | | |
| [1] Includes staffing costs (salaries and benefits) and operating expenses and equipment. These costs are reported as one total amount. | | | | | | | | | | | | |
| [2] Includes private funds contributed by certain FDCs pursuant to memorandum of understanding. Hancock and Pacific Coast Regional FDCs used private funding in certain years. | | | | | | | | | | | | |
| [3] San Fernando Valley FDC did not submit data for this report. | | | | | | | | | | | | |

Table 7
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Annual Funding and Guarantee Activity as of June 2009/10

FY 2009/10
Reporting

| ACTIVITY | SUMMARY | CAL CAPITAL Sacramento | CAL COASTAL Salinas | CAL SOUTHERN San Diego | HANCOCK Los Angeles | INLAND EMPIRE Ontario | NOR- CAL Oakland | ORANGE COUNTY Santa Ana | PACIFIC COAST Los Angeles | SAFE- BIDCO Santa Rosa | SAN FERNANDO VALLEY Pacoima | VALLEY VALLEY Fresno |
|----------|---------|------------------------------|---------------------------|------------------------------|------------------------|-----------------------------|------------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------------|----------------------------|
|----------|---------|------------------------------|---------------------------|------------------------------|------------------------|-----------------------------|------------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------------|----------------------------|

Annual Funding Data

State Funding

| | | | | | | | | | | | | | |
|--|-----|-------------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|-----------|
| Fees and Charges from FDCs | [1] | - | - | - | - | - | - | - | - | - | - | - | |
| Funds Used for Backing Loan Guarantees | | 33,780,385 | 3,473,200 | 5,933,514 | 3,666,569 | 2,368,613 | 1,864,967 | 2,883,029 | 2,018,760 | 3,311,429 | 899,549 | 1,960,838 | 5,399,917 |
| Funding for Admin. - FDCs | | 2,273,385 | 257,833 | 241,236 | 247,917 | 248,149 | 150,000 | 247,917 | 148,750 | 250,000 | 75,000 | 148,750 | 257,833 |
| Funding for Admin. - State Overhead | [2] | 271,985 | - | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | | (4,578,303) | (733,366) | (1,139,688) | (351,988) | (239,707) | (475,444) | (281,900) | (61,361) | (706,674) | 0 | (221,077) | (367,098) |
| Less Recovery | | 28,842 | 15,704 | 7,081 | 1,625 | 0 | 4,433 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Payments of Defaulted Guarantees | | (4,549,461) | (717,662) | (1,132,607) | (350,363) | (239,707) | (471,011) | (281,900) | (61,361) | (706,674) | 0 | (221,077) | (367,098) |

Federal Funding (SSBCI)

| | | | | | | | | | | | | |
|--|--|---|--|--|--|--|--|--|--|--|--|--|
| Fees and Charges from FDCs | | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | |
| Funds Used for Backing Loan Guarantees | | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | |
| Funding for Admin. - FDCs | | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | |
| Funding for Admin. - State Overhead | | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | |
| Payments of Defaulted Guarantees | | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | |
| Less Recovery | | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | |
| Net Payments of Defaulted Guarantees | | Not Applicable - The program was not active during this fiscal year. The SSBCI program started on 2/17/11 (FY 10/11). | | | | | | | | | | |

Other Funding

| | | | | | | | | | | | | | |
|-----------------------------------|-----|---------|--------|--------|--------|---------|--------|---------|--------|--------|-------|-----|---------|
| Funding to Back Loan Guarantees | [3] | 328,007 | 0 | 0 | 0 | 298,038 | 0 | 0 | 0 | 29,969 | 0 | 0 | 0 |
| Loan Guarantee Fees | | 400,684 | 2,990 | 23,224 | 22,876 | 3,650 | 33,490 | 183,189 | 8,952 | 1,750 | 4,370 | [4] | 116,193 |
| Loan Packaging Fees | | 46,766 | 5,000 | 2,575 | 0 | 0 | 3,250 | 33,691 | 2,250 | 0 | 0 | [4] | 0 |
| Other Fees | | 87,678 | 14,000 | 0 | 0 | 0 | 0 | 5,674 | 14,000 | 0 | 0 | [4] | 54,004 |
| Self-Funded Share of Admin. Costs | | 634,780 | 74,548 | 37,965 | 0 | 36,218 | 83,479 | 49,524 | 13,000 | 19,317 | 0 | [4] | 320,729 |

Annual Loan Guarantee Activity

SBLGP Activity

| | | | | | | | | | | | | | |
|--|--|------------|-----------|-----------|-----------|---------|-----------|---------|---------|---------|---------|---------|-----------|
| Number of Loan Guarantees | | 356 | 122 | 67 | 72 | 9 | 12 | 20 | 6 | 8 | 3 | 5 | 32 |
| Total Amount (\$) Guaranteed | | 13,208,920 | 2,282,886 | 3,034,709 | 1,508,666 | 289,280 | 1,099,675 | 708,120 | 641,614 | 236,543 | 393,000 | 408,000 | 2,606,428 |
| Average Guarantee Size (\$) | | 37,104 | 18,712 | 45,294 | 20,954 | 32,142 | 91,640 | 35,406 | 106,936 | 29,568 | 131,000 | 81,600 | 81,451 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | 7 | 6 | 7 | 5 | 3 | 16 | 3 | 5 | 5 | 14 | 40 | 10 |

SSBCI Activity

| | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Number of Loan Guarantees | | Not Applicable - The program was not active during this fiscal year. The SSBCI program started in 10/11. | | | | | | | | | | |
| Total Amount (\$) Guaranteed | | The first contract was dated 2/17/11 and disbursements began in 11/12. | | | | | | | | | | |
| Average Guarantee Size (\$) | | Not Applicable - The program was not active during this fiscal year. The SSBCI program started in 10/11. | | | | | | | | | | |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | Not Applicable - The program was not active during this fiscal year. The SSBCI program started in 10/11. | | | | | | | | | | |

Notes

- [1] Since FY 2009/10, the FDCs have not received variable fees from the State to administer the SBLGP program.
 [2] Includes staffing costs (salaries and benefits) and operating expenses and equipment. These costs are reported as one total amount.
 [3] Includes private funds contributed by certain FDCs pursuant to memorandum of understanding. Hancock and Pacific Coast Regional FDCs used private funding in certain years.
 [4] San Fernando Valley FDC did not submit data for this report.

Table 8
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Annual Funding and Guarantee Activity as of June 2010/11

FY 2010/11
Reporting

| ACTIVITY | SUMMARY | CAL CAPITAL Sacramento | CAL COASTAL Salinas | CAL SOUTHERN San Diego | HANCOCK Los Angeles | INLAND EMPIRE Ontario | NOR-CAL Oakland | ORANGE COUNTY Santa Ana | PACIFIC COAST Los Angeles | SAFE-BIDCO Santa Rosa | SAN FERNANDO VALLEY Pacoima | VALLEY Fresno |
|----------|---------|---------------------------|------------------------|---------------------------|------------------------|--------------------------|--------------------|----------------------------|------------------------------|--------------------------|--------------------------------|------------------|
|----------|---------|---------------------------|------------------------|---------------------------|------------------------|--------------------------|--------------------|----------------------------|------------------------------|--------------------------|--------------------------------|------------------|

Annual Funding Data

State Funding

| | | | | | | | | | | | | |
|--|-----|-------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|
| Fees and Charges from FDCs | [1] | - | - | - | - | - | - | - | - | - | - | - |
| Funds Used for Backing Loan Guarantees | | 25,925,195 | 2,489,609 | 3,362,117 | 3,050,760 | 2,097,099 | 1,275,517 | 2,375,307 | 1,832,883 | 2,298,943 | 897,639 | 4,602,635 |
| Funding for Admin. - FDCs | | 3,160,443 | 326,794 | 327,627 | 326,793 | 326,794 | 238,000 | 326,794 | 219,700 | 329,540 | 205,000 | 326,794 |
| Funding for Admin. - State Overhead | [2] | 104,442 | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | | (5,424,862) | (1,042,745) | (1,039,613) | (197,198) | (629,075) | (840,220) | (64,491) | (436,530) | (636,423) | 0 | (500,436) |
| Less Recovery | | 85,800 | 62,651 | 0 | 500 | 0 | 0 | 0 | 11,250 | 5,399 | 6,000 | 0 |
| Net Payments of Defaulted Guarantees | | (5,339,062) | (980,094) | (1,039,613) | (196,698) | (629,075) | (840,220) | (64,491) | (436,530) | (625,173) | 5,399 | (500,436) |

Federal Funding (SSBCI)

| | | | | | | | | | | | | |
|--|-----|------------|--------|---|---|-----|---|--------|--------|---|--------|---|
| Fees and Charges from FDCs | [3] | - | - | - | - | - | - | - | - | - | - | - |
| Funds Used for Backing Loan Guarantees | [4] | 26,431,783 | - | - | - | - | - | - | - | - | - | - |
| Funding for Admin. - FDCs | | 111,050 | 19,361 | 0 | 0 | 552 | 0 | 19,511 | 24,854 | 0 | 46,772 | 0 |
| Funding for Admin. - State Overhead | [2] | 0 | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less Recovery | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Payments of Defaulted Guarantees | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Other Funding

| | | | | | | | | | | | | |
|-----------------------------------|-----|---------|--------|-------|--------|---------|-------|---------|--------|--------|--------|-------------|
| Funding to Back Loan Guarantees | [5] | 257,589 | 0 | 0 | 0 | 257,589 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan Guarantee Fees | | 504,060 | 19,571 | 1,916 | 37,630 | 0 | 7,075 | 219,111 | 32,279 | 3,570 | 12,850 | [6] 170,059 |
| Loan Packaging Fees | | 28,622 | 4,000 | 1,375 | 0 | 0 | 8,507 | 13,240 | 1,500 | 0 | 0 | [6] 0 |
| Other Fees | | 76,755 | 14,000 | 0 | 0 | 0 | 0 | 8,255 | 500 | 0 | 0 | [6] 54,000 |
| Self-Funded Share of Admin. Costs | | 294,603 | 5,664 | 0 | 0 | 0 | 0 | 72,346 | 11,500 | 37,897 | 66,919 | [6] 100,277 |

Annual Loan Guarantee Activity

SBLGP Activity

| | | | | | | | | | | | | | |
|--|--|------------|-----------|-----------|-----------|---|---------|-----------|--------|--------|---|---------|-----------|
| Number of Loan Guarantees | | 353 | 99 | 44 | 93 | 0 | 6 | 73 | 1 | 1 | 0 | 7 | 29 |
| Total Amount (\$) Guaranteed | | 10,258,868 | 1,991,376 | 1,570,439 | 1,755,900 | 0 | 188,092 | 1,053,781 | 32,500 | 45,000 | 0 | 629,921 | 2,991,859 |
| Average Guarantee Size (\$) | | 29,062 | 20,115 | 35,692 | 18,881 | 0 | 31,349 | 14,435 | 32,500 | 45,000 | 0 | 89,989 | 103,168 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | 15 | 6 | 70 | 7 | 0 | 13 | 5 | 7 | 12 | 0 | 20 | 18 |

SSBCI Activity

| | | | | | | | | | | | | | |
|--|--|-----------|---------|---|---------|---|--------|---|-----------|---|---------|--------|---------|
| Number of Loan Guarantees | | 19 | 6 | 0 | 3 | 0 | 2 | 0 | 4 | 0 | 1 | 1 | 2 |
| Total Amount (\$) Guaranteed | | 3,512,800 | 556,300 | 0 | 136,300 | 0 | 42,500 | 0 | 1,797,700 | 0 | 630,000 | 90,000 | 260,000 |
| Average Guarantee Size (\$) | | 1,458,825 | 92,717 | 0 | 45,433 | 0 | 21,250 | 0 | 449,425 | 0 | 630,000 | 90,000 | 130,000 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | 90 | 20 | 0 | 3 | 0 | 3 | 0 | 18 | 0 | 23 | 21 | 2 |

Notes

- [1] Since FY 2009/10, the FDCs have not received variable fees from the State to administer the SBLGP program.
 [2] Includes staffing costs (salaries and benefits) and operating expenses and equipment. These costs are reported as one total amount.
 [3] FDCs do not receive variable fees from the Federal government to administer the SSBCI program.
 [4] The funds used for backing SSBCI loan guarantees are provided as one pooled amount. This funding is not allocated to each FDC.
 [5] Includes private funds contributed by certain FDCs pursuant to memorandum of understanding. Hancock and Pacific Coast Regional FDCs used private funding in certain years.
 [6] San Fernando Valley FDC did not submit data for this report.

Table 9
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Annual Funding and Guarantee Activity as of June 2011/12

FY 2011/12
Reporting

| ACTIVITY | SUMMARY | CAL CAPITAL Sacramento | CAL COASTAL Salinas | CAL SOUTHERN San Diego | HANCOCK Los Angeles | INLAND EMPIRE Ontario | NOR-CAL Oakland | ORANGE COUNTY Santa Ana | PACIFIC COAST Los Angeles | SAFE-BIDCO Santa Rosa | SAN FERNANDO VALLEY Pacoima | VALLEY Fresno |
|--|---------|---------------------------|------------------------|---------------------------|------------------------|--------------------------|--------------------|----------------------------|------------------------------|--------------------------|--------------------------------|------------------|
| Annual Funding Data | | | | | | | | | | | | |
| <i>State Funding</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | [1] | - | - | - | - | - | - | - | - | - | - | - |
| Funds Used for Backing Loan Guarantees | | 38,175,262 | 3,405,329 | 4,614,814 | 4,399,206 | 2,901,374 | 2,099,577 | 3,782,478 | 2,662,655 | 3,536,270 | 2,086,636 | 5,659,760 |
| Funding for Admin. - FDCs | | 1,197,103 | 117,737 | 117,737 | 117,737 | 116,756 | 81,968 | 116,756 | 99,575 | 116,756 | 81,968 | 116,756 |
| Funding for Admin. - State Overhead | [2] | 94,413 | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | | (3,610,672) | (157,894) | (1,074,521) | (198,257) | (248,907) | (323,896) | (516,420) | (57,266) | (517,365) | (45,445) | (284,186) |
| Less Recovery | | 118,893 | 101,015 | 0 | 0 | 0 | 1,600 | 0 | 0 | 16,278 | 0 | 0 |
| Net Payments of Defaulted Guarantees | | (3,491,779) | (56,879) | (1,074,521) | (198,257) | (248,907) | (322,296) | (516,420) | (57,266) | (501,087) | (45,445) | (284,186) |
| <i>Federal Funding (SSBCI)</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | [3] | - | - | - | - | - | - | - | - | - | - | - |
| Funds Used for Backing Loan Guarantees | [4] | 26,431,783 | - | - | - | - | - | - | - | - | - | - |
| Funding for Admin. - FDCs | | 930,089 | 87,911 | 107,272 | 107,272 | 69,913 | 107,271 | 78,570 | 82,418 | 53,636 | 60,500 | 107,272 |
| Funding for Admin. - State Overhead | [2] | 36,793 | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less Recovery | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Payments of Defaulted Guarantees | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Other Funding</i> | | | | | | | | | | | | |
| Funding to Back Loan Guarantees | [5] | 256,926 | 0 | 0 | 0 | 256,926 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan Guarantee Fees | | 958,904 | 40,354 | 38,853 | 95,978 | 105,823 | 30,190 | 130,638 | 163,304 | 51,382 | 86,390 | [6] 215,992 |
| Loan Packaging Fees | | 26,803 | 2,000 | 5,250 | 0 | 0 | 5,000 | 8,303 | 6,250 | 0 | 0 | [6] 0 |
| Other Fees | | 30,842 | 13,997 | 0 | 0 | 0 | 0 | 6,050 | 0 | 0 | 0 | [6] 10,795 |
| Self-Funded Share of Admin. Costs | | 775,628 | 124,613 | 119,495 | 0 | 8,574 | 29,322 | 85,162 | 14,720 | 191,642 | 64,135 | [6] 137,965 |
| Annual Loan Guarantee Activity | | | | | | | | | | | | |
| <i>SBLGP Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | | 178 | 88 | 2 | 1 | 0 | 4 | 72 | 2 | 0 | 2 | 5 |
| Total Amount (\$) Guaranteed | | 5,652,022 | 1,730,510 | 312,254 | 200,000 | 0 | 430,576 | 910,332 | 517,500 | 0 | 800,000 | 432,250 |
| Average Guarantee Size (\$) | | 31,753 | 19,665 | 156,127 | 200,000 | 0 | 107,644 | 12,644 | 258,750 | 0 | 400,000 | 86,450 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | 7 | 5 | 8 | 46 | 0 | 18 | 6 | 17 | 0 | 9 | 16 |
| <i>SSBCI Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | | 205 | 8 | 16 | 25 | 33 | 11 | 15 | 26 | 7 | 15 | 14 |
| Total Amount (\$) Guaranteed | | 36,607,037 | 1,616,208 | 1,709,265 | 3,012,415 | 3,995,500 | 884,303 | 2,802,429 | 8,035,200 | 2,461,600 | 4,119,500 | 975,500 |
| Average Guarantee Size (\$) | | 2,022,523 | 202,026 | 106,829 | 120,497 | 121,076 | 80,391 | 186,829 | 309,046 | 351,657 | 274,633 | 69,679 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | 367 | 30 | 6 | 11 | 11 | 10 | 10 | 109 | 109 | 28 | 35 |

Notes

- [1] Since FY 2009/10, the FDCs have not received variable fees from the State to administer the SBLGP program.
- [2] Includes staffing costs (salaries and benefits) and operating expenses and equipment. These costs are reported as one total amount.
- [3] FDCs do not receive variable fees from the Federal government to administer the SSBCI program.
- [4] The funds used for backing SSBCI loan guarantees are provided as one pooled amount. This funding is not allocated to each FDC.
- [5] Includes private funds contributed by certain FDCs pursuant to memorandum of understanding. Hancock and Pacific Coast Regional FDCs used private funding in certain years.
- [6] San Fernando Valley FDC did not submit data for this report.

Table 10
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Annual Funding and Guarantee Activity as of June 2012/13

FY 2012/13
Reporting

| ACTIVITY | SUMMARY | CAL CAPITAL Sacramento | CAL COASTAL Salinas | CAL SOUTHERN San Diego | HANCOCK Los Angeles | INLAND EMPIRE Ontario | NOR- CAL Oakland | ORANGE COUNTY Santa Ana | PACIFIC COAST Los Angeles | SAFE- BIDCO Santa Rosa | SAN FERNANDO VALLEY Pacoima | VALLEY Fresno |
|--|---------|------------------------------|---------------------------|------------------------------|------------------------|-----------------------------|------------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------------|------------------|
| Annual Funding Data | | | | | | | | | | | | |
| <i>State Funding</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | [1] | - | - | - | - | - | - | - | - | - | - | - |
| Funds Used for Backing Loan Guarantees | | 34,788,844 | 3,353,749 | 3,547,445 | 4,193,424 | 2,688,191 | 1,780,624 | 3,253,967 | 2,622,511 | 3,028,878 | 2,053,882 | 5,414,334 |
| Funding for Admin. - FDCs | | 1,237,347 | 125,577 | 125,577 | 125,577 | 125,577 | 89,577 | 125,577 | 89,577 | 125,577 | 89,577 | 125,577 |
| Funding for Admin. - State Overhead | [2] | 118,230 | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | | (2,272,678) | (195,193) | (420,621) | (370,435) | (209,956) | (139,636) | (496,740) | 0 | (132,542) | 0 | (307,557) |
| Less Recovery | | 137,270 | 8,793 | 114,255 | 0 | 2,853 | 4,556 | 0 | 0 | 6,813 | 0 | 0 |
| Net Payments of Defaulted Guarantees | | (2,135,408) | (186,400) | (306,366) | (370,435) | (207,102) | (135,080) | (496,740) | 0 | (125,730) | 0 | (307,557) |
| <i>Federal Funding (SSBCI)</i> | | | | | | | | | | | | |
| Fees and Charges from FDCs | [3] | - | - | - | - | - | - | - | - | - | - | - |
| Funds Used for Backing Loan Guarantees | [4] | 26,431,783 | - | - | - | - | - | - | - | - | - | - |
| Funding for Admin. - FDCs | | 138,852 | 0 | 0 | 0 | 36,808 | 0 | 9,191 | 0 | 53,636 | 0 | 39,218 |
| Funding for Admin. - State Overhead | [2] | 107,921 | - | - | - | - | - | - | - | - | - | - |
| Payments of Defaulted Guarantees | | 12,906 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,906 |
| Less Recovery | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Payments of Defaulted Guarantees | | 12,906 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,906 |
| <i>Other Funding</i> | | | | | | | | | | | | |
| Funding to Back Loan Guarantees | [5] | 225,892 | 0 | 0 | 0 | 225,892 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan Guarantee Fees | | 1,087,092 | 39,074 | 39,202 | 239,050 | 49,977 [6] | 10,852 | 137,895 | 191,509 | 38,108 | 108,701 | [7] |
| Loan Packaging Fees | | 16,480 | 2,000 | 2,250 | 0 | 0 [6] | 750 | 2,230 | 9,250 | 0 | 0 | [7] |
| Other Fees | | 23,267 | 14,000 | 0 | 0 | 0 [6] | 0 | 1,873 | 150 | 0 | 0 | [7] |
| Self-Funded Share of Admin. Costs | | 1,227,464 | 94,799 | 432,410 | 16,651 | TBD [6] | 25,943 | 97,435 | 61,374 | 199,050 | 213,753 | [7] |
| Annual Loan Guarantee Activity | | | | | | | | | | | | |
| <i>SBLGP Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | | 96 | 5 | 1 | 4 | 2 | 0 | 62 | 0 | 0 | 4 | 7 |
| Total Amount (\$) Guaranteed | | 7,179,112 | 805,000 | 160,000 | 953,600 | 42,500 | 0 | 2,065,338 | 0 | 0 | 742,400 | 745,744 |
| Average Guarantee Size (\$) | | 74,782 | 161,000 | 160,000 | 238,400 | 21,250 | 0 | 33,312 | 0 | 0 | 185,600 | 106,535 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | 9 | 19 | 3 | 11 | 2 | 0 | 6 | 0 | 0 | 14 | 16 |
| <i>SSBCI Activity</i> | | | | | | | | | | | | |
| Number of Loan Guarantees | | 222 | 4 | 8 | 43 | 13 | 1 | 67 | 25 | 6 | 15 | 6 |
| Total Amount (\$) Guaranteed | | 49,765,845 | 678,803 | 1,737,650 | 11,613,469 | 1,148,400 | 380,103 | 9,964,678 | 6,242,570 | 1,755,400 | 3,936,000 | 850,000 |
| Average Guarantee Size (\$) | | 2,557,514 | 169,701 | 217,206 | 270,081 | 88,338 | 380,103 | 148,727 | 249,703 | 292,567 | 262,400 | 141,667 |
| Avg. Number of Individuals Employed by Loan Guarantee Recipients | | 239 | 28 | 19 | 32 | 7 | 5 | 14 | 43 | 11 | 22 | 36 |

Notes

- [1] Since FY 2009/10, the FDCs have not received variable fees from the State to administer the SBLGP program.
- [2] Includes staffing costs (salaries and benefits) and operating expenses and equipment. These costs are reported as one total amount.
- [3] FDCs do not receive variable fees from the Federal government to administer the SSBCI program.
- [4] The funds used for backing SSBCI loan guarantees are provided as one pooled amount. This funding is not allocated to each FDC.
- [5] Includes private funds contributed by certain FDCs pursuant to memorandum of understanding. Hancock and Pacific Coast Regional FDCs used private funding in certain years.
- [6] Based on estimated data available - not audited financial statements. Hancock FDC's 12/13 data is in the process of being audited.
- [7] San Fernando Valley FDC did not submit data for this report.

Table 11
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
California Capital FDC Staffing Information
Employees Associated with SBLGP Program and Description of Responsibilities

| |
|--|
| California Capital FDC |
|--|

| Employee | Position | Responsibility |
|-----------------|---------------------|---|
| 1 | President | Responsible for overall management of the organization and realization of scope and vision. Direct link with other FDC organizations and the State of California Loan Guarantee program. Responsible for maintaining banking relationships along with Marketing Director and Sr. Loan Officer. Participates in Loan Committee and Board of Directors meetings and assessments of loans. |
| 2 | Controller | Responsible for maintaining accounting books and records, preparing financial statements, processing bill payments, banking, etc. Prepares monthly billings for funders. |
| 3 | Marketing Director | Responsible for developing and maintaining banking relationships along with President and Sr. Loan Officer as well as communication with Board of Directors. |
| 4 | Sr. Loan Officer | Responsible for underwriting loan guarantee requests. Main contact with lenders and borrowers. Maintains loan portfolio data. |
| 5 | Program Assistant-1 | Assist Sr. Loan Officer with loan portfolio data management and reporting. |
| 6 | Program Assistant-2 | Assists program with clerical and administrative responsibilities including filing, data management, bookkeeping, etc. |
| 7 | Program Assistant-3 | Assists Sr. Loan Officer with underwriting loan guarantee requests and maintaining contact with lenders and borrowers. |

Table 12
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
California Coastal FDC Staffing Information
Employees Associated with SBLGP Program and Description of Responsibilities



| Employee | Position | Responsibility |
|-----------------|------------------------------|---|
| 1 | President | Responsible for the overall success of the organization; maintains contact and trust with governmental organizations at all levels consistent with our identity as an FDC; responsible to the Board of Directors and reports to them on a regular basis on profitability, underwriting, personnel and overall success; spokesperson for the organization. |
| 2 | Controller | Prepares invoices to state for payment; insures that loan collection proceeds are remitted to state in timely manner; interfaces with state personnel on all invoice/billing questions. |
| 3 | Chief Lending Officer | Chief Lending Officer has overall responsibility for loan officer oversight; reviews credits prior to submission to Loan Committee and Board; oversees and directs loan collection processes; works with attorneys and borrowers as necessary to recover on defaulted loans. |
| 4 | Commercial Loan Officer | Commercial Loan Officer meets with bank and clients; prepares loan write-up and financial spreads; presents credit to Loan Committee and Board for Approval. |
| 5 | Loan Officer | Loan Officer meets with bank and clients; prepares loan write-up and financial spreads; presents credit to Loan Committee and Board for Approval. |
| 6 | Business Development Officer | Calls on banks with loan officers as needed to promote loan guarantee program, establishes relationships with new bank contacts; promotes program on calls to clients and banks. |
| 7 | Loan Documentation Officer | Prepares all loan guarantee documents for signature by client and bank; maintains and inputs information into state database; insures that all required documentation is completed and collected before issuance of guarantee. |
| 8 | Account Assistant | Accounting Assistant provides back up to Controller in preparing invoices and billings to the state; processes timesheets and cost allocations. |

Table 13
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
California Southern FDC Staffing Information
Employees Associated with SBLGP Program and Description of Responsibilities

| |
|--|
| California Southern FDC |
|--|

| Employee | Position | Responsibility |
|-----------------|---------------------|---|
| 1 | Senior Loan Officer | Obtains, reviews and presenst credits. Follows loan portfolio. Oversees additional loan activity prepared by other loan officers. Conducts marketing and promotion of loan guarantee program. |
| 2 | Portfolio Manager | Manages portfolio database, documentation and reports. Coordinates information requirements with the state. Additional administrative duties as required. |
| 3 | Bookkeeper | Tracks accounts payable and receivable, pays bills, prepares invoices, and manages payroll, monthly bank reconciliations and financial statements. |

Table 14
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Hancock FDC Staffing Information
Employees Associated with SBLGP Program and Description of Responsibilities

| |
|------------------------|
| Hancock FDC |
|------------------------|

| Employee | Position | Responsibility |
|-----------------|---------------------|---|
| 1 | President | Marketing to banks. Staffing of employees, board members, and loan committee members. Oversees accounting and budgeting. Final approval and decision maker. |
| 2 | Vice President | Manages all daily operations. Company compliance. Loan officer/underwriter duties, special assets. Marketing. Database and credit file maintenance. |
| 3 | Senior Loan Officer | Manages default and delinquent loans. Assists and provides input on underwriting. |
| 4 | Secretary | Bookkeeping/accounting. Database and credit file maintenance. |

Table 15
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Inland Empire FDC Staffing Information
Employees Associated with SBLGP Program and Description of Responsibilities

| |
|---------------------------------------|
| Inland Empire FDC |
|---------------------------------------|

| Employee | Position | Responsibility |
|-----------------|---|---|
| 1 | President / CEO | Manages program marketing and personnel. |
| 2 | VP / Chief Credit Officer | Manages loan underwriting, default workouts, and business development. |
| 3 | Office Administrator/Jr. Credit Analyst | Handles internal and external office operations, maintains state files and database. Handles accounting, payables, audits, loan committee minutes, budgets, and limited marketing. Assists with default recoveries. |

Table 16
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Nor-Cal FDC Staffing Information
Employees Associated with SBLGP Program and Description of Responsibilities

| |
|------------------------|
| Nor-Cal FDC |
|------------------------|

| Employee | Position | Responsibility |
|-----------------|-------------------------------|---|
| 1 | President | Programs adviser, board liaison and outreach. |
| 2 | CEO | Program and staff management; loan review. |
| 3 | Chief Lending Officer | Loan underwriting and outreach. |
| 4 | Compliance Officer | Data base management and contract oversight. |
| 5 | Servicing and Default Manager | Business operations and loan default servicing. |
| 6 | Loan Officer | Loan underwriting and program support. |
| 7 | Technology and Operations | Technology support and operations assistance. |
| 8 | Administrative Support | Program support for production and administrative activities. |
| 9 | Program Staff Support | Program support for production and administrative activities. |
| 10 | Accountant | Internal accounting and financial statements production. |

Table 17
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Orange County FDC Staffing Information
Employees Associated with SBLGP Program and Description of Responsibilities

| |
|------------------------------------|
| Orange County FDC |
|------------------------------------|

| Employee | Position | Responsibility |
|-----------------|---------------------------|---|
| 1 | President and CEO | Develops and maintains relationships to support sales; Seeks to obtain more funding for program support; outreach and liaison to banking community; credit and portfolio oversight. |
| 2 | Analyst and Administrator | Analyzes credit requests; follow-through on complete processing of loans; obtains necessary documentation. |
| 3 | Administrative Assistant | Creates credit files; handles billing; manages database updates on new and active loans. |

Table 18
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Pacific Coast Regional FDC Staffing Information
Employees Associated with SBLGP Program and Description of Responsibilities

| |
|---------------------------------------|
| Pacific Coast Regional FDC |
|---------------------------------------|

| Employee | Position | Responsibility |
|-----------------|--------------------------------------|--|
| 1 | President | On a program level helps with program marketing, lender relations, loan underwriting, agency reporting, program and contract compliance. On a corporate (i.e. not reimbursed) level functions as the Chief Credit Officer assuring proper loan structure and credit quality across all loan programs. Oversees all reporting across all programs. |
| 2 | Program Manager | Functions as program manager responsible program marketing, credit analysis, lender relations, file maintenance, agency relations and reporting, management of 1099 contract loan officers. |
| 3 | Executive Assistant to the President | Functions as documentation specialist, and assists with prospect phone screening, file maintenance, lender liaison, agency reporting, loan committee and board secretary, scheduling of loan committees and board meetings for guarantee approvals, invoice processing for contract loan underwriters. |
| 4 | Independent Contractors | Pacific Coast Regional contracts with three independent contractors, on a rotating basis, to help with loan underwriting. Contractors are paid on a sliding scale depending on the complexity of the transaction. Progress payments are made based on the status of the loan, including a payment for a review and declination, payment for a full analysis and loan committee and board approval, and a final payment upon transaction closing. |

Table 19
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
SAFE-BIDCO FDC Staffing Information
Employees Associated with SBLGP Program and Description of Responsibilities

| |
|-------------------|
| SAFE-BIDCO FDC |
|-------------------|

| Employee | Position | Responsibility |
|-----------------|---------------------------------|---|
| 1 | President/CEO | Overall program oversight. |
| 2 | VP/Senior Loan Officer | Backup program underwriting as needed. |
| 3 | Business Development Consultant | Program business development. |
| 4 | Loan Officer | Program underwriting and data, pipeline, and loan committee administration. |
| 5 | Loan Officer | Backup program underwriting as needed. |
| 6 | Credit Analyst | Program administrative assistance and file maintenance. |
| 7 | HR/Administrative Officer | Contract administrative oversight. |
| 8 | Executive Assistant | Program administrative assistance. |
| 9 | Finance Administrator | Bookkeeping and billing. |

Table 20
Governor's Office of Business and Economic Development - Small Business Loan Guarantee Program
Valley Regional FDC Staffing Information
Employees Associated with SBLGP Program and Description of Responsibilities

| Employee | Position | Responsibility |
|-----------------|---|--|
| 1 | President/CEO | Responsible for overall management of the program; marketing to lenders, participate in internal and external loan committee review; reporting to the state. |
| 2 | Chief Financial Officer | Responsible for all invoices submitted to the state, proper accounting for revenue and expenses generated from this program, and providing financial information for audits. |
| 3 | Chief Credit Officer | Responsible for all credit analysis, underwriting, guarantee loan documentation, and compliance with eligibility requirements of both programs. |
| 4 | Commercial Loan Officer | Provides underwriting and loan closing functions. Also, markets the program with local lenders. |
| 5 | Agricultural Loan Officer | Provides underwriting and loan closing functions. Also, markets the program with local lenders. |
| 6 | Lead Loan Documentation and Closing Officer | Serves as a the lead loan documentation and closing officer for all guarantees. Also, assists the CEO with reporting requirements of the state. |
| 7 | Loan Documentation Officer | Serves as the backup for loan documentation for all guarantees. Is in charge of the database program for the state. Also assists the CEO with reporting requirements of the state. |
| 8 | File Clerk | In charge of file maintenance of the loan guarantee files; general communication with the banks. |

FDC Appendices

Appendix A-1 – California Capital FDC

Appendix A-2 – California Coastal FDC

Appendix A-3 – California Southern FDC

Appendix A-4 – Inland Empire FDC

Appendix A-5 –Nor-Cal FDC

Appendix A-6 – SAFE-BIDCO FDC

Appendix A-7 – Valley Regional FDC

Appendix A-8 – Pacific Coast Regional FDC



CaliforniaCapital

Financial Development Corporation

"Capital and Capacity to Serve Communities"

Appendix A-1

January 15, 2014

Teveia R. Barnes
Executive Director
California Infrastructure and Economic Development Bank
980 9th Street, Suite 900
Sacramento, CA 95814

RE: California Capital Financial Development Corporation

Dear Ms. Barnes:

This letter is in response to the GO-Biz request for information related to California Capital's programs, services and activities.

As one of eleven Financial Development Corporations that administer the State Loan Guarantee Program, California Capital has always been an active program provider that has followed the spirit of the legislative intent related to the California Small Business Financial Development Corporation Law that resides within AB 1247, Chapter 537:

Assembly Bill No. 1247
CHAPTER 537

An act to repeal and add Chapter 1 (commencing with Section 14000) of Part 5 of Division 3 of Title 1 of the Corporations Code, and to amend Section 8684.2 of, to add Chapter 6 (commencing with Section 63088) to Division 1 of Title 6.7 of, and to repeal Sections 63089.5, 63089.60, 63089.61, and 63089.62 of, the Government Code, relating to business, making an appropriation therefor; and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 4, 2013. Filed with Secretary of State October 4, 2013.]

Chapter 1. California Small Business Financial Development Corporations

Article 1. Introduction

14000.

This chapter shall be known and may be cited as the **California Small Business Financial Development Corporation Law**.

14001.

(a) *It is the intent of the Legislature in enacting this chapter to promote the economic development of small businesses through the California Small Business Finance Center by making available capital, general management assistance, and other resources, including financial services, personnel, and business education to small business entrepreneurs,*

including women, veteran, and minority-owned businesses, for the purpose of promoting the health, safety, and social welfare of the citizens of California, to eliminate unemployment of the economically disadvantaged of the state, and to stimulate economic development and entrepreneurship.

(b) It is the further intent of the Legislature to provide a flexible means to mobilize and commit all available and potential resources in the various regions of the state to fulfill these objectives, including federal, state, and local public resources, and private debt and equity investment.

(c) It is the further intent of the Legislature that corporations operating pursuant to this law, shall to the maximum extent feasible, coordinate with other job and business development efforts within their region directed toward implementing the purpose of this chapter.

(d) It is the further intent of the Legislature to provide expanded resources allowing participation by small and emerging contractors in state public works contracts. Increased access to surety bonding resources will assist in supporting participation by those firms in public works contracts, and by stimulating increased participation by small firms, the state will benefit from increased competition and lower bid costs.

The enclosed documents represent responses to the information you requested. In addition, I am including detailed information on California Capital's business development and education programs.

Please feel free to contact me should you have any questions.

Sincerely,



Clarence Williams
President

Enclosures

cc: Panorea Avdis



CaliforniaCapital

Financial Development Corporation

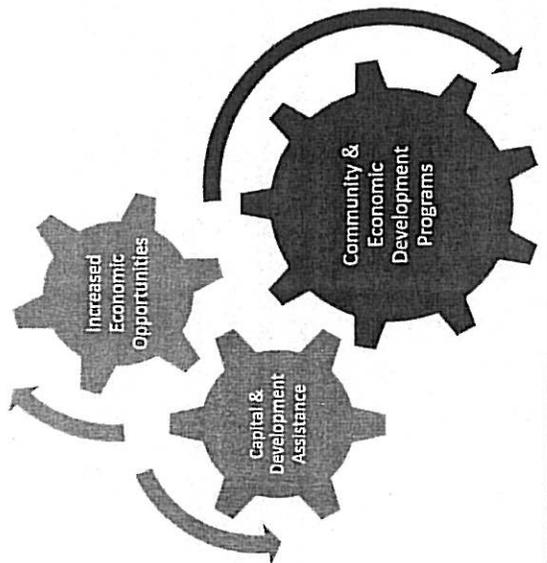
"Capital and Capacity to Serve Communities"

Established as a non-profit 501(c)(3) corporation in 1982, California Capital Financial Development Corporation's focus is on the creation and promotion of community and economic development programs and services that benefit underserved communities.

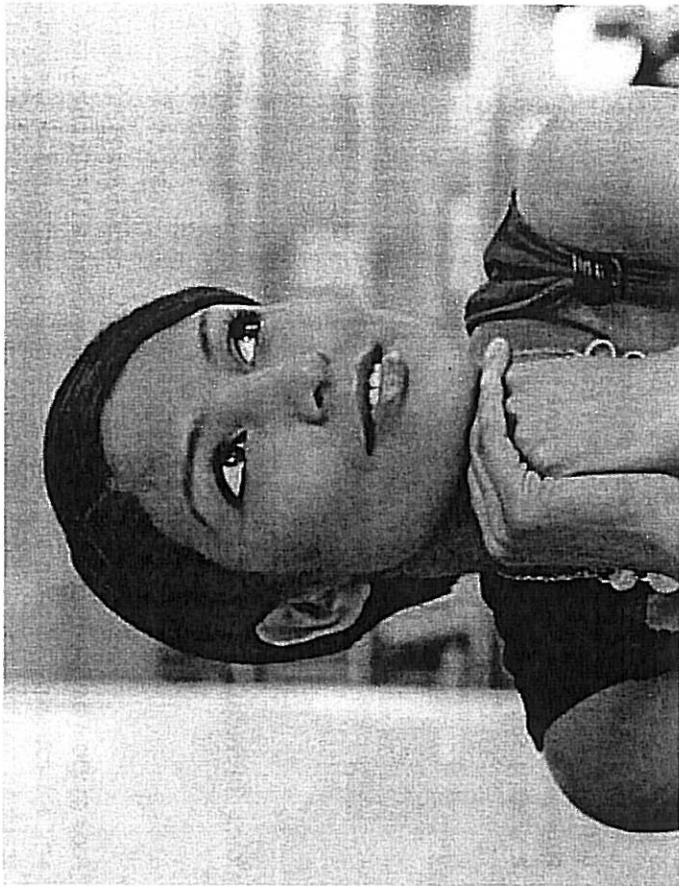
California Capital administers a variety of programs promoting small business development and growth in its region, which includes 23 Northern California counties from San Joaquin, north to the Oregon border, and east to Lake Tahoe, which includes: Siskiyou, Modoc, Shasta, Lassen, Tehama, Glenn, Butte, Plumas, Sierra, Nevada, Yuba, Sutter, Colusa, Yolo, Placer, Eldorado, Amador, Calaveras, Alpine, Tuolumne, San Joaquin, Solano and Sacramento.

Mission:

Provide capital and development assistance to increase economic opportunities for underserved communities and persons by offering a wide range of flexible financial products and services. Through collaboration and creativity, we deliver effective solutions in a changing economic environment.



"Capital and Capacity to Serve Communities"



Serving Sacramento, Yolo, Yuba, Sutter, El Dorado, Placer, and San Joaquin Counties

Who Are We?

We are the new SBA Women's Business Center serving the Sacramento Region! California Capital was established as a SBA Women's Center in October 2012. We are committed to helping entrepreneurs start and grow their businesses through educational workshops, one-on-one assistance, online learning, and connection with local resources. Although our services are available to all, we are committed to meeting the unique needs of women in business.

What We Offer

We offer a robust list of business education workshop topics and one-on-one assistance with a specialization in financing. We are committed to providing education in topics of interest and need for women business owners in particular. California Capital has been in existence for 30+ years and has a vast network of local resource partners we work to connect our clients with.

Service Area

Our service area includes the following counties: Sacramento, Yolo, Yuba, Sutter, Placer, El Dorado, and San Joaquin

What is the Cost?

Currently, all of our services are FREE to our clients!

Hours of Operation

California Capital WBC is open from 9:00 am to 5:00 pm 5 days a week. Services are sometimes available during evenings and weekends as well. Please call or visit our website to find out more information about the services we offer or set up a one-on-one counseling session.

Location: 2000 O Street, Suite 250, Sacramento, CA 95811

Hours: Monday – Friday 9:00 am to 5:00 pm

Telephone: 916.442.1729

Email: info@cacapital.org

WWW.CACAPITAL.ORG

Women's Business Center Services

Workshops: Our workshop topics are carefully chosen based on our clients needs. Therefore our workshop topic offerings are always changing. In the past year, we found that our clients needs are centered around 3 basic themes: generating more business/finding and identifying business opportunities, reaching more customers/building customer relationships, and business financing. Our workshops are consistently centered around these themes. This coming year, we will also incorporate a new focus around leadership, communication, organizational development and strategic planning. Visit our calendar for upcoming business events and news.

<http://cacapital.org/view-our-calendar/>

One-on-One Counseling: We provide one-on-one assistance to entrepreneurs looking to start a business and current business owners. Our counseling is specialized in business financing. By carefully examining a business owners current state, we are able to create a game plan for them to access business capital and identify a funding source. For a free counseling appointment please call our office at 916.442.1729

Small Business Lending: California Capital serves as an intermediary between small businesses and financial institutions to increase borrower's ability to receive a small business loan. Our loan guarantee program helps secure financing for small businesses unable to access mainstream financing. California Capital has guaranteed loans from \$5,000 to \$1.7 million for businesses with one to three hundred employees. For more information please call our Senior Loan Officer, Anthony Rucker at 916.442.1729



Funded in part through a Cooperative Agreement with the
U. S. Small Business Administration

California Capital Financial Development Corporation

Bilingual Business Success Forums

Since 2002, California Capital's Bilingual Business Success Forums have been designed to meet the business development, capacity building and education needs of the growing numbers of immigrant, refugee and limited/non-English proficient business owners, a majority who reside and/or have businesses in low wealth neighborhoods. Forums are offered in nine languages: Chinese, Vietnamese, Hmong, Mien, Russian, Spanish, Hindi, Punjabi and English.

Language and cultural barriers were obstacles that California Capital encountered when we began our work with limited and non-English speaking communities ten years ago. Research shows that due to language, education and cultural barriers, as well as an increasingly complex financial market, many people in the U.S. lack basic financial knowledge.¹ Through our ethnic studies research, we have identified and embraced the need for delivering financial education, business development programs and technical assistance in our clients' native languages and in a culturally competent manner have proven to be a key to success. In order for us to effectively serve this segment of high need micro-entrepreneurs, California Capital has invested in research and training for our staff to insure that cultural competency is fully integrated into our programs for immigrant and refugee entrepreneurs.

California Capital takes special care to provide programs in churches, community centers, restaurants, and community based organizations that are located in "their own" communities. We have worked hard to develop close and trusting relationships with community leaders, churches and community based organizations and we have become very successful in our efforts to reach, and offer our programs within those communities.

There are five essential elements that contribute to a system's ability to become more culturally competent. The system should (1) value diversity, (2) have the capacity for cultural self-assessment, (3) be conscious of the "dynamics" inherent when cultures interact, (4) institutionalize cultural knowledge, and (5) develop adaptations to service delivery reflecting an understanding of diversity between and within cultures. Further, these five elements must be manifested in every level of the service delivery system. They should be reflected in attitudes, structures, policies, and services.²

¹ Braunstein, Sandra and Carolyn Welch. Nov. 2002. "Financial Literacy: An Overview of Practice, Research, and Policy." *Federal Reserve Bulletin*. P. 446

² How is Cultural Competence Integrated in Education? Written by Mark A. King, Anthony Sims, & David Osher

BUSINESS SUCCESS FORUM

TIPS AND TOOLS AND RESOURCES TO SUSTAIN AND GROW YOUR SMALL BUSINESS
IN CHALLENGING ECONOMIC TIMES



California Capital, a non-profit organization has served small businesses in the Sacramento region for 25 years. We continue to provide business development programs, technical assistance, resources and financing for small businesses, all of which are key to the success and sustainability of your business. In these challenging economic times, California Capital remains committed to strengthening the capacity of small businesses to grow and succeed. Join us.

*Do you want to start or expand your business? Attend this business success forum to gain access to resources and information to help you achieve a successful business venture
~Come talk to the experts~*

DATE:
TIME:
PLACE:

This Business Success Forum is
FREE OF CHARGE
5:30~ DINNER WILL BE SERVED
6:00~ FORUM PRESENTATIONS BEGIN

FORUM TOPICS

BUSINESS READINESS

Sandra Williams, Del Paso Business Information Center
Lorrie Lowry, City of Sacramento
Guy Fuson, County of Sacramento

BUSINESS FINANCING

Alex Amaya, U.S. Bank
Clarence Williams, California Capital FDC
Gilda Perez, U.S. Small Business Administration

BUSINESS TAXES

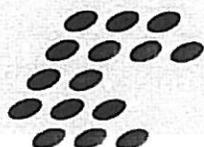
Alvaro Hernandez, CA State Franchise Tax Board
Gurmeel Singh, CA State Board of Equalization
Liliana Houlihan, CA Employment Development Department
Rick Brown, U.S. Internal Revenue Service

SPONSORED BY



SPACE IS LIMITED REGISTER EARLY
TO REGISTER TO ATTEND OR FOR FURTHER INFORMATION CALL
KRYSTILLA CHA OR DEBORAH LOWE MURAMOTO ~ CALIFORNIA CAPITAL FDC ~ (916) 442-1729
FAX THIS FORM TO (916) 442-7852
OR VISIT OUR WEBSITE AT www.cacapital.org

Name _____ Business Type _____
Address _____ City _____ Zip Code _____
Telephone _____ FAX _____ Email Address _____



CaliforniaCapital
Financial Development Corporation

*Assistance
Center, Inc.*
Slavic

Do you want to start or expand your business? Attend this FREE Business Success Forum to gain access to resources and information to help you achieve a successful business venture. Come talk to the experts.

Вы хотите начать или розширить ваш бизнес? Посетите БЕЗПЛАТНЫЙ Форум Успешного Бизнеса чтобы получить доступ до ресурсов и информации которые помогут вам организовать успешный. БИЗНЕСС. Приходите пообщаться с банкирами и многими экспертами.

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FORUM TOPICS

**BANK PRODUCTS AND SERVICES
BUSINESS PLANNING AND READINESS
FINANCING YOUR BUSINESS
TAXES – WHAT YOU NEED TO KNOW**

ТЕМЫ ФОРУМА:

**БАНКОВСКИЕ ПРОГРАММЫ И УСЛУГИ!
БИЗНЕСС ПЛАН И ГОТОВНОСТЬ
ФИНАНСИРОВАНИЯ ВАШЕГО БИЗНЕСА!
ТАКСЫ – ЭТО ВАМ НУЖНО ЗНАТЬ!**

DATE:

TIME: 5:30 p.m. ~ 9:00 p.m.

**PLACE: Slavic Assistance Center
2117 Cottage Way
Sacramento, CA 95825**

**This Business Success Forum Is
FREE OF CHARGE**

**5:30 ~ Dinner will be served
6:00 ~ Forum Presentations Begin**

**SPACE IS LIMITED! REGISTER EARLY!
TO REGISTER TO ATTEND OR FOR FURTHER INFORMATION, CALL**

**ROMAN ROMASO ~ SLAVIC ASSISTANCE CENTER (916) 925-1071
DEBORAH MURAMOTO ~ CALIFORNIA CAPITAL FDC (916) 442-1729
OR**

FAX THIS REGISTRATION FORM TO (916) 925-1072 OR (916) 442-7852

Name _____ Business Type - _____

Address _____ City _____ Zip Code _____

HMONG BILINGUAL BUSINESS SUCCESS FORUM

PRESENTED BY



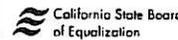
California Capital
Financial Development Corporation
"Capital and Capacity to Serve Communities"



the center
AN EXPANSION & INNOVATION
CORPORATION • 501(C)(3) ENTITY



Lao Family Community of Stockton
A Non-Profit Organization
Economic Development
Lower House New York Legation



Do you want to start or expand your business? Attend this Business Success Forum to gain access to resources and information to help you achieve a successful business venture ~ Come talk to the experts. This Forum will be conducted in Hmong.

Koj puas xav pib los yog ua kom koj txoj kev lag luam niaj hnuv no loj ntxiv? Koom nrog lub rooj sab laj no koj yuav ntsib ntau lub koom haum tuaj muab kev cob qhia txog kev ua lag luam thiab kev txhim kho kom koj txoj kev lag luam zoo ntxiv. Tuaj tham nrog cov kws ua lag luam. Lub rooj sab laj no yuav hais ua lus Hmoob.

DATE:

TIME: 5:30 – 8:30 P.M.

Stockton Blvd. Business Information Center
4990 Stockton Blvd.
Sacramento, CA

THIS BUSINESS SUCCESS FORUM IS

FREE OF CHARGE

5:30 - DINNER WILL BE SERVED
6:00 - FORUM PRESENTATIONS BEGIN

SPONSORED BY



SPACE IS LIMITED! REGISTER EARLY!

TO REGISTER TO ATTEND OR FOR FURTHER INFORMATION CALL

Deborah Lowe Muramoto or Lai Saepan ~ California Capital Financial Development Corporation (916) 442-1729

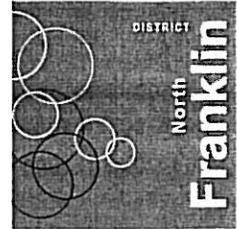
FAX THIS FORM TO

Krystilla Cha or Lai Saepan ~ California Capital Financial Development Corporation (916) 442-7852

Name _____ Business Type _____
Address _____ City _____ Zip Code _____
Telephone _____ Fax _____ Email Address _____



CaliforniaCapital
Financial Development Corporation



TIENEN EL HONOR DE PRESENTAR
"FORO PARA EL EXITO DE NEGOCIOS PEQUEÑOS"
"HISPANIC BILINGUAL BUSINESS SUCCESS FORUM"

**¿QUIERE USTED EMPEZAR O HACER
CRECER SU NEGOCIO?**

**DO YOU WANT TO START OR EXPAND
YOUR BUSINESS?**

Venga a este foro para obtener información y acceso de recursos para lograr el éxito en su negocio. Venga a hablar con los expertos sobre temas de importancia para usted.

Attend this business success forum to gain access to resources and information to help you achieve a successful business venture ~ Come talk to the experts.

SPONSORED BY



THIS FORUM IS FREE!

DATE:

TIME: 5:30 p.m. ~ 8:00 p.m.

5:30 – Cena será servida(Dinner)

6:00 – Presentación de Foro (Presentations begin)

PLACE:

La Familia Counseling Center
5523 34th Street
Sacramento, CA

Para registrarse o para más información / To register or for further information:

~ llame al / Call:

(916) 442-1729-California Capital FDC y pregunte por / and ask for **Deborah Muramoto**

(916) 455-2124-N. Franklin Business District Assn. y pregunte por / and ask for **Kathy Tescher**

(916) 492-2591-Opening Doors y pregunte por / and ask for **Roxana Calderon**

~ mande un Fax con esta forma de inscripción

a / Fax this registration Form to (916) 442-7852 or (916) 455-5712

Por Favor Regístrese Ahora, Espacio es Limitado! Space is Limited, Register Early!

Nobre/Name _____

Tipo de negocio/ Business Type _____

Domicilio/ Address _____

Ciudad/ City _____ Codigo Postal/ Zip Code _____

Teléfono/ Telephone _____ FAX _____

Correo Electrónico/ Email Address _____



CaliforniaCapital

Financial Development Corporation

Indus Valley American Chamber of Commerce



Are Pleased To Host An
INDIAN SMALL BUSINESS SUCCESS FORUM

Do you want to start or expand your business?

Attend this business success forum to gain access to resources and information to help you achieve a successful business venture ~ Come talk to the experts.

The forum will be presented in English.

Hindi and Punjabi translation will be available.

FORUM TOPICS

- Bank Services and Franchise Financing by US Bank
- Business Financing, Education, and Assistance by California Capital FDC
- Networking by Indus Valley American Chamber of Commerce
- Business Financing by the Small Business Administration
- Code Enforcement by the County of Sacramento
- Business Sales and Use Tax by Board of Equalization
- Marketing by California State University, Sacramento

RAFFLE AT THE END OF THE PRESENTATIONS!

FORUM SPONSORED BY



DATE:

TIME: 5.30 – 9.00 p.m.

PLACE: U.S. Bank

1401 Merkley Avenue

West Sacramento, CA 95691

This Small Business Forum is

FREE OF CHARGE

5:30 ~ DINNER WILL BE SERVED

6.00 ~ FORUM PRESENTATIONS BEGIN

**TO REGISTER OR FOR FURTHER INFORMATION CALL:
CALIFORNIA CAPITAL FINANCIAL DEVELOPMENT CORPORATION AT (916) 442-1729
OR FAX THIS REGISTRATION FORM TO (916) 442-7852
SPACE IS LIMITED! REGISTER EARLY!**

Name _____ Business Type - _____

Address _____ City _____ Zip Code _____

Telephone _____

FAX _____

Email Address _____

California Capital FDC Workshop List

| | Date | Time | Hrs | Topic | # Participants |
|-----------------------------|-------------------------------|---------------------|------------------------------------|--|----------------|
| FY 12-13 | Thursday, November 29, 2012 | 11:30 am - 1:30 pm | 2 | Grow Your Business With Email Marketing | 64 |
| | Monday, March 04, 2013 | 9:00 am - 11:00 am | 2 | Business Loan Readiness | 20 |
| | Friday, April 05, 2013 | 10:00 am - 11:30 am | 1.5 | Doris Matsui Women's Roundtable | 9 |
| | Wednesday, April 17, 2013 | 8:30 am - 11:00 am | 2.5 | SBA/AARP Encore Entrepreneur Mentor Workshop | 30 |
| | Thursday, April 25, 2013 | 8:30 am - 11:00 am | 2.5 | SBA/AARP Encore Entrepreneur Mentor Workshop | 31 |
| | Wednesday, May 29, 2013 | 6:00 pm - 7:30 pm | 1.5 | Business 101 | 12 |
| | Monday, June 10, 2013 | 9:30 - 11:30 am | 2 | Business Loan Readiness | 16 |
| | Tuesday, July 23, 2013 | 9:00 am - 11:00 am | 2 | Doing Business With Sacramento County | 16 |
| | Tuesday, July 30, 2013 | 9:00 am - 10:30 am | 1.5 | Sacramento County eProcurement | 10 |
| | Thursday, August 08, 2013 | 6:00 pm - 7:30 pm | 1.5 | Business 101 | 15 |
| FY 13-14 | Wednesday, August 14, 2013 | 8:00 am - 9:00 am | 1 | Talking Business | 39 |
| | Wednesday, August 28, 2013 | 8:00 am - 9:00 am | 1 | Talking Business | 19 |
| | Wednesday, August 28, 2013 | 9:30 am - 11:30 am | 2 | SBA Certified Woman-Owned Business | 23 |
| | Thursday, August 29, 2013 | 9:00 am - 11:00 am | 2 | ACA 101 | 14 |
| | Wednesday, September 04, 2013 | 9:00 am - 12:00 am | 3 | Doing Business With Sacramento County and SMUD | 39 |
| | Thursday, September 05, 2013 | 9:00 am - 11:00 am | 2 | SBA Contracting 101 | 23 |
| | Monday, September 09, 2013 | 9:00 am - 11:00 am | 2 | Social Media and Marketing | 26 |
| | Tuesday, September 10, 2013 | 9:00 am - 11:00 am | 2 | SBA Financing | 23 |
| | Wednesday, September 11, 2013 | 8:00 am - 9:00 am | 1 | Talking Business | 10 |
| | Monday, September 16, 2013 | 9:00 am - 11:00 am | 2 | Sacramento County eProcurement | 9 |
| Tuesday, September 17, 2013 | 9:00 am - 11:00 am | 2 | SBA Certified Woman-Owned Business | 29 | |

| | | | | |
|------------------------------|----------------------|-----|--|----|
| Tuesday, September 17, 2013 | 6:00 pm to 8:00 pm | 2 | ACA 101 | 7 |
| Thursday, September 19, 2013 | 9:00 am to 11:00 am | 2 | 8(a) | 19 |
| Thursday, September 26, 2013 | 9:00 am to 11:00 am | 2 | Financial Management 1 | 24 |
| Thursday, October 03, 2013 | 9:00 am to 11:00 am | 2 | Financial Management 2 | 19 |
| Thursday, October 10, 2013 | 9:00 am to 11:00 am | 2 | Business Banking | 12 |
| Thursday, October 17, 2013 | 9:00 am to 11:00 am | 2 | Record Keeping | 14 |
| Monday, October 21, 2013 | 9:00 am to 11:00 am | 2 | Social Media and Marketing | 15 |
| Tuesday, October 22, 2013 | 9:00 am to 11:00 am | 2 | SBA Certified Woman-Owned Business | 14 |
| Thursday, October 24, 2013 | 9:00 am to 11:00 am | 2 | Affordable Care Act for Small Business | 12 |
| Tuesday, October 29, 2013 | 9:00 am to 11:00 am | 2 | Business Loan Readiness | 24 |
| Wednesday, November 06, 2013 | 9:00 am to 11:00 am | 2 | Human Resources for Small Business | 25 |
| Thursday, November 7, 2013 | 9:00 am to 11:00 am | 2 | Marketing | 20 |
| Wednesday, November 13, 2013 | 9:00 am to 11:00 am | 2 | SBA Certified Woman-Owned Business | 14 |
| Thursday, November 21, 2013 | 9:00 am to 11:00 am | 2 | Affordable Care Act for Small Business | 11 |
| Tuesday, December 03, 2013 | 9:00 am to 11:00 am | 2 | Affordable Care Act for Small Business | 32 |
| Wednesday, December 4, 2013 | 9:30 am to 12:30 am | 3 | SBA Contracting 101 | 17 |
| Thursday, December 45, 2013 | 8:00 am to 12:30 pm | 4.5 | SBA Tax Workshop | 36 |
| Friday, December 6, 2013 | 9:00 am to 11:00 am | 2 | Alternative Lending for Small Business | 19 |
| Monday, December 9, 2013 | 9:30 am to 11:00 am | 1.5 | Sacramento County eProcurement | 21 |
| Wednesday, December 11, 2013 | 9:00 am to 11:00 am | 2 | Human Resources for Small Business | 20 |
| Tuesday, December 12, 2013 | 9:00 am to 11:00 am | 2 | SBA Certified Woman-Owned Business | 15 |
| Thursday, December 12, 2013 | 5:00 pm to 7:00 pm | 2 | Holiday Meet and Greet | 34 |
| Friday, January 10, 2014 | 10:00 am to 12:00 pm | 2 | Strategic Leadership Part 1 | 7 |

| | | | | |
|-----------------------------|----------------------|-----------|---|------------|
| Wednesday, January 15, 2014 | 9:30 am to 10:30 pm | 2 | Business Tax Basics Part 1 | 32 |
| Thursday, January 16, 2014 | 9:30 am to 10:30 pm | 2 | Business Tax Basics Part 2 | 24 |
| Friday, January 17, 2014 | 10:00 am to 12:00 pm | 2 | Strategic Leadership Part 2 | 8 |
| Wednesday, January 22, 2014 | 9:00 am to 10:00 am | 1 | Hiring Assistance Program | 11 |
| Friday, January 24, 2014 | 10:00 am to 12:00 pm | 2 | Congresswoman Doris Matsui Business Round Table | 16 |
| Total | | 97 | | 999 |

*CARAT webinars not included: Approximately 17 participants

2013 California Capital Milestones

| Milestone | FY 12-13 | FY 13-14 to date |
|---------------------|-------------|------------------|
| Training Hours | 14 | 72 |
| Training Clients | 182 | 719 |
| Counseling Hours | 44.5 | 123.75 |
| Counseling Clients | 63 | 162 |
| New Business Starts | 2 | 4 |
| Jobs Created | 22 | 64 |
| Jobs Retained | 199 | 352 |
| Access to Capital | \$2,240,604 | \$5,869,100 |

When

Wednesday, January 22, 2014

9:00 AM to 10:00 AM PDT

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street
Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

Hiring Assistance Program

Date: January 22, 2013

Time: 9:00 am to 10:00 am

Location: 2000 O Street, Suite 250, Sacramento, CA 95811

Parking: In lot on 20th Street between O Street and P Street

Cost: FREE

By participating in the Hiring Assistance Program, you will be able to bring on a qualified new employee and receive a cash reimbursement for providing necessary orientation and training to that employee. You can receive up to \$5,000 over the course of 6 months or less.

This program is applicable over a wide range of industries and helps to place individuals of all levels of experience.

Join us to learn more about this program and how to apply.

[Read More About the Program Here](#)

Presented By:

J.D. Stack, Principal, Empower Advisors

John Orr, Program Consultant, North State Building Industry Foundation

Register Early. Space is Limited

[Register Now!](#)





"Capital and Capacity to Serve Communities"

When

Wednesday January 15, 2014 at 9:30 AM to 11:30 AM

Thursday January 16, 2014 at 9:30 AM to 11:30 AM

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital WBC
916-442-1729

Business Tax Basics

This class is full.

Please call Stephanie at 916.442.1729 to be placed on the waiting list. Thanks.

This is a 2 day class covering tax basics for small business

Date: Part 1 - Wednesday, January 15, 2014

Part 2 - Thursday, January 16, 2014

Time: 9:30 am to 11:30 am on both days

Location: California Capital Women's Business Center
2000 O Street, Suite 250, Sacramento, CA 95811

Cost: FREE

Parking: In lot on 20th Street between O Street and P Street

During Part 1 and Part 2 of this class we will be covering the following topics:

What is a business?

- How does business revenue differ from other income?
- Avoiding the IRS hobby-loss classification

What qualifies as a business deduction?

- Why receipts aren't enough by themselves
- What recordkeeping is needed

IRS audits

- Lowering your chance of an IRS audit
- Avoiding mistakes that send up "red flags"
- Recordkeeping that can survive an IRS audit

Common misunderstood business deductions

- Start up costs
- Vehicle expenses
- Home office deduction
- Health insurance and medical expenses
- Spouse or kids on the payroll
- Meals, entertainment and travel
- Is there a better way to deduct some expenses?

Tax and legal business structures

- Sole proprietorships and partnerships
- LLCs and corporations
- What's the best tax structure for your business?
- Maximizing owner benefits
- Reducing fines from regulatory agencies
- Protecting your home and family's assets from business liability

Common very costly business blunders

This class is being **presented by Randy Roth, owner and principal of Incompass Tax, Estate & Business Solutions**

Randy Roth is a tax, estate & business consultant practicing in the areas of tax preparation and planning for individuals, businesses, estates, trusts and non-profit organizations. He advises in the formation of business entities, corporate compliance matters, real estate holdings and non-profits—as well as in their on-going maintenance. His focus encompasses the BIG picture, considering issues involving aging, asset protection, and estate planning.

Register Now!



When

- Class 1: Friday, Jan. 10, 2014 ~ 10:00 am to 12:00 pm
- Class 2: Friday, Jan. 17, 2014 ~ 10:00 am to 12:00 pm
- Class 3: Friday, Jan. 31, 2014 ~ 10:00 am to 12:00 pm
- Class 4: Friday, Feb. 7, 2014 ~ 10:00 am to 12:00 pm

Where

California Capital WBC
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital WBC
916-442-1729

Strategic Leadership Development Program

Date: Fridays, Jan 10, 17, 31 and Feb 7, 2014

Time: 10:00 am to 12:00 pm

Location: California Capital WBC (See address on the left)

Cost: \$120 for 4 classes (2 hour classes), please bring a check made out to *California Capital FDC* to the first class

Parking: Lot on 20th Street between O Street and P Street

Whether you're an entrepreneur or small business owner, you're likely to have identified some of the keys to strategic growth including access to capital, customers, and opportunities to increase market share, etc. However, there is a less tangible but essential element to the survival and success of your business: leadership. This strategic leadership development program is aiming at empowering entrepreneurs and small business owners with strategic influence to promote a sustainable and thriving organization.

We will examine the key challenges and imperatives that entrepreneurs and small business owners face such as developing an organization's key competencies and capabilities, developing and communicating an organizational vision, infusing strategically congruent values into the organization's culture, and using social network to promote and expand the business. We will also strive to use this knowledge to reflect upon and assess your personal leadership philosophy and values.

The program will focus on the following areas:

- Identify various approaches, challenges, and imperatives associated with leading organizations.
- Distinguish between organizational vision, values, purpose, and goals, and discuss the role of leadership in establishing and managing each of these.
- Articulate the role of leaders in creating, managing, and changing organizational culture.
- Understand various networking strategies and how to use social network to promote

- Understand various networking strategies and how to use social network to promote business.

Presented by:

Ping Shao is an Assistant Professor of Management with the College of Business Administration at California State University, Sacramento. She was awarded her PhD in Management from the LeBow College of Business, Drexel University, Philadelphia, USA. She got her MBA degree from Sheffield University, Sheffield, England, and her undergraduate degree at East China Normal University, Shanghai, China.

Dr. Shao's research focuses on leadership processes in organizations. Her work appears in renowned academic journals such as *Human Relations*, *Journal of Vocational Behavior*, and the *Leadership Quarterly* as well as in the *Academy of Management Conference Best Paper Proceedings*.

Dr. Shao has taught various organizational behavior, leadership, and human resource management courses at both undergraduate and graduate level. She's particularly interested in applying the knowledge and findings from her extensive leadership research to educating leadership and leadership development.

Dr. Shao has also provided consulting services to international organizations, such as the Liverpool Football Club (England), Marché International des Programmes de Télévision (France), and China ClubFootball (China).

Program Readings and Format

To ensure that we cover the most relevant material based on current and well-established concepts and practices, the course readings will consist of articles from publications such as the *Academy of Management Perspectives/Executive*, *California Management Review*, and *Harvard Business Review*. This program will also utilize several case studies as well.

Each seminar will include a brief lecture, discussions, case analyses, and group activities.

This class will be limited to 20 participants. If registration is full please call Stephanie Cardenas at 916.442.1729 to be placed on our waiting list

**** Please ensure that when you register your email address is correct. When you register, you will be sent the readings to be completed before the first class from Stephanie Cardenas. There will be reading and case studies for each class.**

****Please commit to attending all 4 classes, the fee is nonrefundable after attending the first class**

Register Now!



"Capital and Capacity to Serve Communities"

HOLIDAY MEET & GREET

California Capital Women's Business Center is hosting a business-to-business event for our clients to mix and mingle! Come meet your peers and share ideas, successes and challenges. Enjoy light hors d'oeuvres and refreshments.

In the Spirit of the holidays, during this event we will be taking donations for St. John's Shelter for Women and Children. To participate please bring a children's gift, grocery store gift card or donations directly to St. Johns Shelter. Happy Holidays!

Date Thursday, December 12, 2013

Time 5:00 pm to 7:00 pm

Location Rabobank, 3992 Douglas Blvd, Roseville, CA 95661

Cost Free

You MUST RSVP to attend this event

[RSVP Here](#)



Rabobank

A special thank you to
our sponsor Rabobank

Co-hosted by



NAWBO
National Association of Women Business Owners

When

Tuesday July 23, 2013 from 9:00 AM to 12:00 PM PDT

[Add to Calendar](#)

Doing Business With Sacramento County

Where

California Capital Women's Business Center
2000 O St, Suite 250
Sacramento, CA 95811

Tuesday, July 23, 2013

9:00 a.m. - 12:00 noon



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital Women's Business Center
916-442-1729
scardenas@cacapital.org

TOPICS COVERED

- Working with (or Selling to) the County of Sacramento
- Registering your Business with Sacramento County
- Tips for Successfully Responding to a BID
- Local and Small Business Assistance Defined

PRESENTERS

Craig Rader, Purchasing Agent

Dianna Baird, Contract Services Officer

Sacramento County Contract and Purchasing Services Division



Funded in part through a Cooperative Agreement with the U. S Small Business Administration

Register Now!

When

Tuesday December 12, 2013

9:00 AM to 11:00 AM PDT

[Add to Calendar](#)**Where**

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811

[Driving Directions](#)**Contact**

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

Become a Certified SBA Woman-Owned Small Business

Join us on December 12, 2013 at 9:00 am for a **FREE** workshop to determine if you are eligible, and learn how to get certified and how to take advantage of the opportunities this certification offers.

Date: December 12, 2013**Time: 9:00 am to 11:00 am****Location: 2000 O Street, Suite 250, Sacramento, CA 95811****Parking: Free parking in lot across 20th street between O Street and P Street****Cost: FREE**

Background: The SBA Woman-Owned Small Business (WOSB) Federal Contract Program went into effect in February 2011. The program is aimed at expanding Federal contracting opportunities for women-owned small businesses (WOSBs).

Topics:

- Overview of program eligibility and contracting requirements
- Details on the steps to getting self-certified as a Woman-Owned Small Business (WOSB) or an Economically Disadvantaged Woman-Owned Small Business (EDWOSB)
- Hints and tips on where to look for Federal contracting opportunities
- How to market to Federal agencies

Note*** You must be a for-profit business to participate in this program. Please check if you are in an eligible industry before attending. Thank you.

Register Early. Space is Limited.

Funded in part by 

[Register Now!](#)



"Capital and Capacity to Serve Communities"

When

Wednesday December 11, 2013 from 9:00 AM to 11:00 AM PST

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital WBC
916-442-1729
scardenas@cacapital.org

Human Resource Management for Small Business

Join us for a Free class covering Human Resources and Management for your small business!

Date: Wednesday, December 11, 2013

Time: 9:00 am to 11:00 am

Location: 2000 O Street, Suite 250, Sacramento, CA 95811

Cost: FREE

Parking: Lot on 20th street between O Street and P Street

Topics Covered:

- HR Audit and Compliance
- Basic Leadership Styles
- Legal Side of Managing
- Coaching
- Motivating
- Communications

This class will be led by Amelya Stevenson. She is the President of two companies both of which are dedicated to providing HR Services; e-VentExe, a Full Service Human Resource Consulting firm and, Growth Analogy a provider of online education for General, Strategic Management & Global HRCI credits. She brings over 30 years of senior level human resource and start up operations experience in a variety of businesses.

[Register Now!](#)



"Capital and Capacity to Serve Communities"

When

Monday December 09, 2013

9:30 AM to 11:00 AM PDT

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

eProcurement Workshop

Learn how to navigate Sacramento County's eProcurement system.

Date: December 09, 2013

Time: 9:30 am to 11:00 am

Location: 2000 O Street, Suite 250, Sacramento, CA 95811

Parking: Free parking in lot across 20th Street between O Street and P Street

Cost: FREE

Prerequisite: *Doing Business with County of Sacramento Workshop*

Overview: Now that your firm is registered to receive solicitation (RFBs, RFPs) notifications for the County of Sacramento through its eProcurement partner (Public Purchase), this workshop will show you how to use Public Purchase to respond. The workshop will include:

- Review of Sacramento County Standard Bid Documents
- How to enter a Response in Public Purchase
- How to navigate the system
- How to review your response
- How to print your response
- Question and Answer Session

PRESENTERS:

Craig Rader, Purchasing Agent



"Capital and Capacity to Serve Communities"

When

Friday December 6, 2013 from 9:00 AM to 11:00 AM
PST

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital WBC
916-442-1729
scardenas@cacapital.org

Alternative Lending for Small Business

Banks are not the only one's who provide small business financing!
Join us to learn about an alternative option available to small
businesses for their financing needs.

Date: Friday, December 6, 2013

Time: 9:00 am - 11:00 am

Location: California Capital Women's Business Center
2000 O Street, Suite 250, Sacramento, CA 95811

Cost: FREE

Parking: In lot on 20th Street between O Street and P Street

The Community Advantage loan program allows for financing for small businesses seeking capital to acquire an existing business, start a business, or expand their existing profitable operation. Available financing ranges from \$20,000 through \$250,000. The loan program is available to assist all businesses, but designed to target underserved markets, including startups and business located in low-moderate income communities and improvement areas such as HUB-Zones.

Topics Covered:

- General overview of The Community Advantage Loan Program
- Common SBA eligibility concerns
- Community Advantage terms
- Eligibility requirements
- How to apply



"Capital and Capacity to Serve Communities"

When

Wednesday December 4, 2013
9:30 AM to 12:30 PM PST

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

SBA Contracting 101

Join us for a free workshop and learn about the various contracting programs the SBA offers for Small Business.

Date: Wednesday December 4, 2013

Time: 9:30 am to 12:30 pm

Location: 2000 O Street, Sacramento, CA 95811

Parking: Free parking across 20th Street in lot next to bar and house

Cost: FREE

Topics Covered:

- Registering with the federal government
- Small business certifications
- Small business contracting set-asides
- Looking for opportunities
- How the government buys
- Marketing to the federal government

Presented by: Paul Tavernia, SBA Lead Business Opportunity Specialist/8(a)

Register early. Space is limited

Funded in part by SBA
U.S. Small Business Administration

Register Now!

When

Tuesday December 03, 2013

9:00 AM to 11:00 AM PDT

[Add to Calendar](#)**Where**

California Capital Women's Business Center
 2000 O Street, Suite 250
 Sacramento, CA 95811

[Driving Directions](#)**Contact**

Stephanie Cardenas
 California Capital FDC
 916-442-1729
scardenas@cacapital.org

Affordable Care Act 101: What it Means for Small Business

Join us for a FREE workshop to learn how the Affordable Care Act will affect you and your small business.

TOPICS COVERED:

- Background information about ACA
- How ACA will impact your small business
- Small Business Health Care Tax Credit
- Small Business Health Options Program - SHOP
- Employer Shared Responsibility
- Myth vs. Fact regarding ACA
- ACA rollout timeline
- Resources

** This class is being offered in a webinar format as well. If you would like to register for this class as a webinar, register below for the webinar link.

PRESENTERS:

Joe McClure, District Director, U.S. Small Business Administration

Rhea Aguinaldo, Northern California Outreach Manager, Small Business Majority

Funded in part by 
 U.S. Small Business Administration

[Register Now!](#)

When

Wednesday November 13, 2013

9:00 AM to 11:00 AMPDT

[Add to Calendar](#)**Where**

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811

[Driving Directions](#)**Contact**

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

Become a Certified SBA Woman-Owned Small Business

Join us on November 13, 2013 at 9:00 am for a **FREE** workshop to determine if you are eligible, and learn how to get certified and how to take advantage of the opportunities this certification offers.

Date: November 13, 2013**Time:** 9:00 am to 11:00 am**Location:** 2000 O Street, Suite 250, Sacramento, CA 95811**Parking:** Free parking in lot across 20th street between O Street and P Street**Cost:** FREE

Background: The SBA Woman-Owned Small Business (WOSB) Federal Contract Program went into effect in February 2011. The program is aimed at expanding Federal contracting opportunities for women-owned small businesses (WOSBs).

Topics:

- Overview of program eligibility and contracting requirements
- Details on the steps to getting self-certified as a Woman-Owned Small Business (WOSB) or an Economically Disadvantaged Woman-Owned Small Business (EDWOSB)
- Hints and tips on where to look for Federal contracting opportunities
- How to market to Federal agencies

Note*** You must be a for-profit business to participate in this program. Please check if you are in an eligible industry before attending. Thank you.

Register Early. Space is Limited.

Funded in part by 

[Register Now!](#)



When

Thursday November 7, 2013 from 9:00 AM to 11:00 AM PST

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital WBC
916-442-1729
s.cardenas@cacapital.org

Marketing

Join us for a free class covering marketing basics!

Date: Thursday, November 7, 2013

Time: 9:00 am to 11:00 am

Location: California Capital Women's Business Center
2000 O Street, Suite 250, Sacramento, CA, 95811

Cost: FREE

Parking: On 20th Street between O Street and P Street

Topics Covered:

- Determining your target market and their needs
- How to build your brand
- Positioning yourself
- Crafting your marketing message

Presented by: Kim Garrett, President of SOI Communications, is a public relations and marketing executive with more than twenty-one (21) years of experience working in the industry.

[Register Now!](#)



"Capital and Capacity to Serve Communities"

When

Tuesday October 29, 2013 from 9:00 AM to 11:00 AM
PDT

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital WBC
916-442-1729
scardenas@cacapital.org

Business Loan Readiness

Are you prepared to approach a lender for a small business loan? Join us to learn what a lender is looking for in you and your business.

Location: 2000 O Street, Suite 250, Sacramento, CA 95811

Date: October 29, 2013

Time: 9:00 am to 11:00 am

Cost: Free

Parking: Free parking in lot across 20th Street between O Street and P Street (next to bar and house). Free and metered street parking available as well.

This class is designed for those who have been in business for 1 years or longer. Come and gain valuable information and insight on how lenders think! Learn how to present yourself and your business to make a good impression and increase your chances of receiving a loan.

Topics Covered:

- 5 C's of lending
- Understanding Credit
- Types of Loans Available
- Understanding Loan Terms
- Preparing a Loan Package
- What Lenders are looking for in a Borrower

When

Monday October 21, 2013 from 9:00 AM to 11:00 AM PDT

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital WBC
916-442-1729
scardenas@cacapital.org

Social Media and Marketing

Location: California Capital Women's Business Center, 2000 O Street, Suite 250, Sacramento, CA 95811

Date: October 21, 2013

Time: 9:00 am to 11:00 am

Cost: FREE

Parking: Across 20th Street in lot between O street and P Street (next to bar and house)

Social media has become an essential tool for marketing and brand development. Join our FREE class to demystify the world of social media and better understand how these free tools can help build awareness of your organization, business or campaign. We will break down the different channels and how to best use them to achieve your goals. Join us and get social!

Presented by:

Tina Reynolds, Owner of Uptown Studios

Leidhra Johnson, Social Media Manager, Uptown Studios



Funded in part by

[Register Now!](#)

When

Thursday October 17, 2013 from 9:00 AM to 11:00 AM
PDT

[Add to Calendar](#)

Where

Stockton Blvd Business Information Center
4990 Stockton Blvd
Sacramento, CA 95820



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

Record Keeping

Join us for our FREE record keeping class! The last class in a series of four.

Date: Thursday, October 17, 2013

Time: 9:00 am to 11:00 am

Location: Stockton Blvd BIC, 4990 Stockton Blvd, Sacramento, CA 95820

Cost: FREE

Topics Covered:

- Importance of record keeping
- What is record keeping
- Understanding what tools/software you need
- Where to find free business software training

Presented By: Kathe Nathan, Bank of Sacramento

CLICK BELOW TO REGISTER



BANK OF SACRAMENTO

Register Now!

When

Thursday October 10, 2013 from 9:00 AM to 11:00 AM
PDT

[Add to Calendar](#)

Where

Stockton Blvd Business Information Center
4990 Stockton Blvd
Sacramento, CA 95820



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

Business Banking

Join us for a FREE class to learn how a bank can help support you and your business. This is the third class in a series of four.

Date: Thursday, October 10, 2013

Time: 9:00 am to 11:00 am

Location: Stockton Blvd BIC, 4990 Stockton Blvd, Sacramento, CA 95820

Cost: FREE

Topics Covered:

- Choosing the right bank
- Accounts and other services
- Avoiding fraud
- Commercial lending
- Wealth management
- Retirement planning

Presented by: Shelley Laurel, Senior VP Chief Marketing Officer
Business Banking Manager, Bank of Sacramento

CLICK BELOW TO REGISTER



BANK OF SACRAMENTO

Register Now!

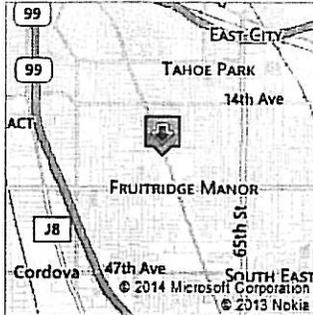
When

Thursday September 26, 2013 from 9:00 AM to 11:00 AM PDT

[Add to Calendar](#)

Where

Stockton Boulevard Business Information Center
4990 Stockton Blvd
Sacramento, CA 95820



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

Financial Management 1

Join us for our FREE Business Financial Management Series! This is the first class of a four class series.

Date: Thursday, September 26, 2013

Time: 9:00 am to 11:00 am

Location: Stockton Blvd BIC, 4990 Stockton Blvd, Sacramento, CA 95820

Cost: FREE

Topics Covered:

- Benefits of financial management
- Budgeting
- Bookkeeping
- Managing Cash Flow

Presented by: Sharon Francis, Senior VP Relationship Manager, Bank of Sacramento

CLICK BELOW TO REGISTER



Register Now!

When

Thursday October 3, 2013 from 9:00 AM to 11:00 AM
PDT

[Add to Calendar](#)

Where

Stockton Blvd Business Information Center
4990 Stockton Blvd
Sacramento, CA 95820



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

Financial Management 2

Join us for a FREE class to learn about business financing. This is the second class in a series of four.

Date: Thursday, October 3, 2013

Time: 9:00 am to 11:00 am

Location: Stockton Blvd BIC, 4990 Stockton Blvd, Sacramento, CA 95820

Cost: FREE

Topics Covered:

- Business financing do's and don'ts
- Financing preparation
- Loan packaging
- Qualifying for financing
- Looking for a loan
- Start-up financing

Presented by: David Levin, Bank of Sacramento

CLICK BELOW TO REGISTER



BANK OF SACRAMENTO

[Register Now!](#)

When

Thursday September 19, 2013 from 9:00 AM to 12:00 PMPDT

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital WBC
916-442-1729
scardenas@cacapital.org

8(a) Workshop

Join our free workshop and learn how to take advantage of the benefits the SBA 8(a) program provides.

Location: 2000 O Street, Suite 250, Sacramento, CA 95811

Date: September 19, 2013

Time: 9:00 am to 12:00 pm

Cost: FREE

Parking: Across 20th Street in lot between O Street and P Street (next to house and bar)

Topics Covered:

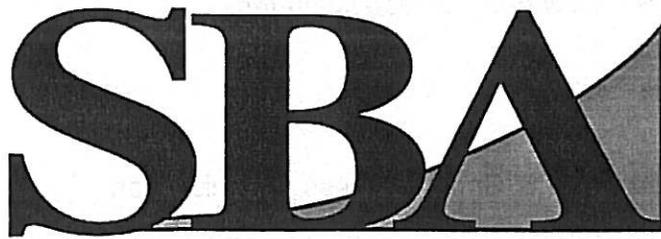
- Eligibility requirements
- The application process
- Required documentation
- 8(a) contracting procedures

For some background information about 8(a) go [here](#).

Register early. Space is Limited.

Funded in part by 

[Register Now!](#)



U.S. Small Business Administration



"Capital and Capacity to Serve Communities"

When

Thursday, December 5, 2013

8:00 AM to 12:30 PM PST

[Add to Calendar](#)

Where

U.S. Small Business Administration

Main Conference Room
6501 Sylvan Road
Citrus Heights, CA 95610



[Driving Directions](#)

Contact

Gilda Perez
U.S. Small Business Administration

916.735.1704

Small Business Tax Seminar

GETTING IT RIGHT

Helping Small Businesses Start, Grow and Succeed!

Join us for a FREE seminar to hear from each tax agency about how to get it right for your small business!

Date: Thursday, December 5, 2013

Time: 8:00 am – 12:30 pm

Location: U.S. Small Business Administration

Main Conference Room

6501 Sylvan Rd., Citrus Heights, CA 95610

Cost: FREE

Topics:

- Agency Services and Products
- Getting it Right for Your Business
- Small Business Financing

Tax Agencies Participating: Board of Equalization, Franchise Tax Board, and Employment Development Department

For questions please contact Gilda Perez at 916-735-1704

When

Tuesday September 10, 2013 from 9:00 AM to 11:00 AM PDT

[Add to Calendar](#)

Where

California Capital Women's Business Center
2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital WBC
916-442-1729
scardenas@cacapital.org

SBA Financing

Join us for a free class to learn about the different financing options SBA offers and where to go to apply.

Location: 2000 O Street, Suite 250, Sacramento, CA 95811

Date: September 10, 2013

Time: 9:00 to 11:00 am

Cost: FREE

Parking: Free parking in lot across 20th between O Street and P Street plus free and metered street parking

Topics:

- 7(a) Loan Guarantees
- Micro Loans
- Real Estate and Equipment Loans CDC/504

Presented by: Robbin Van Steenberge, Economic Development Specialist

Funded in part by 

Register early. Space is Limited.

[Register Now!](#)

When

Tuesday July 30, 2013 from 9:00 AM to 10:30 AM PDT

[Add to Calendar](#)**Where**

California Capital Women's Business Center
 2000 O Street, Suite 250
 Sacramento, CA 95811

Tuesday, July 30, 2013

9:00 a.m. – 10:30 a.m.

[Driving Directions](#)**Contact**

Stephanie Cardenas
 California Capital FDC
 916-442-1729
scardenas@cacapital.org

Prerequisite: Doing Business with County of Sacramento Workshop

Overview: Now that your firm is registered to receive solicitation (RFBs, RFPs) notifications for the County of Sacramento through its eProcurement partner (Public Purchase), this workshop will show you how to use Public Purchase to respond. The workshop will include:

- Review of Sacramento County Standard Bid Documents
- How to enter a Response in Public Purchase
- How to navigate the system
- How to review your response
- How to print your response
- Question and Answer Session

PRESENTERS:

Craig Rader, Purchasing Agent

Dianna Baird, Procurement Opportunities Program Coordinator

Sacramento County Contract and Purchasing Services Division

SACRAMENTO
 COUNTY



Funded in part through a Cooperative Agreement with the U. S Small Business Administration

Register Now!



"Capital and Capacity to Serve Communities"

When

Thursday August 8, 2013

6:00 PM to 7:30 PM PDT

[Add to Calendar](#)

Where

California Capital
Business Center

2000 O Street, Suite 250
Sacramento, CA 95811



[Driving Directions](#)

Contact

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

Women's

Business 101

Join us to learn what you should be thinking about and what to do before starting a business. This course is designed for those who are not yet in business, but thinking about starting one.

Topics:

- Is business right for you?
- What to do first
- Setting a strong foundation
- Important topics to consider
- How to evaluate important elements involved in starting a business
- Common obstacles, challenges and mistakes

Presented by Frank Cuzzo, Sacramento SCORE
Business Mentor

Funded in part by  U.S. Small Business Administration

[Register Now!](#)

**When**

Wednesday August 28, 2013

8:00 AM to 9:00 AM PDT

Add to Calendar**Where**

California Capital Women's Business Center

(712) 432-1500

Code: 177462#

Contact

Stephanie Cardenas
California Capital FDC
916-442-1729
scardenas@cacapital.org

Talking Business

Join us for our biweekly call with Alton Byrd of Shirlaws Business Coaching, where we will discuss anything and everything about business! These calls will take place every other Wednesday at the same time

Call in and speak with Alton Byrd, a professional business coach from Shirlaws Business Coaching. The floor is open to discuss anything and everything about your business!! Come with questions for Alton and he will facilitate a discussion regarding your specific topic of interest. Need some ideas? Here you go!

- How do I market my business effectively?
- How do I resolve an issue with an employee?
- How do I increase my sales?
- How can I identify my business weaknesses and how do I address them?
- How can I better manage my customer relationships?
- How can I become a better leader/better communicator?

Alton is an expert! So please call in and take advantage of his FREE advice!

Call into our conference line below:

(712) 432-1500

Code: 177462#

Date: August 28, 2013



"Capital and Capacity to Serve Communities"

When

Wednesday September 4, 2013 from

9:00 AM to 12:00 PM PDT

[Add to Calendar](#)

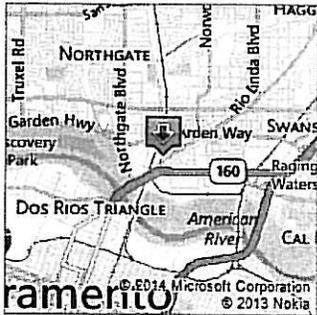
Where

SETA

925 Del Paso Blvd.

Shasta Room

Sacramento, CA 95815



[Driving Directions](#)

Contact

Stephanie Cardenas

California Capital FDC

916-442-1729

scardenas@cacapital.org

How to do Business with Sacramento County and SMUD

Join us to learn the ways you can do business with Sacramento County and SMUD.

Date: September 4, 2013

Time: 9:00 am to 12:00 pm

Location: SETA, 925 Del Paso Blvd., Shasta Room, Sacramento, CA 95815

Cost: FREE

TOPICS COVERED

- Working with (or Selling to) the County of Sacramento and SMUD
- Registering your Business with Sacramento County and SMUD
- Tips for Successfully Responding to a BID
- Local and Small Business Assistance Defined

PRESENTERS

Craig Rader, Sacramento County, Purchasing Agent

Dianna Baird, Sacramento County, Contract Services Officer

Lori Okamoto, SMUD, Supplier Diversity Administrator

Register Early. Space is Limited

******Please bring your laptop so you can work along side the presenters. Wifi will be available.******





January 15, 2004

AN INTRODUCTION TO CAL COASTAL

California Coastal Rural Development Corporation (Cal Coastal) is a private, non-profit (501(c)3) lending organization providing financial assistance to small businesses and farmers who have the ability to repay, but are unable to secure funds at a reasonable cost from commercial credit institutions. Organized in 1982 by the Confederación Agrícola, a coalition of farm-worker cooperatives, we have always focused on providing farm operating and farm mortgage loans to limited resource, mostly Latino, farmers.

Cal Coastal is dedicated to the financing of small farmers and businesses throughout California. Our mission is to assist those enterprises grow, thrive, and prosper enabling the overall economic development of our underserved communities.

Cal Coastal is certified as a Community Development Financial Institution (CDFI) by both the US Treasury and the California Organized Investment Network (COIN). We are also a Certified Development Company (CDC) under the US Small Business Administration's Section 504 program, which allows us to issue debentures for commercial development.

To fulfill the intentions of §14002 of the California Corporations Code (California Small Business Financial Development Corporation Law) "to promote the economic development of small businesses by making available capital . . . to small business entrepreneurs . . . to stimulate economic development" and "to provide a flexible means to mobilize and commit all . . . resources in the various regions of the state to fulfill these objectives", Cal Coastal uses a combination of State, Federal, and local resources.

SMALL BUSINESS FINANCIAL SERVICES

State Resources

The California Small Business Loan Guarantee Program (SBLGP)

This program is one of the three primary mission-focused financial services offered by Cal Coastal. Administered on behalf of the Governor's Office of Business and Economic Development (GoBiz), this program allows financial institutions, mostly small, independent banks and credit unions, to originate small business loans that they would not otherwise fund. Under the program, the financial institution makes the loan directly to the borrowers while Cal Coastal provides a guarantee for up to 80% (up to 90% in some circumstances) of the loan amount, to a maximum of \$2.5 million. The guarantee is supported by a trust fund held by the State for the benefit of this program. The trust can be leveraged at 5:1 so that for every dollar in the trust \$5 in guarantees can be issued. Our service area for this program is the Central Coast region from South Santa Clara County to Ventura County and includes San Benito and Santa Cruz counties as well.

A 10-year summary of Cal Coastal's performance in this program is attached as **Exhibit 1**.

Prior to 2009, when this program was suspended due to the State Budget Crisis, Cal Coastal was one of the preeminent producers within the SBLGP. At that time, we had branch offices in Santa Barbara, Ventura, Santa Maria and Monterey. The drastic changes in the financial support of the SBLGP has resulted in our shuttering all branch offices except for Santa Maria; staffing levels, particularly loan officers, have been dramatically reduced.

In September, 2005 there were 26 independent banks within our service territory with an average asset size of \$730 million; 22 of these banks were participants in the SBLGP. In September, 2013 there were 15 independent banks within our service territory with an average asset size of \$320 million; 13 banks continued to participate in the SBLGP. Mergers and acquisitions by larger state-wide banks (e.g. Union, Rabobank, Pacific Western, who do not utilize the SGLGP), coupled with the turnover of the entire senior management positions of many existing banks, have negatively impacted our ability to resurrect this program. In addition, many of the local institutions, in order to enhance profitability, have chosen to utilize the US Small Business Administration's 7(a) loan program, in which the guaranteed portion of the loan may be sold in the secondary market at premiums in excess of 12%. The SBLGP guaranteed portion cannot be sold in the secondary market and therefore is at a disadvantage from a "profitability" standpoint.

Given the mergers and acquisitions occurring among financial institutions in our service area, we are seeing high quality talent being displaced. We believe there may be opportunities available in the foreseeable future to recruit personnel familiar with the SBLGP, if we could only afford to do so.

RUST (Replacing, Removing or Upgrading Underground Storage Tanks) Program

As a Financial Development Corporation, we package loans and submit them to the State Water Resources Control Board for their approval and funding. RUST Loans may be used to finance up to 100% of the costs necessary to upgrade, remove, or replace underground storage tanks to meet local, state, or federal standards. Loan demand within this program is highly specific, but inconsistent and infrequent.

Federal Resources

The United States Department of Agriculture (USDA) Farm Services Agency (FSA) Direct Loan Program

This program is second of the three primary mission focused financial services offered by Cal Coastal – it is truly the "root" of our organization.

Under this program, we make direct loans for crop production, harvest costs, farm ownership, farm improvement, and capital acquisition. Ninety (90%) of the loan amount is guaranteed by FSA which is sold on the secondary market to Farmer Mac, a government-sponsored enterprise. We retain a 10% residual interest in the loan and earn an interest rate "spread" on the 90% portion we service for Farmer Mac. We do not realize any premium gains when these loans are sold to Farmer Mac. Prior to 2010, we funded our 10% portion by borrowing from the SBLGP Trust Fund; production of farm loans was included in the production figures of the SBLGP. Post-2011, we have not been required to report the farm loan production in our SBLGP totals.

Since 2010, we have utilized a combination of internal funds, two Federal Grants (CDFI and the North American Development Bank [NADBank]) and, most recently, an EQ2 investment from Rabobank to continue to fund our production, none of which now is included in the database for the purposes of the SBLGP.

We estimate that about 70-75% of our direct farm loan portfolio is concentrated within the strawberry industry, primarily Latino farmers. Lending to this industry requires very personal, highly individualized, and exceedingly intense loan servicing and technical assistance. Since we take an assignment of crop proceeds, our borrowers receive weekly payments from their shipper, which are made payable to both us and the borrower. We, in turn, track these payments against the borrowers' individual budgets, review their payroll costs journals, return an appropriate amount for their payroll costs, and retain the balance as principal and interest payments on our loans. We literally work with our borrowers every week to ensure that they are managing their finances appropriately and paying down debt; we provide direct financial technical assistance. Such service is labor intensive and expensive, as it requires staff to monitor and assist the borrowers; mainstream financial institutions do not provide this level of technical assistance and service. Prior to 2010, we were able to provide the services of an agronomist who would provide agricultural technical assistance to our farm borrowers (i.e. soil, water and fertility analysis; insect control; irrigation assistance; quality control; etc.). This position was eliminated with the changes in the SBLGP.

In the last ten years, we have funded over \$200 million to nearly 700 borrowers. During this period, we have created or retained over 46,500 jobs in both the loan guarantee and farm loan programs. In addition, we estimate that in the last two fiscal years alone, we created or retained about 4,000 jobs in the farm loan program, bringing the total number of jobs created to well over 50,000 in the past ten years. In 2013, we once again retained the level of the largest provider of FSA guaranteed loans within California.

A summary profile of Cal Coastal's direct gross farm loan portfolio as of June 30, 2013 follows:

**Demographics
Gross Direct Farm Loan Portfolio
June 30, 2013**

| | # of Loans | % | \$ of Loans | % |
|-----------------|-----------------------|-------------|--------------------|-------------|
| Black | 0 | 0% | - | 0% |
| Caucasian | 42 | 35% | 8,914,091 | 29% |
| Hispanic/Latino | 69 | 57% | 18,226,153 | 60% |
| Asian | 10 | 8% | 3,146,688 | 10% |
| Native American | 0 | 0% | - | 0% |
| | 121 | 100% | 30,286,932 | 100% |
| Women | 43 | 36% | 9,072,404 | 30% |

The United States Small Business Administration (SBA) 504 Loan Program

The US SBA 504 loan program was established to provide financing for capital assets to small businesses. The program provides businesses with low down payment loans for the acquisition of owner occupied commercial properties and heavy equipment with a useful life of greater than ten years. A business owner can complete a purchase with as little as a 10% down payment. The loan structure is somewhat complicated as the transaction is completed with two loans. The first loan for 50% of the cost of the project is funded by a conventional financial institution and they hold first position on the collateral. The second loan is funded through the sale of debentures on the open market by SBA. SBA guarantees the debenture repayment to the investor. The debenture will fund up to 40% of the project cost. Cal Coastal, as a CDC acts as an intermediary between SBA, the 1st mortgage lender and the borrower. Since 2001 (when we received our designation from SBA) through June of 2013 we originated 41 loans in the total amount of \$25,256,000. These loans created 384 jobs and retained 213.

The United States Small Business Administration Micro-Loan Program

The SBA Microloan program is a direct loan program for Cal Coastal. Cal Coastal lends up to \$50,000 to a small business utilizing funds from a loan granted by SBA to Cal Coastal. Loan proceeds can be used for virtually any business purpose with the exception of debt refinance and payment of past due government debt. Recognizing that this particular group of applicants requires more assistance than a more financially sophisticated applicant, SBA has built in a technical assistance grant into the loan program. Cal Coastal receives funding for the provision of both pre-loan and post loan technical assistance to this group of borrowers. Cal Coastal remains obligated to the SBA for the funds lent to them despite the outcome of the loan granted by Cal Coastal to the small business enterprise. The high risk involved in granting these smaller loans has been recognized within the industry and Bank of America has granted Cal Coastal a total of \$145,000 to support a loan loss reserve for this group of loans. Over the past 10 years Cal Coastal has lent a total of \$4,782,036 to 169 small business ventures, representing 745 jobs created or retained.

Intermediary Relending Program

This loan program is funded via a series of loans from the United States Department of Agriculture's Rural Development Agency. Utilizing the loan funds, Cal Coastal can lend funds up to \$250,000 to any non-farm production business located in rural areas. For purposes of this program rural is defined as a municipality of less than 25,000 population or rural unincorporated areas. As in the SBA Microloan program, Cal Coastal is obligated for the repayment of the funds to USDA despite the outcome of the loan made by Cal Coastal to the end borrower. This program has shown marked decrease in viability as the population in our service area has grown. Over the past 10 years we have granted 41 loans under this program for a total dollar amount of \$4,715,522.

Local and Other Resources

Cal Coastal has worked with a number of local municipalities in providing them with underwriting and loan servicing support for their small, revolving loan funds. We have worked with the County of Monterey, the Cities of Guadalupe, Soledad, Gonzales, and Hollister at various times. We have funded nearly \$4 million of loans to about 50 different borrowers and estimate that about 1,130 jobs were created or retained.

Additionally, we worked with the North American Development Bank (NADBank) and the California Economic Development Lending Initiative (CEDLI) over the last ten years in providing commercial

economic development lending capital within our service territory. Both of these programs have ceased providing funds.

Summary

Cal Coastal is more than just the SBLGP.

Despite the economic slowdown which has impacted our service area very considerably, Cal Coastal continues to meet the intention of the Legislature as described in §14000 of the Corporations Code: to provide lending capital to small businesses and emerging entrepreneurs. We achieve this goal not simply with the SBLGP, but with the utilization of Federal, local, and other resources as they are available. We also provide financial technical assistance to all of our borrowers, and the technical assistance we provide our direct farm loan borrowers is exceedingly personal and customized. The current level of support provided by the State and the income earned from the generation of new loan guarantees is insufficient to cover the total costs of the SBLGP. Cal Coastal has subsidized these costs in excess of revenue for this program from the income of our other programs, making it difficult to realize the true benefit of our other programs.

Exhibit 2 shows our lending volumes across all of our programs for the last ten fiscal years. We know that one product doesn't fit all of our clients' needs; that's why we have a diversity of products to serve diverse capital needs. We provide capital resources to emerging businesses to foster employment and constantly make efforts to take advantage of new funding opportunities that can be integrated into our mission, even though every new funding source may complicate an already bewildering and complex array of statutes, regulations, and restricted accounts.

With the mergers and acquisitions occurring among financial institutions in our service area, we are seeing high quality talent being displaced. We see opportunities to recruit talented credit personnel familiar with the SBLGP, if we could only afford to do so.



CAL COASTAL

RURAL DEVELOPMENT CORPORATION

| LOAN PROGRAMS | FARM LOAN | 504 LOAN PROGRAM | MICROLOAN PROGRAM | INTERMEDIARY RELENDING | MONTEREY COUNTY REVOLVING LOAN FUND | LOAN GUARANTEE |
|--------------------------------------|--|--|---|--|---|--|
| DESCRIPTION | Operating capital and mortgage loan to family farms eligible for a Farm Service Agency (FSA) guarantee, U.S.D.A. | A direct loan program funded through the SBA for long-term fixed assets. | Credit and technical assistance to new or expanding small enterprises. | Business loans in rural areas. | Loans to businesses located in Monterey County. | To promote small business enterprises with special emphasis on assistance to those which will create or retain jobs. |
| USE OF FUNDS | Crop production, harvest costs, farm ownership, farm improvements or equipment acquisition. | Fixed-rate financing to buy property, build or expand facilities or purchase long term equipment. | Inventory, accounts receivable, working capital, machinery and equipment . | Working capital, equipment acquisition, plant improvements and inventory. | Inventory, furniture and fixtures, leasehold improvements, equipment, working capital or business acquisition. | Inventory, accounts receivable, equipment acquisitions, farm production. Revolving lines of credit, short and intermediate term loans. |
| QUALIFICATION | Eligible as a family farm as qualified by the FSA Loan Office. | Most "for-profit" companies. Job creation required. Private lenders provide 50% of the financing with the 504 providing up to 40% subordinate financing. The remaining 10% is provided by the borrower. | The Microloan Program lends to owners of new or expanding small and micro enterprises to finance business start-up and expansion. | Business must be located in a unincorporated area or in a city or town with a population of 25,000 or less. | Business must be located in Monterey County. Loan must meet employment criteria of one job created or saved for each \$20,000 lent. Loans meant to be used with other loan sources. | Borrower must have received a commitment from a lender that participates in the guarantee program. |
| MINIMUM & MAXIMUM AMOUNTS | \$10,000 to \$1,355,000. U.S.D.A. may reset amortization annually. | To \$5,000,000. A total project cost of \$12,000,000. Subject to change by SBA. | \$5,000 to \$50,000. Subject to change by SBA. | \$25,000 to \$250,000. | \$5,000 to \$250,000. dependent upon geographic location within the county. | Maximum guarantee of 80% of loan amount up to \$2,500,000 per borrower. |
| MATURITY | Dependent upon loan purpose operating loans generally 12-18 months. Real Estate loans up to 30 years. | 10 and 20 years. | Loan terms are from one to six years. | 7 years on loans for equipment or working capital; 10 years on real estate. | Terms can be up to 25 years on real estate. 15 years on equipment and 5 years for working capital. | Maximum of one year on lines of credit. Seven years on term loans. |
| INTEREST RATE | Variable rates tied to National indices on production loans. Fixed rate on farm ownership and term loans available. | Tied to U.S. Treasury rates. Rate set at time of debenture sale. | Rate tied to prime based on credit evaluation. | Rate tied to prime based on credit evaluation. | Rate tied to prime based on credit evaluation. | Market rate as negotiated by lender and borrower. |
| COLLATERAL | Available business and personal assets including machinery and equipment, accounts receivables, inventory and real property. | Generally limited to the project being financed. | Available business and personal assets including machinery and equipment, accounts receivables, inventory and real property. | Available business and personal assets including machinery and equipment, accounts receivables, inventory and real property. | Available business and personal assets including machinery and equipment, accounts receivable, inventory and real property. | Available business and personal assets, machinery and equipment, accounts receivable, inventory and real property. |
| FEES | 3.35% fee plus closing costs. | 1.50% origination fee and other fees added to the project costs to be financed. | 2.00% of loan amount | 1.00% of loan amount. | \$200 non-refundable application fee and 2.00% of loan amount due at time of funding, plus closing costs. | 2.00% of the guaranteed portion of the loan and a \$250 documentation fee. |



CAL COASTAL

RURAL DEVELOPMENT CORPORATION

California Coastal Rural Development Corporation is dedicated to providing financing to small farmers and businesses throughout California who lack access to capital and technical assistance. Our mission is to assist these enterprises to grow, thrive and prosper enabling the overall economic development to our under served communities.

Loan Officers

San Luis Obispo and North

Jose Guerra
Agricultural Loan Officer
jose_guerra@calcoastal.org
(831) 676-2020

Carole Cook
Commercial Loan Officer
carole_cook@calcoastal.org
(831) 676-2003

San Luis Obispo and South

Clay Appleton
Agricultural/Commercial Loan Officer
clay_appleton@calcoastal.org
(805) 348-4166
Cell (805) 459-8246

Martha Moreno
Loan Administration
martha_moreno@calcoastal.org
(805) 348-4164

Business Development

Loree Van Bebber
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Wendy Francioni
Chief Lending Officer
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Salinas

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www.calcoastal.org



Small Business Development Corporation

January 16, 2014

Teveia R. Barnes
Executive Director
California Infrastructure and Economic Development Bank
980 9th Street, Suite 900
Sacramento, CA 95814

Subject: California Southern Small Business Development Corporation
Go-Biz Data Request

Dear Teveia:

In response to your request for information enclosed are three attachments
Outlining 1) Annual Funding Data (FDC Data Report), 2) Five year profile of loan guarantee
activity, and 3) Businesses Assisted.

Background

California Southern is a public benefit corporation, 501(c)3 Chartered and regulated by the State of California. California Southern was founded in 1989. We administer the loan guaranty program in San Diego and Imperial Counties. We are a member agency of The Association of Financial Development Corporations ("TAFDC"). The Great recession and temporary closure of the program in 2009 resulted in downsize of approximately 43% of staffing. Our focus is the loan guaranty program.

FDC Staffing

Current staff dedicated in whole to California Southern SBDC work with California Small Business Loan Guarantee Program and SSBCI Program:

Marvin Groner... Senior Loan Officer/Chief Credit Officer

Obtain, review and present credits for loan guaranty (credit analysis, underwriting and lender relationships). Follows loan portfolio quality (watch, problems and default loans). Oversees additional loan activity prepared by other loan officers, (i.e. 1099 contracted loan officers paid a percent of fee earned subject to approval and booking of loan). overview program and contract compliance.

Shirley Mora...Portfolio Manager

Manage portfolio database, documentation and reports. Coordinates information requirements with State. Also, responsible for administrative duties as required. Functions include file maintenance, documentation specialist, agency reporting, assist with prospective phone screening, loan committee and Board secretary, scheduling loan committee and Board meetings.

Tom Xitco...Bookkeeper

Tracks accounts payable and receivable, pays bills, prepares invoices, manage payroll, monthly bank reconciliations and financial statements, financial tracking and reporting.

Annual Funding Data

FDC Data Reporting attachment out lines **program compensation** (State Contract, State Variable Fees, Federal contract and Disaster Relief program) for fiscal years 2003-2004 through 2012-2013. Exhibit also outlines **funding adequacy**. It should be noted Exhibit revenues does not include minor sporadic income from contracts to review and underwrite Revolving Loan Fund activity in Imperial County (City of Brawley, City of El Centro, and City of Calexico). Also not included is a fee from a New Market Tax Credit project (approximately FYE 2003-2004).

Corporate funds/reserves/retained earnings were used to subsidize program funding short falls. Reserves were built over time from guaranty and New Market fees.

Historically earlier year program compensation was a base level plus a per-transaction fee. (\$3,500 for new transactions and \$2,650 per renewal).

Five Year Profile

Exhibit outlines California Southern's loan guarantee activity for fiscal years 2008-2009 through 2012-2013. Tracking includes Job creation and retention, fiscal year end activity, portfolio activity, industry type, ethnicity and woman owned business. Also included is a grading and Micro loan activity.

Businesses Assisted

Tracking information for fiscal yearend 2011-2012 and FYE 2012-2013. Information based on pipeline, guarantees funded, and withdraw/turndown/declined data.

There are a number of businesses we assist that do not get documented/tracked or logged. (i.e. TA by phone, walk-ins and individuals at presentations). In addition, there are deals that are discussed in depth with lenders that may not materialize as guarantees. Potential items (lender client or borrower's requesting to review a package for completeness) are followed on a case basis, but not pipeline documented unless there is real potential to assist the business in getting access to a loan. There are businesses that are assisted and referred to lenders (banks, credit union, CDFIs) or Small Business Development Center that may be funded outside of the guaranty program, but are not tracked/logged as activity. There is no direct application tracking. We do not routinely provide direct applications or track them; although we inform/instruct a business on what is needed in a loan request package. Our lenders tend to want to use their own bank forms. In effect, numbers may be skewed on a short side and not reflect a true picture of activity or impact.

If there is any other information you need please do not hesitate to contact me.

Sincerely,



Marvin Groner
Senior Vice President/CCO

CC: Panorea Avdis
Enclosures

California Southern SBDC FDIC Data Reporting

| | State Contract | State Variable Fees | Disaster Relief Program | Federal Contract | Guarantee Fees | Total Program Income | Payroll Expenses | Other Expenses | Total Annual Expenses | Funds Added To Or Used From Reserves |
|-----------|----------------|---------------------|-------------------------|------------------|----------------|----------------------|------------------|----------------|-----------------------|--------------------------------------|
| 2003-2004 | \$ 275,000.00 | \$ 172,226.00 | \$ - | \$ - | \$ 156,855.00 | \$ 604,081.00 | \$ 458,261.71 | \$ 278,642.55 | \$ 736,904.26 | \$ (132,823.26) |
| 2004-2005 | \$ 125,000.00 | \$ 218,751.00 | \$ - | \$ - | \$ 203,765.72 | \$ 547,516.72 | \$ 430,697.57 | \$ 281,947.80 | \$ 712,645.37 | \$ (165,128.65) |
| 2005-2006 | \$ 125,000.00 | \$ 275,826.75 | \$ - | \$ - | \$ 168,628.00 | \$ 569,454.75 | \$ 371,640.94 | \$ 294,656.64 | \$ 666,297.58 | \$ (96,842.83) |
| 2006-2007 | \$ 125,000.00 | \$ 307,050.00 | \$ - | \$ - | \$ 157,376.00 | \$ 589,426.00 | \$ 383,222.37 | \$ 284,529.40 | \$ 667,751.77 | \$ (78,325.77) |
| 2007-2008 | \$ 200,000.00 | \$ 482,700.00 | \$ 4,333.34 | \$ - | \$ 156,151.00 | \$ 843,184.34 | \$ 440,846.29 | \$ 262,585.85 | \$ 703,432.14 | \$ 139,752.20 |
| 2008-2009 | \$ 200,000.00 | \$ 524,000.00 | \$ 2,000.00 | \$ - | \$ 68,061.74 | \$ 794,061.74 | \$ 469,586.37 | \$ 283,848.95 | \$ 753,435.32 | \$ 40,626.42 |
| 2009-2010 | \$ 250,000.00 | \$ - | \$ 2,000.00 | \$ - | \$ 22,876.00 | \$ 274,876.00 | \$ 439,778.41 | \$ 193,853.29 | \$ 633,631.70 | \$ (358,755.70) |
| 2010-2011 | \$ 329,540.00 | \$ - | \$ 2,000.00 | \$ - | \$ 37,629.80 | \$ 369,169.80 | \$ 180,466.24 | \$ 203,475.01 | \$ 383,941.25 | \$ (14,771.45) |
| 2011-2012 | \$ 117,737.00 | \$ - | \$ 2,000.00 | \$ 107,272.00 | \$ 95,977.90 | \$ 322,986.90 | \$ 239,976.82 | \$ 207,761.10 | \$ 447,737.92 | \$ (124,751.02) |
| 2012-2013 | \$ 125,577.00 | \$ - | \$ 2,000.00 | \$ - | \$ 239,049.98 | \$ 366,626.98 | \$ 211,785.14 | \$ 136,190.64 | \$ 347,975.78 | \$ 18,651.20 |

Staff:
 Marvin Groner Current (Senior Loan Officer)
 Shirley Mora Current (Portfolio Manager)
 Tom Xico Current (Bookkeeper)
 Robert McCraw Thu June 2013 (President)
 Martha Abarca Thu September 2009 (Loan Officer)
 Teresita Walker Thu September 2009 (Administrative Assistant)
 Gilbert Espino Thu January 2005 (Loan Officer)

**CALIFORNIA SOUTHERN SMALL BUSINESS DEVELOPMENT CORPORATION
FIVE YEAR PROFILE - LOAN GUARANTEE ACTIVITY**

| <u>Fiscal Year End Activity</u> | <u>2008/2009</u> | <u>2009/2010</u> | <u>2010/2011</u> | <u>2011/2012</u> | <u>2012-2013</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| # Guarantees funded | 171 | 71 | 96 | 32 | 47 |
| Total Loan Amount | \$10,150,804 | \$3,498,702 | \$3,392,719 | \$6,595,845 | \$16,720,953 |
| Average Loan Size | \$99,361 | \$49,277 | \$35,341 | \$206,121 | \$355,765 |
| Encumbered Amount | \$4,421,159 | \$1,520,441 | \$1,759,700 | \$4,422,584 | \$12,551,708 |
| <u>Portfolio Activity</u> | <u>2008/2009</u> | <u>2009/2010</u> | <u>2010/2011</u> | <u>2011/2012</u> | <u>2012-2013</u> |
| # Guarantees outstanding | 365 | 340 | 353 | 276 | 216 |
| Encumbered Amount | \$14,333,808 | \$10,622,959 | \$8,400,867 | \$9,841,815 | \$18,757,695 |
| Term | 335 | 324 | 348 | 268 | 201 |
| LOC | 30 | 16 | 5 | 8 | 15 |
| <u>Ethnicity</u> | | | | | |
| African-American | 5% | 5% | 4% | 4% | 4% |
| Hispanic | 13% | 14% | 19% | 15% | 14% |
| Pacific-Asian | 27% | 26% | 24% | 27% | 25% |
| Asian-Indian | 1% | 1% | 0% | 0% | 0% |
| Native American | 0% | 0% | 0% | 0% | 0% |
| Other | 13% | 14% | 11% | 12% | 13% |
| | 59% | 60% | 58% | 58% | 56% |
| <u>Woman Owned Business</u> | | | | | |
| African-American | 2% | 2% | 2% | 2% | 2% |
| Hispanic | 6% | 5% | 7% | 5% | 5% |
| Native American | 0% | 0% | 0% | 0% | 0% |
| Pacific-Asian | 7% | 6% | 7% | 7% | 5% |
| Other | 2% | 3% | 2% | 3% | 3% |
| Caucasian | 13% | 13% | 16% | 16% | 15% |
| | 30% | 29% | 34% | 33% | 30% |
| <u>Industry</u> | | | | | |
| Agriculture | 0% | 0% | 0% | 0% | 0% |
| Contracting | 9% | 8% | 11% | 10% | 13% |
| Manufacturing | 8% | 8% | 9% | 8% | 7% |
| Retail | 42% | 43% | 34% | 37% | 35% |
| Service | 32% | 33% | 44% | 43% | 44% |
| Wholesale | 9% | 8% | 2% | 2% | 1% |
| | 100% | 100% | 100% | 100% | 100% |
| <u>Grade</u> | | | | | |
| 1 Almost Bankable | 0% | 0% | 0% | 0% | 0% |
| 2 Standard | 0% | 1% | 1% | 1% | 1% |
| 3 Substandard | 45% | 39% | 33% | 31% | 31% |
| 4 Marginal | 11% | 10% | 6% | 12% | 12% |
| 5 Watch list/problem | 6% | 5% | 4% | 5% | 5% |
| Micro Loan | 38% | 45% | 56% | 51% | 51% |
| | 100% | 100% | 100% | 100% | 100% |
| <u>Jobs Created/Retained for FYE</u> | | | | | |
| Created | 135 | 106 | 144 | 119 | 310 |
| Retained | 669 | 317 | 521 | 226 | 759 |

Graduations:

87 Graduates with a total encumbered amount of \$2,817,520 2012/2013

**CALIFORNIA SOUTHERN SMALL BUSINESS DEVELOPMENT CORP.
BUSINESSES ASSISTED**

| | 2011 - 2012 | 2012 - 2013 |
|-------------------------------|--------------------|--------------------|
| Loan Guarantees Funded | 32 | 47 |
| Total Loan Amount | \$6,595,845 | \$16,720,953 |
| Pipeline Credits | 67 | 91 |
| Withdrawn/Turndown/Declined * | 28 | 29 |
| Total Packages Reviewed | 95 | 120 |

* Most likely 28 for Fiscal Year End 2011-2012, move to NTC/Liberty Station in February 2012 - some Withdrawals/Turndown/Declined files were shred.



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Phone:(909) 391-6787 • Fax: (909) 391-6765

January 16, 2014

Teveia R. Barnes
Executive Director
California Infrastructure and Economic Development Bank
980 9th Street, Suite 900
Sacramento, California 95814

Re: Inland Empire Small Business Financial Development Corporation
Go Biz Data Request

Dear Ms. Barnes:

At your request for information, we are trying to give you more insight of the Inland Empire FDC. I do not know if you are aware that our office was opened in November of 2001 and is one of three new FDCs opened at that time. Our goal is to service all of the Inland Empire communities which include the San Bernardino County and Riverside County from high desert and as far south as the Coachella Valley and any surrounding areas that we can supply services to.

During the time of our operation from 2001 we have issued 261 loan guarantees totaling over 36 million dollars in financial assistance. In addition to providing guarantees we have provided a number of hours of TA support to various companies to guide them to the SBDC or City Officials to answer their business questions.

Our office works closely with local Community Banks and Lenders since the larger Banks, Bank of America and Wells Fargo have their in-house SBA Departments.

In 2008, at the time of the recession Inland Empire had been hit the hardest and during that time several of our small community banks have closed, merged and with these changes we lost many Lenders that have left the area or retired. It has been a rough road for us; however, we have currently made new contacts and Bank Lenders.

The program administration funding has declined since the peak time in 2005. At that time and in prior years the FDC's received a base level of compensation of \$200,000.00, plus a per-transaction fee of \$3,500.00 for each new guarantee or if a renewal the per transaction paid was \$2,650.00. This amount of compensation provided an incentive towards our loan volume which was what was needed at that time. The base level of compensation also allowed funding for stronger program support, including



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another FTE for program administration, and other credit professional and marketing efforts; these positions of which had to be eliminated due to persistent program funding cuts. The sad state is that the program has more guarantee capacity and capital than it has in history, and the least amount funding ever available to FDC's to deploy that capital.

The Inland Empire is unique, not as in the San Diego, Orange County and Los Angeles area, the Inland Empire is the highest in unemployment.

Thank you for the opportunity to share this information, and if there is anything else you need please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink, appearing to read 'Larry Barron', written over a horizontal line.

Larry Barron,
VP/CFO

Cc: Panorea Avdis, Yolanda Benson

Inland Empire SBFDC

IESBFDC

| Larry Barron Barbara Bradford Year | **TA | Application Reviewed | | | Guarantees Funded | Non-Funds |
|--|------|----------------------|----|--|----------------------|-----------|
| | | | | | | |
| 7/1/2011 - 6/30/12 | 351 | | 72 | | 15 | 14 |
| 7/1/2012-6-30-2013 | 340 | | 60 | | 8 | 18 |
| <p>** TA= Includes phone calls and emails from prospects seeking assistance and information on programs. Time spent on conferences, visits to prospects and banks. Correspondence with varies banks and loan officers on re Correspondence with varies banks and loan officers on recoveries and default procedures</p> | | | | | | |

| |
|--|
| |
|--|

Nor-Cal Technical Assistance Review/ January 2014

Nor-Cal provides Technical assistance in a number of different forms. The technical assistance provides a link to our borrowers being lender ready and our lending partners staying in compliance. The most typical sources of technical assistance that Nor-Cal provides are:

Technical Assistance for Businesses:

- Pre-screening, application support, extended pre-loan technical assistance, post loan T.A to support additional rounds of financing.

Technical Assistance for Lending Partners

- Program guidance for loan officers, lenders liquidation team support and problem loan workouts.

The technical assistance is generally delivered by:

- Face to face interviews, emails, group seminars, special classes on industry subjects and our custom website T.A modules.

As the underwriting for loan guarantees is often one of the last steps in the process of providing a loan with a guarantee. Nor-Cal's staff must be very pro-active in working with a larger audience of potential businesses to identify the most likely candidates for financing.

For the most recent fiscal year (2013) Nor-Cal had a total of 150 approved loans, it's our experience that for every approved guarantee, it requires that we provide technical support services on a 1:6 basis. Thus it required that we work with a minimum of 900 prospects to acquire those 150 loan guarantees.

The pre-screening by phone and email are the most frequent form of T.A., which is estimated to be a minimum of 50%, face to face and group seminars are each about 20%, and our website and classes generally make-up the remainder.

Nor-Cal staffing is as follows:

Nor-Cal has a staff of 9, and also utilizes additional professionals to support our delivery of services.

President- Program outreach, board of director's program guidance and compliance support

CEO- Day to day operations, program outreach, strategic planning and underwriting

Chief Lending Officer- Program outreach, underwriting, and program support for lenders and borrowers

Database & Loan Portfolio Manager- Provides reporting to the state and compliance for staff and loans

Operations and Loan Default Manager- Budget and fiscal manager and default processing of guarantees

Loan Support & Portfolio Servicing Assistant

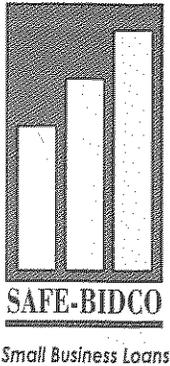
Operations Support & Technology Support

Program Administrative Support Staff

Accounting Officer- Prepares internal financial statements and invoicing

Organizational Shortfalls- Nor-Cal's success in being a high producer of guarantees also creates a problem of managing and servicing its ever increasing portfolio. Currently, the State only provides a minimal subsidy for servicing expenses. Of Nor-Cal's current staff, 70% of staffing resources are primarily for servicing and compliance related activities. This expense must be subsidized by our loan production, organizational reserves or the constant reduction of staffing resources and/or benefits.

How to Cover Funding Gap- Nor-Cal has been aggressively pursuing a technology partnering for efficiency and for the ability to expand our production capacity. A key alternative method of increasing our revenues is to expand our program offerings, so that we are compensated for technical assistance via web based services and the ability to provide custom programs for capital access.



January 15, 2014

Teveia R. Barnes
 Executive Director
 California Infrastructure and Economic Development Bank
 980 9th Street, Suite 900
 Sacramento, CA 95814

RE: State Assistance Fund for Enterprise, Business and Industrial Development Corporation (SAFE-BIDCO) GoBiz Data Request

Dear Ms. Barnes: *Teveia*

In accordance with your request for information at the last FDC meeting we have already provided: **1) Annual Funding Data** for the past ten years; **2) Annual Loan Guarantee Activity** which analyzes administrative fees, defaults, etc.; and **3) FDC Staffing**.

The following is being provided for further clarification. Also attached is a background on SAFE-BIDCO.

FDC Staffing: Since our administrative funds do not cover program expenses we only bill for our contract business development officer, however, the following persons are dedicated in whole or part to SAFE-BIDCO's work with the California Small Business Loan Guarantee Program:

- i. Kathy Alexander, Corporate Secretary and Human Resources and Administrative Officer – responsible for contract admin and program development.
- ii. Brad Bridges, Loan Officer – underwrites guarantee requests as needed.
- iii. Sheila Cargill, Sr. Loan Officer – back up to Sunny for underwriting and credit review.
- iv. John Connelly, Business Development Consultant – responsible for marketing program, training lenders and gathering packages for underwriters.
- v. Mary Jo Dutra, President/CEO – on a program level helps with program marketing, lender relations, agency reporting, program and contract compliance. On a corporate level functions as the Chief Executive Officer with oversight of all loan and servicing programs. Oversees reporting of all programs and program development.
- vi. Sunny Lapham – functions as loan officer and program manager responsible for underwriting review, credit analysis, lender relations, file maintenance, agency relations, data processing, reporting and scheduling loan committee meetings for transaction approvals.
- vii. Fabio McCraw – functions as additional analyst and assists with file maintenance, lender liaison, agency reporting, loan committee secretary.
- viii. Tammy Pizza, Finance Administrator – prepares invoices, tracks payments.

STATE ASSISTANCE FUND FOR ENTERPRISE, BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATION

1377 Corporate Center Parkway, Suite A • Santa Rosa, California 95407
 (707) 577-8621 • (800) 273-8637 • FAX (707) 577-7348
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Administrative Funding Adequacy: As you already know program compensation has declined. In year's prior the FDCs received a base level of compensation plus a per transaction fee. This method of compensation provided an incentive towards volume which is what the state wanted to see at that time. However, the base compensation was always "subject to change" and the program was never at parity. For SAFE-BIDCO, program expenses have always exceeded reimbursement.

Despite these obstacles and only by subsidizing the program on a corporate level has SAFE-BIDCO gained traction with new lenders, and re-acceptance of the program with old lenders. Staff's ongoing marketing efforts have introduced the program to many new lenders statewide.

The information provided earlier comparing the FDCs clearly demonstrated the lack of parity in this program. SAFE-BIDCO is the only FDC that was asked to self-fund their portion of the Trust Fund coming into this program. The introduction of the SSBCI was an opportunity to show what each FDC could do when starting with the same level of funding. Unencumbered with the limits of the state program, SAFE-BIDCO has dramatically increased production. Our marketing efforts have been statewide and have helped the other FDCs (behind the scene).

Financing the FDCs: In order for this program to function effectively, all the FDCs need to be on the same administrative base level with an incentive for portfolio maintenance. The FDCs need to be treated equally so that the entire state is allowed equal program access.

Performance: The FDCs must all be required to follow the same guidelines and adhere to the same standards. The entire program suffers when poor performance and/or total disregard for the guidelines and legislation is tolerated from some of the corporations.

Thank you for your consideration of this matter. If you have any questions, please do not hesitate to call me.

Sincerely,



Mary Jo Dutra
President/CEO

MJD:ka

cc: Panorea Avdis
Dan Apodaca

Background

The Corporation

State Assistance Fund for Enterprise, Business and Industrial Development Corporation (SAFE-BIDCO) was created by the Legislature in 1980 (SB 16, Roberti) and established in July of 1981. SAFE-BIDCO was organized as a non-profit corporation pursuant to California Finance Code Section 32000 and under the supervision and regulation of the Department of Business Oversight (DBO). Originally established to provide assistance in the creation and expansion of small businesses involved with emerging energy conservation or production technologies statewide, our mission broadened to promote economic development and we now operate several loan and guarantee programs that can assist all types of small businesses at almost every stage of their development.

Our mission is to serve as a non-traditional financing source providing efficient and effective access to various state and federal programs and continue to finance energy and environmental projects. As an instrument of legislative intent, SAFE-BIDCO's programs are designed to enhance economic development, thus fostering the creation of jobs and industrial diversification. On behalf of the state, we focus on the needs of small businesses as the means to achieve these goals.

Our clients are either existing or start-up businesses who may not meet a traditional Lender's underwriting criteria. SAFE-BIDCO's assistance is not intended as a "crutch" for a weak or failing enterprise. Instead, our loans and guarantees are intended to provide a "bridge" over a financial gap created by a firm's growth, redirection or temporary setback.

As a BIDCO, SAFE-BIDCO is a regulated non-deposit lender. We are the only financial development corporation (FDC) regulated by DBO formerly Department of Financial Institutions. In addition to our annual audit we undergo an annual examination of our portfolio and our financials by DBO.

The State Loan Guarantee Program is only one of the programs SAFE-BIDCO actively markets in the furtherance of business development.

SAFE-BIDCO Loan Programs

SBA Guaranteed Loans (SBA) – SAFE-BIDCO is a Certified Lender in the SBA 7(a) program. Our clients generally lack some key element needed to meet bank portfolio standards. We will work with borrowers despite deficiencies in equity, collateral or track record. Maximum loan size is \$750,000.

Farm Service Agency (FSA) – SAFE-BIDCO is also approved by United States Department of Agriculture (USDA) Rural Development to participate in the Farm Service Agency (FSA) Guaranteed Loan programs and the USDA's Guaranteed Community Facilities (GCF) program. Maximum loan size \$500,000.

North Coast Microloans – Open to Northern California businesses seeking loans of \$25,000 or less. Loan proceeds can be used for virtually any business need, including equipment purchase, business expansion or acquisition, inventory, and working capital. Start-ups are considered on a case-by-case basis.

Energy Efficiency Loans – A loan program to provide low interest financing to small businesses desiring to install energy saving equipment or alternative energy systems. Approved projects must be completed before funds will be disbursed. Real estate is not usually required as collateral. Non-owner occupied facilities acceptable. Maximum loan size is \$350,000.

Timber/Rural Counties Loans (IRP) – Recognizing the special need for non-agricultural financing in North Coast counties, this program provides fixed-rate loans to small businesses in the region. This program may finance up to seventy five percent of a new business or business expansion. Maximum loan size is \$250,000.

Native American Loans – This program is open to small businesses at least 51% Native American owned looking to expand operations as well as those desiring to start up or acquiring an existing enterprise. Maximum loan size is \$250,000. Funded with a \$350,000 Rural Business Enterprise Grant (RBEG) from the USDA.

State Resources

Capitalized with \$750 thousand from the state, the agency was also backed with a \$2.5 million line of credit from the General Fund for providing SBA loans to firms involved with emerging energy conservation or production technologies.

In 1989 SAFE-BIDCO's mission was broadened to include all SBA-eligible firms and SAFE-BIDCO was authorized to also function as a Regional Financial Development Corporation to provide state loan guarantees with a focus on the north coast. Of the 11 financial development corporations (FDCs) participating in the State Loan Guarantee Program, SAFE-BIDCO is the only FDC that self-funded. SAFE-BIDCO transferred \$750,000 of its own funds to the State Loan Guarantee Program Trust Fund. SAFE-BIDCO participated in the State Loan Guarantee Program at 25% of the funding level of the other FDCs until FY10/11, when the State provided an augmentation to SAFE-BIDCO's Trust Fund when it replenished the Trust Funds of the other FDCs. Additionally in FY10/11, the State Loan Guarantee Program received an infusion of State Small Business Credit Initiative funds to which all FDCs have equal access.

Federal Resources

Through a series of competitive applications, SAFE-BIDCO has received six loans totaling \$3.15 million from the USDA, Rural Development program and a \$350,000 USDA Rural Development Rural Business Enterprise Grant (RBEG) to start a loan fund for Native American owned businesses.

Private Resources

SAFE-BIDCO received a \$1 million loan from Bank of America along with grants totaling \$185,000 to cover the Loan Loss Reserve.

Other SAFE-BIDCO Programs

In addition to our direct loan and guarantee programs, SAFE-BIDCO provides loan servicing, packaging and underwriting to a variety of government agencies and non profit corporations.

RUST and Hazardous Waste Loans

Evaluation and packaging services are provided to the State Water Resources Board for its Replace Underground Storage Tanks loan program and hazardous waste loan program.

Loan Fund Management Services

SAFE-BIDCO provides loan fund management service to government agencies, banks and community development agencies, including Brownfields revolving loan funds and micro loan programs. The government agencies we have contracted with include California Energy Commission, Department of Toxic Substances Control, California Public Utilities Commission and the State of Nevada.

COIN

SAFE-BIDCO is a California Department of Insurance certified Community Development Financial Institution (CDFI) for the California Organized Investment Network (COIN) and is able to receive qualified deposits in exchange for tax credits.

In conclusion, the greatest advantage of the SAFE-BIDCO model is the manner in which we were created. It is also our greatest challenge. Our quasi-government status often keeps us from being eligible for a number of Federal programs. It also often makes many of the state agencies look at us as a threat or competition rather than a partner for many programs.

AN INTRODUCTION TO VALLEY SMALL BUSINESS DEVELOPMENT CORPORATION

Valley Small Business Development Corporation (hereafter "Valley") was incorporated in 1981 as a non-profit, public benefit with an IRS 501(c) (3) classification. Valley is organized pursuant to Section 14000 of the California Corporations Code which establishes very specific Financial Development Corporations to serve the credit, as well as, management and technical assistance needs of small businesses and small farming entities throughout the State of California. As such, it is licensed to make direct loans as well as to guarantee small business loans to participating financial institutions. **Valley's mission is to provide small businesses and family farms with increased access to capital.** In 2003, Valley was certified as a Community Development Financial Institution (CDFI) from the CDFI Fund, U.S. Department of the Treasury. To further insure the successful completion of our mission, we collaborate with a wide variety of public and private financing institutions.

Valley has defined the following Central San Joaquin Valley Counties as the primary **Service Area**: Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, Sacramento, Stanislaus, Tuolumne, and Tulare. These counties are predominantly rural and are heavily populated with towns and cities that fall below 50,000-population. Upon an analysis of the geographic distribution of our loan inquiries and activities, it becomes immediately clear that the credit needs of certain urban neighborhoods and these smaller, more rural communities are under served.

Valley is well-qualified to act as the program operator and technical assistance provider. Valley has a strong operating budget that supports a staff of 12 employees. Revenues are comprised primarily of interest income, guarantee and loan fees, contract income, and grant income (see attached projected Valley budget for FY2012/13). Valley has a very experienced and knowledgeable staff with over 150 years of experience in lending and providing technical assistance. This experience is illustrated by the following:

Under the California Small Business Loan Guarantee Program (SBLGP) and the State Small Business Credit Initiative Loan Guarantee Program (SSBCI) during the last 7 fiscal years, we guaranteed 475 loans totaling \$64+ million. Our current guarantee loan portfolio includes 78 loans totaling \$19 + million with a five year loss rate of 2.88%.

Under our Direct Loan Programs, during the last 7 fiscal years, we approved 403 direct loans totaling \$25+ million. Our current direct loan portfolio includes 154 loans totaling \$9+ million. The loss rates are different for each program, ranging from 0% on the direct ag portfolio to 7.98% on the SBA microloan portfolio. The average loss rate for the entire portfolio is 2.12%.

The overall loan growth and portfolio performance reflects a skilled and disciplined loan department, but also established policies and procedures that maximize capital deployment and minimize the level of risk. The main reason that sets Valley apart from other service providers is the fact that over half of the staff have operated or currently operate a small business. Valley's staff understands how intimidating the lending process is to a small business owner and is very familiar with the challenges of successfully running a small business in California.

SMALL BUSINESS FINANCIAL SERVICES

STATE AND FEDERAL RESOURCES

The California Small Business Loan Guarantee Program (SBLGP) and the State Small Business Credit Initiative Loan Guarantee Program (SSBCI)

The primary focus of the services offered by Valley is the California Small Business Loan Guarantee Program (SBLGP) and the State Small Business Credit Initiative Loan Guarantee Program (SSBCI). Servicing a nine county area of the Central San Joaquin Valley is a daunting task but is achieved through a substantial network of banking relationships, improvements in technology, and pristine and unmatched service provided by our staff. Administered on behalf of the Governor's Office of Business and Economic Development (GoBiz), this program provides the necessary incentives for banks to provide small business loans utilizing these credit enhancement tools to borrowers that they would not finance otherwise.

A 10-year summary of Valley's performance on this program is shown on Exhibit A.

Direct Farm Loan Program (DFLP)

The DFLP provides direct loans of up to \$1,355,000 for farm operating or equipment and \$1,100,000 for farm ownership of family farms utilizing the Farm Service Agency 90% loan guarantee. Borrowers must be eligible as family farms under FSA regulations. The funding source is the State trust fund which allows for Valley to re-sell the loans on the secondary market. This increases our capital capacity through leveraging.

USDA Intermediary Relending Program

Under this program, USDA-RD loans VALLEY funds at 1% for 30 years, and Valley uses the funds to provide loans to eligible entities located in towns, cities or unincorporated areas under 25,000 in population. Emphasis is placed on financing businesses that provide needed services and/or economic activity in severely distressed rural areas, Enterprise/Empowerment Zones, and "Champion Communities". The maximum loan size is \$250,000 under this program with available capacity of over \$2.0 Million.

USDA Rural Microentrepreneurial Assistance Program (RMAP)

This program allows Valley to provide direct loans up to \$50,000 for small businesses (meeting USDA eligible guidelines) whose financial needs are too small for conventional lenders to consider. Valley uses the funds to provide loans to eligible entities located in towns, cities or unincorporated areas under 50,000 in population. The available capacity of this program is \$500,000.

CDFI Loan Program

This program allows Valley to provide direct loans up to \$100,000 for small businesses whose financial needs are too small for conventional lenders to consider. Valley uses the funds to provide loans to eligible entities located in our lending Service Area.

SBA Microloan Program

This program allows Valley to provide direct loans up to \$50,000 for small businesses (meeting SBA eligible guidelines) whose financial needs are too small for conventional lenders to consider.

Other State Programs

Valley administers a variety of other financing programs in collaboration with the State of California, Business Transportation and Housing Agency, including the State Disaster Fund, Clean Energy Business Financing Loan Program, Hazardous Waste Reduction Loan Program, Energy Conservation Low-Interest Loan Program and Underground Storage Tank Loan Program.

PRIVATE RESOURCES

Direct Farm Loan Program - Rabobank

This program is designed to mirror the Direct Farm Loan Program as well as to finance farm related businesses, small operating loans and those loans that do not qualify under FSA guidelines and criteria. This loan program provides for direct loans of up to \$1,000,000 for farm operating or equipment and for farm ownership of family farms, utilizing the Farm Service Agency 90% loan guarantee. Loans up to \$250,000 may be made without any loan guarantee requirement, although Valley regularly utilizes the CalCAP Collateral Support Program, when necessary. Funding for this program is made available through a \$5.0 Million EQ2 Equity Investment from Rabobank.

Wells Fargo Bank Small Farm Loan Program

This program allows Valley to provide direct loans up to \$25,000 for small family farms whose financial needs are too small for conventional lenders to consider. Valley uses the funds to provide loans to eligible entities located in towns, cities or unincorporated areas under 50,000 in population. Wells Fargo Bank provides funding for this program through a series of EQ2 Equity Investments totaling \$3.0Million including the Fresno Regional Foundation loan pool of \$1.0 Million.

Wells Fargo Small Business Loan Program

This program allows Valley to provide direct loans up to \$150,000 for small businesses whose financial needs are too small for conventional lenders to consider. Valley uses the funds to provide loans to eligible entities located in our lending Service Area. Wells Fargo Bank provides funding for this program through a series of EQ2 Equity Investments totaling \$3.0Million including the Fresno Regional Foundation loan pool of \$1.0 Million.

Fresno Regional Foundation Loan Program

This program allows Valley to provide direct loans up to \$100,000 for small businesses whose financial needs are too small for conventional lenders to consider. Valley uses the funds to provide loans to eligible entities located in our lending Service Area. Wells Fargo Bank provides funding for this program through an EQ2 Equity Investment of \$1.0Million funded to the Fresno Regional Foundation as a pass through to Valley for this specific loan pool.

A summary profile of Valley's direct loan portfolio as of June 30, 2013 is shown as follows:

| 2013 Loan Portfolio Demographics | # | % | \$(in 000's) | % |
|---|------------|------------|---------------------|------------|
| African American | 5 | 3 | \$190,625 | 2 |
| Caucasian | 84 | 55 | \$5,904,148 | 66 |
| Hispanic | 53 | 35 | \$2,292,434 | 26 |
| Asian | 6 | 4 | \$233,100 | 3 |
| East Indian | 2 | 1 | \$65,987 | 1 |
| Native American | 2 | 1 | \$39,023 | 0 |
| Armenian | 2 | 1 | \$150,088 | 2 |
| Total | 154 | 100 | \$8,875,405 | 100 |
| Women | 21 | 13 | \$632,527 | 7 |
| LMI | 37 | 24 | \$1,820,283 | 20 |

The table indicates that approximately 47%, by number, of the direct loans are made to minority business owners with 24% of all loans being made in Low-to-Moderate Income Census Tracts and 13% to women owned businesses, both by number. This number is somewhat skewed due to the high concentration of larger agricultural loans which are generally operated by a male farm operator. These figures are consistent with Valley's mission statement to provide access to capital to the underserved small business owners and small farms.

A summary profile of Valley's guarantee loan portfolio as of June 30, 2013 is shown as follows:

| 2013 Guarantee Portfolio Demographics | # | % | Liability \$(in 000's) | % |
|--|------------|------------|-------------------------------|------------|
| Native American | 0 | 0 | \$0 | 0 |
| Pacific-Asian | 2 | 1.9 | \$1,720,000 | 6.66 |
| African American | 0 | 0 | \$0 | 0 |
| Hispanic | 12 | 11 | \$2,768,906 | 10.73 |
| Asian- Indian | 10 | 9.3 | \$2,996,287 | 11.61 |
| Caucasian | 78 | 72.2 | \$14,397,634 | 55.79 |
| Other | 6 | 5.6 | \$3,924,893 | 15.21 |
| Total | 108 | 100 | \$25,807,720 | 100 |
| Women Owned | 11 | 10.19 | \$3,409,926 | 13.21 |
| Male Owned | 55 | 50.92 | \$12,727,912 | 49.32 |
| Male/Female Owned | 42 | 38.89 | \$9,669,882 | 37.47 |
| Total | 108 | 100 | \$25,807,720 | 100 |

The table indicates that approximately 22% of the guaranteed loans are made to minority business owners, by number, with 12%, by number, of all loans being made in Low-to-Moderate Income (LMI) Census Tracts and 10% to women owned businesses. The loan guarantees are finalized with banking partners throughout the San Joaquin Valley. This number is also somewhat skewed due to the high concentration of larger agricultural loans which are generally operated by a male farm operator.

Our goal for 2014 is to continue to focus on funding loans and providing technical assistance to minorities and LMI borrowers. Valley also hopes to perfect a database tracking system to measure our efforts towards the underserved.

SMALL BUSINESS FINANCIAL SERVICES

The original language of Section 14002 states that “it is the intention of the Legislature in enacting this part to promote the economic development of small businesses by making available capital, management assistance and other resources, including loan services, personnel and business education to small business entrepreneurs for the purpose of promoting the health, safety, and social welfare of the citizens of California, to eliminate unemployment of the economically disadvantaged of the state, and to stimulate economic development, employment, minority group and disabled persons entrepreneurship.” Having incorporated this mandate into our business plan, Valley has become the leader in technical assistance and financial literacy in the San Joaquin Valley. Valley provides a full range of technical assistance and development services for the agricultural community, family farms, immigrant family farmers, and the small business community. These services include comprehensive business consultation and technical assistance, business plan development, loan packaging, problem solving, and referrals to other appropriate service providers. Valley has received technical assistance grants from the U.S. Small Business Administration; U.S. Department of Agriculture, Rural Development; Wells Fargo Foundation; Union Bank; Comerica; Bank of the West, CoBank; and Farm Credit West to deliver services to the small farm/small business community.

Valley is committed to providing the widest possible range of financing and technical assistance to family farms and small businesses in our Service Area. All of our financial and development services provide direct benefits to the residents, family farmers, and small business owners. We approach our financing activities from the perspective that we need to find effective solutions to the capital needs of family farms and small businesses. As such, we work individually with each borrower to understand their business and capital needs. In an effort to formalize our focus on technical assistance, in 2013, Valley was awarded a Technical Assistance Grant from Union Bank to establish a Technical Resource Assistance Center (TRAC) to train family farms and small businesses to become “loan ready” and “financially literate”. In light of the budgetary problems facing the State of California and its impact on the small business community, Valley is in the position to continue the delivery of needed small business counseling services.

A summary profile of the clients served by Valley through technical assistance and outreach for the year ended December 31, 2013 is shown as follows:

TOTAL SERVED

| TA Client Demographics | # | % |
|-------------------------------|------------|------------|
| African-American | 19 | 3.3 |
| Caucasian | 357 | 61.2 |
| Hispanic | 166 | 28.5 |
| Asian-American | 39 | 6.7 |
| Native American | 2 | 0.3 |
| Native Hawaiian | 0 | 0 |
| Total Served | 583 | 100 |
| Women | 103 | 17.7 |
| LMI | 125 | 21.4 |

Valley did not have a data comprehensive collection mechanism in place for most of 2013. Therefore, most of these numbers are under-represented. A new data base has been implemented that will portray more realistic outcomes at year end 2014.

The **TRAC** Program’s initial four-county service area (Fresno, Madera, Tulare and Kings counties) and the City of Fresno contain over 150 census tracts that are demographically identified as Low-to-Moderate Income (LMI). Each small business owner located in an LMI eligible census tract will be notated to capture data for supplemental reporting. These are existing small business owners that have been in operation for at least two years and can demonstrate financial sustainability and growth.



Since 1993, Valley has been recognized as one of the largest Central San Joaquin Valley technical assistance service provider in support of small business loans. Valley has received the following technical assistance grants

Technical Assistance Grants Received

| Year of Award | Funding Source | Grant Amount | Purpose | Results/Impacts |
|----------------------|------------------------------------|----------------------------|---|---|
| Since 1993 | U.S. Small Business Administration | Average \$150,000 per year | SBA Microlender/Technical Assistance provider | Over 200 microloans funded, over \$5 million lent, over 1, 500 clients received technical assistance services |
| 2004-2005 | Wells Fargo Bank | \$100,000 over two years | Provide technical assistance services to small business | Assisted over 150 clients |
| 2004 | Comerica | \$40,000 | Provide technical assistance services to small Businesses | Assisted over 50 clients |
| 2005 | Union Bank of California | \$25,000 | Provide assistance to microentrepreneur in LMI communities | Assisted over 65 clients |
| 2006 | Union Bank of California | \$100,000 over two years | Support the implementation of the African American Coalition for Capital Access Program | Assisted over 36 clients |
| 2007 | Comerica | \$50,000 | Provide technical assistance services to small businesses | Assisted over 65 clients |
| 2008-2009 | Wells Fargo Bank | \$100,000 over two years | Support efforts to assist ethnic chambers to develop loan programs | Worked with eight ethnic chambers of commerce or business associations |
| 2010 | Wells Fargo Bank | \$75,000 – multi-market | Support statewide effort to offer technical assistance services | Assisted over 86 clients statewide |
| 2011 | U.S. Department of Agriculture | \$105,000 | Received approval as Rural Microenterprise Assistance Program operator to assist rural small businesses | Assisted 48 rural client, approved three loans |
| 2011 | Comerica | \$50,000 | Provide technical assistance services to small businesses | Assisted over 65 clients |
| 2011 | Wells Fargo Bank | \$100,000 | Support statewide efforts to offer technical assistance services | Assisted over 91 clients statewide |
| 2012 | Wells Fargo Bank | \$100,000 | Support statewide efforts to offer technical assistance services | Assisted over 87 clients statewide |
| 2012 | Comerica | \$50,000 | Provide technical assistance services to small businesses | Assisted over 60 clients |
| 2012 | Bank of the West | \$7,500 | Provide technical assistance services to small businesses | Assisted over 32 clients |
| 2012 | FarmCredit | \$10,000 | Provide technical assistance | Assisted over 25 clients |

| | | | | |
|------|------------------|-----------|---|------------------------------------|
| | West/CoBank | | services to rural youth | |
| 2013 | Union Bank | \$300,000 | Provide technical assistance to small business and small farms in Fresno, Kings, Tulare and Madera counties | Assisted over 46 clients |
| 2013 | Wells Fargo | \$100,000 | Support statewide efforts to offer technical assistance services | Assisted over 90 clients statewide |
| 2013 | Comerica | \$10,000 | Support technical assistance | Assisted 10 clients |
| 2013 | Bank of the West | \$10,000 | Support technical assistance | Assisted 10 clients |

EXCELLENCE IN THE FIELD

Since Valley began in 1981, it has become a leader in many fields – small business lending to the underserved; providing disaster loans to farmers experiencing losses to drought, freeze, and pests; technical assistance provider; and an FSA guaranteed farm loan lender. It has also been recognized by several private companies and organizations as follows:

- In 1990, received from U. S. Department of Agriculture, Farmers Home Administration, USDA loan guarantee lending status,
- In 1993, received from U.S. Department of Agriculture, Intermediary Relending Program lending status,
- In 1993, received from the Small Business Administration, Microloan Program, lending status
- In 1999, received “Excellence in Business” Award from the Fresno Bee, the first non-profit non-bank lender to receive the award,
- In 2003, recognized by Wells Fargo Bank for operating the innovative Small Farm/Small Business Loan Program for Southeast Asian and Hispanic borrowers.
- In 2004, received recertification as a Community Development Financial Institution (CDFI) from the U.S. Department of Treasury,
- Received \$2.25 million in Equity Equivalent Investments (EQ2) from Wells Fargo Bank towards establishing the Small Farm / Small Business Loan Program,
- In 2005, received the “Outstanding Partnership Award” from Citibank,
- In 2006, received the “Non-profit Appreciation Award” from Citibank,
- In 2006, selected to administer the \$850,000 City of Fresno’s Hometown Entrepreneurial Loan Program (HELP),
- In 2007, received the “Risk Takers, Dream Maker” Business-at-Large Award from Fresno West Coalition for Economic Development,
- In 2008, received the “Non-profit Training and Appreciation Award” from Citibank,
- In 2009, received \$1.5 million Loan Fund from Rabobank as a pilot program to provide capital to fund agricultural loans throughout the state of California,
- In 2010, selected as one of only four CDFI’s chosen by the California Energy Commission to administer the Clean Energy Business Financing Program to assist businesses in the startup or expansion of clean energy manufacturing facilities,

- In 2010, recognized “Outstanding Performance in Community Development Lending” by California Economic Development Lending Initiative (CEDLI),
- In 2010, received the “New Frontier Award” from the Greater Fresno Chamber of Commerce,
- In 2011, received \$1.0 million Equity Equivalent Investment (EQ2) from the Fresno Regional Foundation and Wells Fargo Bank, the first EQ2 utilizing a regional foundation in the state of California,
- In 2012, featured in “Our Commitment to Growth” report as one of six profiles by Rabobank.
- In 2013, received \$300,00 from Union Bank to initiate a Technical Resource Assistance Center to provide technical assistance and financial literacy in a four county area in the Central Valley,
- In 2013, received \$5.0 million Equity Equivalent Investment (EQ2) from Rabobank to provide capital to fund agricultural loans throughout the state of California,

Although these awards were received by Valley due to its contributions in the community, Valley’s staff is individually very active in various organization and committees – serving economic development, education, agriculture, the dairy industry, youth development, and the underserved populations. The staff is motivated to make an impact on the communities that they serve as well.

CONCLUSION

According to many major economists, the main driver for economic recovery is small business. Not only are the local small businesses stifled due to the lack of capital and/or are afraid to expand in these uncertain economic times, many small businesses are on the borderline of failure without technical assistance and access to capital.

Fresno and its surrounding counties suffer from the **highest unemployment rates** in the **nation**. The southwest portion of the city of Fresno (93706 zip code) has the **highest poverty rate** in the **nation**. Even though Fresno County is the number one agricultural production county in the **world**, we have many small businesses trying to survive in the **one of the poorest economies in the nation**. It is hard for the corporate banking world to understand the actual hardships faced by small business on a daily basis unless you see it every day.

We at Valley experience those hardships every day. Being a “Lender of last opportunity”, if Valley can’t assist these small business owners, they have few remaining options. The small business community has been provided the leadership to drive the economy and business development efforts in the Central San Joaquin Valley through our efforts here at Valley Small Business Development Corporation. It is our goal to have a positive impact on all businesses that we meet.

**VALLEY SMALL BUSINESS DEVELOPMENT CORPORATION
STATE & FEDERAL GUARANTEE LOAN PERFORMANCE AND CONTRACT SUPPORT
FYE 2004/2005 TO 2012/2013**

| | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 | 2008-2009 | 2007-2008 | 2006-2007 | 2005-2006 | 2004-2005 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| STATE GUARANTEE LOANS FUNDED | | | | | | | | | |
| TOTAL NUMBER OF LOANS | 10 | 7 | 31 | 35 | 131 | 136 | 134 | 113 | 85 |
| TOTAL DOLLAR AMOUNT | \$2,313,700 | \$1,648,500 | \$6,472,034 | \$6,909,028 | \$17,135,782 | \$18,525,699 | \$13,235,563 | \$13,136,852 | \$11,871,481 |
| TOTAL GUARANTEE AMOUNT | \$1,654,530 | \$1,223,650 | \$3,253,259 | \$3,058,127 | \$9,804,551 | \$12,422,216 | \$9,865,140 | \$8,566,707 | \$8,840,423 |
| FEDERAL GUARANTEE LOANS FUNDED | | | | | | | | | |
| TOTAL NUMBER OF LOANS | 38 | 33 | - | - | - | - | - | - | - |
| TOTAL DOLLAR AMOUNT | \$14,134,670 | \$16,842,059 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL GUARANTEE AMOUNT | \$11,303,736 | \$7,128,024 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL GUARANTEE LOANS FUNDED | | | | | | | | | |
| TOTAL NUMBER OF LOANS | 48 | 40 | 31 | 35 | 131 | 136 | 134 | 113 | 85 |
| TOTAL DOLLAR AMOUNT | \$16,448,370 | \$18,490,559 | \$6,472,034 | \$6,909,028 | \$17,135,782 | \$18,525,699 | \$13,235,563 | \$13,136,852 | \$11,871,481 |
| TOTAL GUARANTEE AMOUNT | \$12,958,266 | \$8,351,674 | \$3,253,259 | \$3,058,127 | \$9,804,551 | \$12,422,216 | \$9,865,140 | \$8,566,707 | \$8,840,423 |
| GOVERNMENT & CONTRACT SUPPORT | | | | | | | | | |
| TRUST SUPPORT FIXED | | \$15,999 | \$61,727 | \$101,853 | \$200,000 | \$200,000 | \$125,000 | \$125,000 | \$125,000 |
| TRUST SUPPORT VARIABLE | | \$101,738 | \$267,813 | \$158,147 | \$362,450 | \$385,000 | \$363,050 | \$314,350 | \$326,300 |
| OTHER | | \$107,272 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL CONTRACT SUPPORT | | \$225,009 | \$329,540 | \$260,000 | \$562,450 | \$585,000 | \$488,050 | \$439,350 | \$451,300 |
| TRUST FUND BALANCE | | | | | | | | | |
| OUTSTANDING GUARANTEE LIABILITY | \$5,116,830 | \$5,414,333 | \$5,659,760 | \$4,602,635 | \$5,399,917 | \$5,992,007 | \$6,066,300 | \$6,001,164 | \$5,848,760 |
| OUTSTANDING LOAN GUARANTEES | \$6,289,362 | \$7,205,383 | \$10,034,337 | \$14,928,322 | \$20,877,624 | \$21,607,937 | \$18,419,458 | \$18,302,333 | \$18,786,403 |
| LOSS RATE | 78 | 101 | 134 | 197 | 261 | 249 | 233 | 218 | 198 |
| | 2.88 | 2.15 | 1.72 | 1.07 | 0.68 | 0.47 | 1.0 | 0.91 | 0.89 |



AN INTRODUCTION TO PCR

Pacific Coast Regional Small Business Development Corporation (PCR) is a private, non-profit 501-C3 corporation in the midst of its 37th year of helping entrepreneurs take their places as vital contributors to the Southern California economy. PCR is certified as a Community Development Financial Institution (CDFI) by both the US Treasury and the California Organized Investment Network (COIN). PCR is also a Small Business Development Center (SBDC) in partnership with the US Small Business Administration (SBA).

To fulfill its mission of “...**the promotion of community economic development through the delivery of financial and educational services to underserved small business persons and communities**”, PCR uses a combination of state, federal and private resources.

SMALL BUSINESS FINANCIAL SERVICES

State Resources

The California Small Business Loan Guarantee Program (SBLGP)

Primary among PCR’s mission focused financial services is the **California Small Business Loan Guarantee Program (SBLGP)**. Administered on behalf of the Governor’s Office of Business and Economic Development (GoBiz), this program provides the necessary incentives for banks to do small business loans that they otherwise would not do. Under the program the banks make the loans and PCR provides a State of California Guarantee for up to 90% of the loan amount.

A 10-year summary of PCR’s performance on this program, with notes thereto is shown above as Exhibit I.

Federal Resources

The EDA Revolving Loan Fund

In addition to its state resources PCR utilizes \$3.0 million in federal funds granted by the US Department of Commerce’s Economic Development Administration (EDA). Since 1995 PCR has used these funds to make small business loans up to \$650,000; in Phase I, to help rebuild structures damaged in the 1994 Northridge Earthquake, in Phase II to help business owners prepare for and mitigate damage from future disasters, and now in Phase III for general small business lending, including subordinate debt to Los Angeles County small business owners.



United States Small Business Administration's (SBA) Community Advantage (7a) Loan Program

Most recently, in 2012 PCR applied for and was approved as one of 75 SBA Community Advantage (CA) Lenders in the United States. This program allows mission-focused lenders to make direct loans and receive up to an 85% SBA (7a) guarantee. These loans can, in turn, be sold on the secondary market as a means of maintaining liquidity and generating un-restricted income. It is worth noting also, that while PCR is one of 75 approved CA lenders in the nation, it is only one of 35 active CA lenders nationally.

These loans are completely funded with a combination of two warehousing lines of credit, grant funds, and two COIN investments for a combined total of \$1.525 million. Again, the loans are sold on the secondary market as a primary means of repayment on the lines, and/or to replenish liquidity.

Private Resources

PCR's Community Reinvestment Loans (CRL)

Finally, with a generous \$500,000 grant from Comerica Bank PCR makes loans as small as \$5,000 and up to \$25,000; to women, minority and home-based businesses, with a special emphasis on businesses located in low and moderate income (LMI) areas. Further, up to \$150,000 of this grant can be used to fund the un-guaranteed portions of the CA loans mentioned earlier.

A summary profile of PCR's direct loan portfolio as of 6/30/13 is as follows:

| 2013 LOAN PORTFOLIO DEMOGRAPHICS | # | % | \$ (in 000s) | % |
|---|-----------|------------|---------------------|------------|
| African American | 12 | 33 | \$601,537 | 23 |
| Caucasian | 6 | 16 | \$334,108 | 13 |
| Hispanic | 16 | 43 | \$1,667,214 | 63 |
| Asian | 3 | 8 | \$31,248 | 1 |
| No Response | | | | |
| Native American | | | | |
| Native Hawaiian | | | | |
| Total | 37 | 100 | \$2,634,106 | 100 |
| Women | 15 | 41 | \$637,067 | 24.0 |
| LMI | 11 | 30 | \$1,697,611 | 64.0 |

The above reveals that while LMI clients made up only 30% of the volume of loans in the portfolio at the time, 64% of the dollars loaned were to LMI borrowers. Both of these



results will be enhanced over time because; as a CA lender PCR is required to do 60% of those loans with LMI borrowers, or otherwise for the benefit of LMI communities. Also noted from the above is that 84% and 81% of the loans were to ethnic minorities by volume and dollars loaned respectively. Finally, it is noteworthy that 41% of loan volume and 24% of loan dollars were with women-owned businesses. All of these results are consistent with PCR's mission of touching the "underserved". These numbers are also in keeping with PCR's chosen designation as a CDFI with African Americans and Hispanics as it "Targeted Populations".

A summary of PCR's portfolio of guarantees at 6/30/13 is shown below. The figures include the historical state program and the SSBCI program.

| 2013 GUARANTEE PORTFOLIO | | | | |
|---------------------------------|-----------|------------|--------------------|------------|
| DEMOGRAPHICS | # | % | Liability | % |
| African American | 2 | 4 | \$207,500 | 3.4 |
| Asian Indian | 3 | 6 | 144,500 | 2.4 |
| Caucasian | 13 | 28 | \$3,332,600 | 54.9 |
| Hispanic | 6 | 13 | \$449,500 | 7.4 |
| Asian | 23 | 49 | \$1,936,168 | 31.9 |
| No Response | | | | |
| Native American | | | | |
| Native Hawaiian | | | | |
| Total | 47 | 100 | \$6,070,286 | 100 |
| Women | 2 | 4 | \$277,000 | 4.6 |
| LMI (low-moderate income) | 16 | 24 | \$774,522 | 12.8 |

These figures reveal that the demographics of the guarantee program are in many ways driven by the demographic focus of the participating financial institutions and their loan officers. Despite that, 72% of loan volume, and 45% of the dollars loaned are to ethnic minorities. Presently, only 24% by volume and 13% of dollars loaned are to LMI borrowers. We expect this to change over time as we employ more direct marketing to borrowers, which has been difficult due to a steady decline in administrative funding for the program. Also, due to the push to deploy SSBCI funds the priority is to attract lenders and their borrowers wherever there is a need.



SMALL BUSINESS EDUCATIONAL SERVICES

PCR's mission-supporting educational services include entrepreneurial classroom instruction and one-on-one counseling; and are provided by virtue of its standing, since 2007, as a SBA **Small Business Development Center** (SBDC). As part of the Los Angeles Network of SBDCs, with the lead center based at Long Beach City College, PCR is the only SBDC in the County that is not associated with a community college, which is testament to the quality of instruction provided. In addition, PCR is the only SBDC in Los Angeles County that has internal lending capacity; which is testament to PCR's standing as a true, full service Community Development Financial Institution.

PCR's classroom instruction is provided at minimal cost, and covers topics such as business and marketing plans, understanding financial statements, record keeping and QuickBooks, employee development, customer relations, business strategies and projections, and many more. One-on-one counseling is free of charge and provides guidance in business legal issues, marketing, social networking, e-commerce, loan applications and, in general whatever a client's business issue happens to be.

A summary profile of the 1,434 SBDC clients for the year ended 12/31/12 is includes the following:

| TA CLIENT DEMOGRAPHICS @ 12-31-12 (program is on a calendar year) | % | |
|--|--------------|--------------|
| African American | 426 | 29.5 |
| Caucasian | 414 | 28.5 |
| Hispanic | 343 | 24.0 |
| Asian | 157 | 11.0 |
| No Response | 71 | 5.0 |
| Native American | 12 | 1.0 |
| Native Hawaiian | 11 | 1.0 |
| Total Served | 1,434 | 100.0 |
| Women | 597 | 42.0 |
| LMI | 543 | 38.0 |

The above reveals a total of 71.5% ethnic minorities served, 42% women, and 38% LMI. The latter figure is slightly better than the LMI population for Los Angeles County at 37%.



| TA CLIENT DEMOGRAPHICS AT 6-30-13 (6 months) | | % |
|---|------------|--------------|
| African American | 211 | 27.1 |
| Caucasian | 190 | 24.4 |
| Hispanic | 129 | 16.5 |
| Asian | 77 | 9.9 |
| No Response | 157 | 20.1 |
| Native American | 4 | .5 |
| Native Hawaiian | 12 | 1.5 |
| Total Served | 780 | 100.0 |
| Women | 348 | 45.0 |
| LMI | 272 | 35.0 |

The most recent figures for PCR's technical assistance services are for the six months ended 6-30-13, as that program functions on a calendar year. Of the 780 clients served (a pace of 1,560 for the year), 55% were ethnic minorities, with an unusually high 20.1% choosing not to respond to that question. Further revealed is a slight increase in women served at 45% versus 42% at last yearend, and 35% LMI clients versus 38% at 12/31/13.

EXCELLENCE IN THE FIELD

Throughout its 36+ year history, PCR has been recognized in both private and public sectors for excellence in the field of community economic development. A few examples of this recognition include the following:

1. Recognized as the California "State Star" at the national SBDC conference in 2013, for excellence in service and performance.
2. In 2012, recognized by Bank of America for its Neighborhood Builder award, which came with a \$200,000 unrestricted grant to support the start of PCR's Community Advantage lending program. This award was highly competitive, and achieved after four prior applications. It is annually awarded to 60 non-profits nationally.
3. In October of 2011 approved as the 36th SBA Community Advantage lender in the nation, and remain one of only 35 active participants nationwide.
4. In February of 2010 PCR was one of only four CDFIs chosen by the California Energy Commission to administer its Clean Energy Business Financing Program, to assist businesses in the startup or expansion of clean energy manufacturing facilities. PCR's



borrowers were approved for a total of \$16.2 million, or 56% of the \$28.9 million state-wide pool of funds.

5. In October of 2009 PCR, after a rigorous 10-month application process, was certified by the U.S. Treasury as a Community Development Financial Institution (CDFI), which is a coveted designation held by just under 1,000 CDFIs nationally. In October of 2013 PCR was recertified as a CDFI.
6. PCR's September 2007 selection by the U.S. Small Business Administration (SBA) as a Small Business Development Center (SBDC).
7. In June of 2007 PCR was also honored by the SBA as the Home Based Business Advocate of the Year. This award was indicative of PCR's history of helping businesses during whatever their stage of development.

These achievements exemplify excellence in the field; and in each case PCR was either selected competitively, on the basis of a quality application, on the basis of its reputation for high level service, or on the basis of all three combined.

Conclusion

Throughout its history PCR's dedicated team of professionals has been solely committed to serving those entrepreneurs that have nowhere else to turn, or those "most in need". That commitment has resulted in over \$300,000,000 in loans to 2,300+ borrowers. It has also resulted in classes and counseling for 8,000 entrepreneurs in various stages of development, and it has positively impacted (created or retained) over 30,000 jobs in the LA County region. Despite these successes there's much to be done, and PCR is up to the challenge.



3255 Wilshire Blvd., Suite 1501
Los Angeles, CA 90010
www.pccorp.org
866-301-9989

Celebrating 36 Years of Uncompromising Service

CALIFORNIA STATE SMALL BUSINESS LOAN GUARANTEE PROGRAM
Small Business Loan Guarantees up to \$2,500,000

SBA COMMUNITY ADVANTAGE LOAN PROGRAM
Small Business Loans up to \$150,000

COMMUNITY REINVESTMENT LOAN
Home Based, Micro Enterprise, Minorities & Women Owned Businesses
Loans up to \$25,000

ECONOMIC DEVELOPMENT ADMINISTRATION
"EDA" Small Business Revolving Loan Fund
Loans Up to \$650,000

STATE RUST LOAN PROGRAM
Removal/Replacement of Underground Storage Tanks (Gasoline Stations)
Loans Up To \$750,000 (per borrower)

PCR SMALL BUSINESS DEVELOPMENT CENTER
866-301-9989 OR 213-674-2696
8:30AM – 5:30PM
Call to schedule an appointment

Small business clients can receive one-on-one counseling, guidance and assistance in solving any business related problems they may have, at no charge.

Small business training for new and existing entrepreneurs. The curriculum consists of a comprehensive list of topics to aid in business success.



CALIFORNIA SMALL BUSINESS LOAN GUARANTEE PROGRAM

Terms:

| | |
|---------------------------|---|
| Maximum Guarantee Amount: | \$2,500,000 or 80% of the loan, whichever is less |
| Loan Types: | Term Loans, Lines of Credit, and Letters of Credit |
| Maximum Term: | Term Loans – 7 years (can include up to 25-year amortization) Lines of Credit – 1 year |
| Interest Rate: | Negotiated between borrower and lender – current range of Prime + 1.5% to Prime + 3.5% |
| Use of Proceeds: | Accounts Receivable, Inventory, Permanent Working Capital, Equipment, Leasehold Improvements, Real Estate, and Business Expansion. Non-profits are welcome! |

Fees:

| | |
|----------------|----------------------------|
| Guarantee Fee: | 2.0% of Guaranteed Portion |
| Doc Prep Fee: | \$250 |

Application:

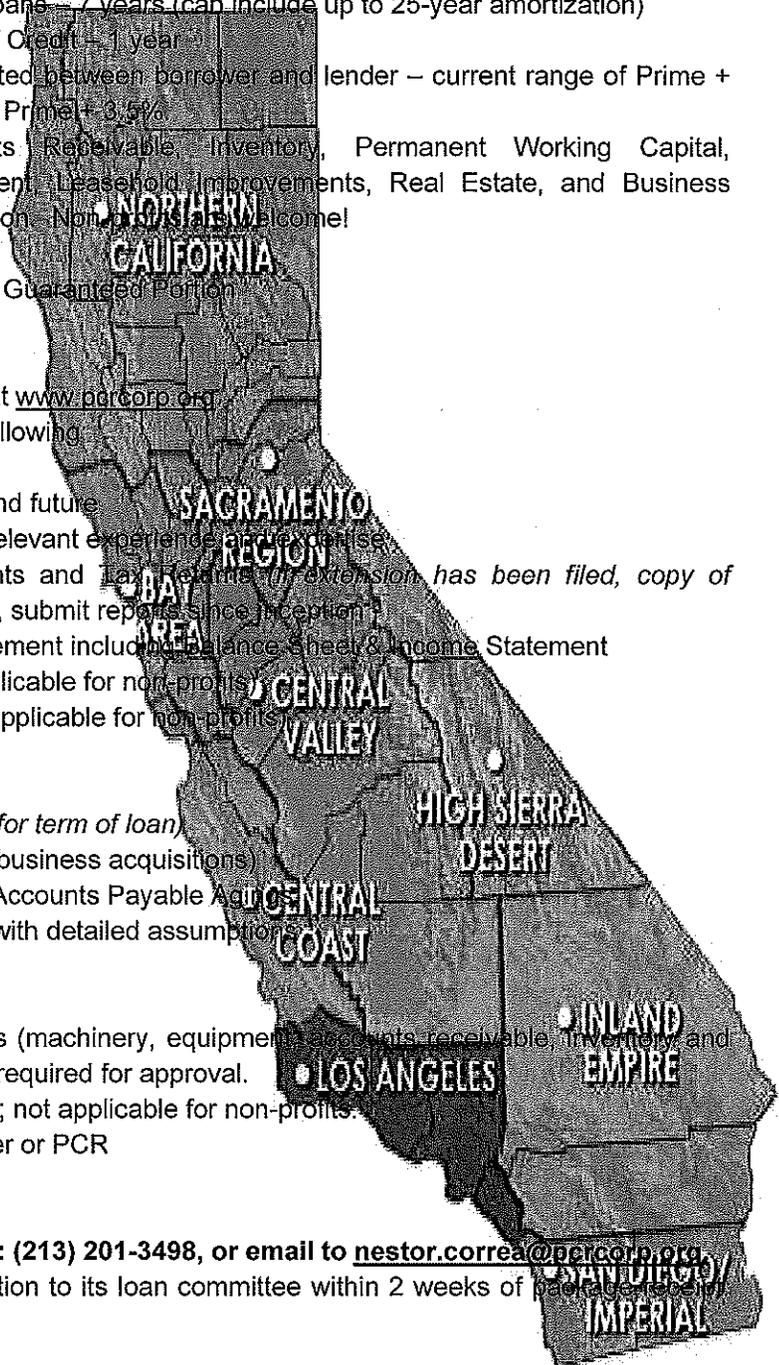
- Completed PCR loan application as provided at www.pcrcorp.org
- Application should include a summary of the following
 - Amount & Purpose of the Loan
 - Nature of the Business past, present and future
 - Resumes of management or detail of relevant experience
- Three (3) years Business financial statements and Tax Returns (if extension has been filed, copy of extension). If in business for less than 3 years, submit reports since inception.
- Current (within 90 days) Interim Financial Statement including Balance Sheet & Income Statement
- Three (3) years Personal Tax Returns (not applicable for non-profits)
- Principal's Personal Financial Statement (not applicable for non-profits)
- Schedule of Business Debt
- Corporate or Business Formation Documents
- Lease Information (Lease Term and/or Option for term of loan)
- Copy of Escrow Instructions (for real estate or business acquisitions)
- For Lines of Credit: Accounts Receivable and Accounts Payable Aging
- Projections: Profit & Loss (annual for 3 years) with detailed assumptions

Collateral:

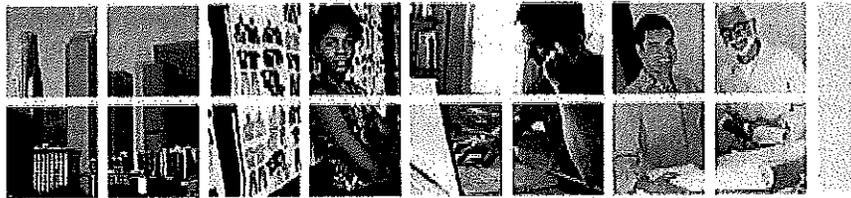
- "Best Available" business and personal assets (machinery, equipment, accounts receivable, inventory, and real property). Real property ownership is not required for approval.
- Personal guaranty of each 20% or more owner; not applicable for non-profits.
- Other collateral as deemed necessary by lender or PCR

PCR Approval Process:

- Fax Application to: PCR Loan Administration: (213) 201-3498, or email to nestor.correa@pcrcorp.org
- PCR to conduct a loan analysis and presentation to its loan committee within 2 weeks of application. Loan committee meets every Wednesday.
- PCR Site Visit prior to Loan Committee



PCR Business Briefs



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NOVEMBER SEMINARS

Managing Your Business
November 12th & 14th
6:00pm - 9:00pm

Sales 2.0
November 14th
9:30am - 12:00pm

Employee Development/
Customer Relations
November 19th
6:00pm-9:00pm

Guided Business Plan
November 21st
10:00am - 2:00pm

For more information
about our seminars call
us at:
(213) 674-2696

Visit www.pcrcorp.org
for course schedule and
description

November 2013

A Passion for Fashion *B. Poy and Jo*

After turning her passion for fashion into a successful career as a Los Angeles-based jewelry buyer and fashion stylist, Casey Lum still wanted more. With a goal to create a brand and website that would make fashion fun and make customers feel confident about what to wear, Lum began developing the idea for an online jewelry store that would not only sell to the general public, but also rent jewelry to stylists for use in photo shoots. In late 2012, she visited the Small Business Development Center at Pacific Coast Regional seeking help obtaining a loan-but quickly found much more.



PCR SBDC Business Advisor Tom McCluskey helped Lum develop a business plan, get a \$65,000 line of credit, obtain licenses and permits, and launch her ecommerce business. Business Advisor Sahar Andrade advised her on marketing with social media.

B. Poy & Jo (named for Lum's grandparents) launched in May 2013. Lum, who still has a full-time job, is focusing on the retail side of the business and will expand the rental side as the business grows. In the next 12 months, Lum plans to rent an office, transition to running the business full time, hire her current

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intern/assistant full time, and expand her product line to include handbags.

With sales of \$5,000 in her first three months, she's on her way, but in order to achieve her goals, she'll keep working with the PCR SBDC. McCluskey has already referred Lum to a Business Advisor specializing in marketing to help take the company to the next level.

Whatever her goals are, Lum says, "I know I can go to Tom and he'll lead me in the right direction. I feel like I have a team behind me-a team with a full spectrum of resources."

Lottie Center for Business Excellence

PCR's Lottie Center for Business Excellence provides an intensive series of business management classes for the benefit of small business owners. The classes are designed specifically to provide a functional, "strategic plan of action" for operating any business successfully.

Low cost business assistance training is accessible in day and evening courses. Individual class length varies from three to six hours, which is enough time to give a comprehensive overview of the topic, while not tying up your schedule for several weeks. An affordable registration fee is charged for each class or the entire curriculum, and classes are open to all. Sign up for our fall entrepreneurial training curriculum and learn from professional trainers while sharing experiences with other entrepreneurs. All courses are held at Pacific Coast Regional SBDC 3255 Wilshire Blvd, Suite 1501 Los Angeles, CA 90010.

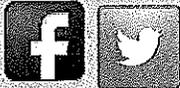
To learn more about course offerings, visit www.pcrsbdc.org or call (866) 301-9989.

PCR Business Briefs



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DECEMBER SEMINARS

Guided Business Plan
December 10
10:00am - 2:00pm

10K Small Businesses
Info Session
December 16
9:30am - 11:00am

JANUARY SEMINARS

The Entrepreneurial
Training Curriculum
starts January 14, 2014

Early Bird Registration of
\$300, for entire
curriculum ends on
January 6, 2014

[Curriculum Flyer](#)

[Registration Form](#)

For more information
about our seminars

December 2013

Fashioning a Turnaround *All That & More Boutique*

Candance Pilgram-Simmons and a partner opened a women's clothing and accessories boutique in Culver City, California more than three years ago. The boutique features contemporary fashions, accessories, handbags and men's accessories. She also takes consignments from fashion and jewelry designers.

Candance came to Pacific Coast Regional's Small Business Development Center in March 2012 looking for advice and counsel on management issues and possible loan financing. At that time she and her partner were in discussions about ending their partnership venture, requiring her to refashion her plans in order to continue.

PCR SBDC first helped Candance deal with the hard business of dissolving the partnership, helping her and her partner get a mediated settlement agreement. We also helped her deal with the lessor of the store premises resulting in her getting a new lease.



In this new beginning, with our assistance, Candance began a successful debt reduction plan, incorporated the business, hired a part time employee and has taken on two interns. Candance has also expanded the marketing

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Visit www.pcrcorp.org for course schedule and description

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reach of her boutique, attracting more customers including some from the arts and entertainment industry.

The Culver City News voted All That & MORE boutique as 2013 Best of Culver City for "Special Occasion Dress". Most importantly, during her first year as sole owner she has almost doubled her monthly sales.

All That & MORE boutique is located at 10754 Jefferson Blvd Culver City, CA 90230 (310) 559 7332
www.allthatnmoreboutique.com Follow her on facebook www.facebook.com/AllThatNMoreBoutique, twitter @atmboutique and instagram candanceallthat.
"We all deserve an All That & MORE boutique experience."

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2014 classes are starting on January 14th. Early bird registration ends January 6th, sign up today! To learn more about course offerings, visit www.pcrsbdc.org or call (866) 301-9989.