

Small Business Loan Guarantee Program

PROGRAM	CALIFORNIA SMALL BUSINESS LOAN GUARANTEE PROGRAM
PURPOSE	To encourage banks to make small business loans that otherwise would not be made. Special emphasis is placed on the creation and retention of jobs.
USE OF FUNDS	<ul style="list-style-type: none"> • Working capital • Equipment purchases • Inventory • Contract financing • Business expansion • Lines of credit • Real estate
FINANCING METHOD	Banks will direct loan to borrower. The Financial Development Corporation will issue state guarantee up to 80% of the loan.
QUALIFICATIONS	Proceeds must be used for small businesses located in the State of California. Borrower must show repayment ability
MAXIMUM GUARANTEE AMOUNT	\$2,500,000 for each borrower.
MATURITY	Maximum of 7 years.
INTEREST RATE	Market rate as negotiated by lender and borrower.
COLLATERAL	Available business and personal assets (machinery, equipment, accounts receivable, inventory and real property).
FEES	<ul style="list-style-type: none"> • Up to 2.5% of the guaranteed portion of the loan • \$250 documentation fee

The California Small Business Loan Guarantee Program has a successful 40 year history. It has guaranteed over 30,000 loans for lending institutions to help small businesses.

The California Small Business Loan Guarantee Program enables small businesses to obtain credit when it cannot otherwise qualify for a loan. The program provides a lender with necessary security in the form of guarantee.

The California Small Business Loan Guarantee Program is housed within the I-Bank which is located within the Governor's Office of Business and Economic Development.

To obtain more information on this program please contact the nearest Financial Development Corporation listed within this brochure.

Guidelines

The Small Business Loan Guarantee Program helps lenders make loans to borrowers who cannot qualify for conventional financing. It gives businesses a chance to build good working relationships with financial institutions.

What kinds of borrowers are eligible?

Most small businesses are eligible to participate in the program including corporations, partnerships and sole proprietorships. It must be a small business with no more than 750 employees.

What can proceeds be used for?

For any business purpose, including but not limited to start-up costs, working capital, business procurement, franchise fees, equipment and inventory. Funds can be used for real estate purposes related to construction, renovation or tenant improvements of an eligible place of business.

What type of lenders?

Any insured depository institution, insured credit union or community development financial institution as defined in Section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994.

How to apply?

You can contact the Financial Development Corporation listed in this brochure. If you are working with your lender and need help, direct the lender to a Financial Development Corporation.

Small Business Financial Development Corporations

Northern California Southern California Region

California Capital
1792 Tribute Road, Suite 270
Sacramento, CA 95815
(916) 442-1729
Fax: (916) 426-1859
www.cacapital.org

Hancock
4022 West Olympic Boulevard
Los Angeles, CA 90019
(213) 382-4300
Fax: (213) 382-4732
www.hsbfdc.org

SAFE-BIDCO
1377 Corporate Center Pkwy., Suite A
Santa Rosa, CA 95407
(707) 577-8621
or (800) 273-8637
Fax: (707) 577-7348
www.safe-bidco.com

Pacific Coast
3255 Wilshire Boulevard, Suite 1501
Los Angeles, CA 90010
(213) 739-2999
Fax: (213) 739-0639
www.pccorp.org

San Francisco Bay Region

Nor-Cal
300 Frank H Ogawa Plaza
Suite 208
Oakland CA 94612
(510) 452-1171
Fax: (510) 452-4405
www.nor-calfdc.org

Orange County
1913 East Seventeenth Street,
Suite 210
Santa Ana, CA 92705
(714) 571-1900
Fax: (714) 571-1905
www.sbfdoc.com

Central Coast Region

California Coastal
221 Main Street, Suite 301
Salinas, CA 93901
(831) 424-1099
Fax: (831) 424-1094
www.calcoastal.org

California Southern
600 B Street, Suite 2450
San Diego, CA 92101
(619) 232-7771
Fax: (619) 232-6743
www.casouth.com

Central California Region

Valley
7035 North Fruit Avenue
Fresno, CA 93711
(559) 438-9680
Fax: (559) 438-9690
www.vsbdc.com

1792 Tribute Road, Suite 270, Sacramento, CA 95815
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CaliforniaCapital
Financial Development Corporation

"Capital and Capacity to Serve Communities"

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