State Small Business Credit Initiative (SSBCI)
MYTHS & FACTS

MYTHS	FACTS
SSBCI programs provide money directly to small businesses as loans (money that does have to be paid back) or grants (money that does not have to be paid back).	SSBCI programs do not provide money directly to small businesses. Instead, the programs help small businesses receive loans (money that must be paid back) from lenders' own funds (private capital) and establish relationships with lenders. The programs provide "credit enhancement" tools to lenders, which by reducing the risk of losing their funds encourages the lenders to make loans to small businesses. There are three SSBCI credit enhancement programs in California: - CPCFA's CalCAP for Small Business Program - CPCFA's CalCAP Collateral Support Program - IBank's Small Business Loan Guarantee Program IBank does have a direct funding program for Venture Capital fund managers under SSBCI and does have other direct lending programs that are not under SSBCI. IBank's Venture Capital Program Information
The state of California could choose any type of program for SSBCI.	U.S. Treasury set the guidelines for 5 program types; California currently has 4 program types. These are the types of programs allowed under SSBCI.
Small businesses apply to the state of California (CPCFA/CalCAP, IBank/Small Small Business Loan Guarantee).	Small businesses do not apply directly to the state of California (CPCFA/CalCAP, IBank/Small Business Loan Guarantee). Instead, small businesses will apply for loans with lenders that use these state programs. **Small businesses that are already working with a lender** to get a loan, can ask the lender if they use any of these state programs and if not, ask the lender to contact the state to learn about the programs and sign up to use one or more of the state's programs if they wish. **For small businesses not already working with a lender**, they should contact a Business Services Provider that can help them apply for the type of financing they need. You can find a Business Services Provider on this map. The Business Services Provider will help them understand all the financing options available and help them prepare to apply.

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MYTHS & FACTS Continued

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A small business working with a lender that uses one of these programs will automatically be approved for a loan.	These programs provide tools to increase the confidence of lenders about lending to small businesses that might otherwise struggle to qualify for a loan, but the programs do not require lenders to approve all applicants. Small businesses can check their readiness to apply for a loan by working with a Business Services Provider. You can find a Business Services Provider on this map.
Congress designed these programs to give money directly to small businesses affected by the COVID-19 pandemic.	SSBCI programs do <u>not</u> provide money directly to small businesses. Small businesses that have been affected by the COVID-19 pandemic can work with a participating lender to utilize these programs for eligible business needs. Small businesses can start the process and check their readiness to apply for a loan by working with a Business Services Provider. You can find a Business Services Provider on this map.
California already received the full $1.181 billion it was allocated by the U.S. Treasury.	The state of California has received the first of three tranches (sections) that will total $1.181 billion. The state must follow the U.S. Treasury guidelines to use a certain amount of each section before it is allowed to receive the next section.
SSBCI funds will be distributed first-come, first-served, like Paycheck Protection.	Unlike Paycheck Protection, SSBCI is a 10-year program. Unlike Paycheck Protection, SSBCI is not providing loan funds to lenders. Instead, SSBCI programs help small businesses receive loans (money that must be paid back) from lenders' own funds (private capital) and establish relationships with lenders. The programs provide "credit enhancement" tools to lenders, which by reducing the risk of losing their funds encourages the lenders to make loans to small businesses.