



STEPHANIE NGUYEN
Assemblymember, District 10



FACT SHEET

AB 2607 – California Capital Access Loan Program Expansion Act

SUMMARY

AB 2607 expands the California's Capital Access Loan Program (CalCAP) ADA program to help small businesses and property owners obtain private loans for American Disability Act (ADA) accessibility upgrades reducing lender risk.

BACKGROUND

Small businesses and property owners often have difficulty securing financing for necessary safety and accessibility improvements. Projects such as ADA accessibility upgrades can be costly, and traditional lenders may view these types of projects as higher risk, particularly for smaller or independently owned businesses.

California's Capital Access Loan Program (CalCAP) is designed to encourage banks, credit unions, and community development financial institutions (CDFIs) to lend to small businesses by reducing lender risk. There are a range of CalCAP programs using different mechanisms and targeting different needs. When a loan is enrolled in a CalCAP loan loss reserve program, both the lender and borrower contribute to a loan loss reserve account, and the state provides a matching contribution. If the loan defaults, the lender may recover losses from the reserve. This structure helps increase access to capital while leveraging private lending. Even with this framework in place, many businesses still face barriers accessing financing for compliance-related upgrades and safety improvements.

SOLUTION

AB 2607 builds on the existing CalCAP model to increase access to financing for businesses and property owners completing ADA upgrades. The bill expands the current loss reserve structure to support lending rather than creating a new grant program. The program will support loans to businesses with 30 or fewer employees or less than \$5 million in total gross annual income, for existing facilities which are less than 10,000 square feet. Eligible loans will be up to \$250,000 for retrofits for ADA compliance.

SUPPORT

California State Treasurer Fiona Ma (sponsor)

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