



**MEMORANDUM**

**TO:** Members of the ICOC

**FROM:** C. Scott Tocher, Counsel to the Chair

**RE:** **Item 13:** Consideration of Amendments to Loan Administration Policy

**DATE:** October 18, 2010

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**Executive Summary**

Since the first meeting of the Loan Task Force in December 2007, CIRM has been working to develop policies necessary to implement a loan program. A loan program is essential to achieving the goal of commercializing stem cell research-related products, and to that end CIRM will fund for-profit institutions in California to accelerate such commercialization. In concert with the Loan Task Force, the Finance Subcommittee has further developed financial elements of the Loan Policy and advised the ICOC on those matters. In 2009 CIRM's Governing Board adopted an interim policy and in November of 2009 the agency began the process of finalizing the Loan Policy ("policy") for formal approval by the Office of Administrative Law ("OAL"). **At this meeting staff requests the ICOC approve the language of the policy (Exhibit A) that reflect terms the ICOC approved earlier this year.** Staff will bring back the policy again at a future ICOC meeting to finalize amendments that will be considered at an upcoming meeting of the Finance Subcommittee.

**I. Amendments – Loan Terms**

In February of this year, the ICOC approved in concept guidelines for loan terms. Those concepts can be found in the attached document, Exhibit B. The concepts are now incorporated in the draft policy in track-changes form (Exhibit A).

The Finance Subcommittee has elected to consider further amendments to two areas of the policy – "Suspension and Forgiveness of Product-Backed Loans" and "Loan Application Process" – at an upcoming meeting of the Subcommittee. Those two pieces will then be brought before the ICOC for approval and the policy will be finalized with the OAL.

**II. Recommendation:**

A). Staff recommends the ICOC approve the amendments to the loan policy (Exhibit