



## CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

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### MEMBERS

JOHN CHIANG, CHAIRMAN  
State Treasurer

BETTY YEE  
State Controller

MICHAEL COHEN  
Director of Finance

**EXECUTIVE DIRECTOR**  
Reneé Webster-Hawkins

### AGENDA

#### **CALIFORNIA CAPITAL ACCESS PROGRAM (CalCAP) California Pollution Control Financing Authority (CPCFA)**

#### **ARB LENDER ROUNDTABLE CONFERENCE CALL**

**Wednesday, January 7, 2015 at 11:00 a.m.  
Call in number: (800) 707-9573  
Access Code: 349723**

### ❖ INTRODUCTION

Good morning and Happy New Year!

We do have a few program announcements which will be important for you and your staff to know and use, in order to stay current in the ARB CalCAP Program.

First, however, I wanted to take this opportunity to step back and highlight the past accomplishments and future plans for this program. Simply put, the ARB CalCAP On Road Heavy Duty Vehicle Air Quality Loan Program has been phenomenally successful.

- ❖ Since 2009, we have deposited \$49.1 million in loan loss reserve contributions into funds held either at your institutions, or at our trustee on your behalf, to insure your loan portfolios totaling \$370 million for clean heavy duty trucks.
- ❖ That includes a total of 5795 truck purchased, 422 truck retrofits.
- ❖ Out of the 5620 loans made, you have made claims on only 128 defaults, or 2.3% of the portfolio.

- ❖ 2014 was the busiest year yet, in both number of loans (1924) and the total enrolled loan amount (over \$124 million).
- ❖ CPCFA currently has about \$2.4 million left, and will be receiving an additional \$10 million from ARB's 2014-15 AQIP Funding Plan within the next several weeks.
- ❖ You have also been incredibly flexible. ARB and CPCFA are highly appreciative of your willingness to assist truck owners through the Economic Hardship process that ARB offered last fall. Collectively, you submitted 25 applications for that safe harbor provision.

This data-driven program performance has captured the attention of state executives and legislators, as policy makers look to provide more meaningful financial support or incentives to certain private industries. Our new State Treasurer, Mr. John Chiang, is particularly impressed with CPCFA's credit enhancement programs, including the Truck Loan program, and his administration will continue to be an enthusiastic supporter of the loan loss reserve programs.

None of this could have been achieved without your leadership as lenders willing to enter into a public private partnership with CPCFA to make private capital available to small business owners, especially those who are trying to build a credit profile and business plan. We thank you for your commitment to this program, because you are critical stakeholders in the success of this important incentive program.

## **❖ MAKING CHANGES TO APPLICATIONS AND CERTIFICATIONS**

In an attempt to follow best practices in all of our CalCAP programs, we are going to be requiring confirmation from the borrower if any changes must be made to the Borrower Eligibility Criteria and Self-Certification form after it has been submitted to CalCAP. For example, if the tractor information is left blank or the borrower initials that he/she received multiple grants and the information must be filled in or altered, CalCAP will only be able to accept the certification if the borrower acknowledges the change. We will accept an email from the borrower confirming that he/she agrees with the proposed change or a resubmission of the Borrower Eligibility Criteria and Self-Certification Form where the borrower has initialed next to the additional information or the change that was made.

Because the Borrower has already signed the certification, we will require that individual acknowledge that he/she is comfortable with any changes made to the form after they signed. Please double check all of the forms before submission to ensure they are complete and accurate.

In addition, if you, as the lender, make any noticeable alterations to the loan enrollment application, please be sure to initial next to the change. We will still require your written

confirmation via email if any changes or additions must be made to the application after submission.

We would also like to take this opportunity to notify you that we have updated the loan enrollment application. We made two very small changes. First, we've removed the choice of independent contributor program at the very bottom of the first page. The Off-Road and Prop 1B programs are no longer active. The second change was to one certification on the second page that indicates the maximum loan amount. It is now \$5 million, with \$2.5 million being the maximum enrolled amount per borrower over a three year period.

#### ❖ **ADDITIONAL REPORTING REQUIREMENTS**

Under the amended contract between CPCFA and ARB, borrowers are going to need to self-certify the following items to Lenders on the Borrower Eligibility Criteria and Self-Certification Sheet. These two items are:

- ❖ Gross Vehicle Weight Rating (GVWR)
- ❖ Horsepower

#### ❖ **UPDATED AUTHORIZED SIGNERS LIST**

As it is the start of the New Year, we would like to remind all of our lenders that we will need a list of authorized signers for all CalCAP ARB enrollments and claims by **January 31, 2015**. We would prefer that the list be on your institution's letterhead and that it must indicate the list of authorized signers is for the 2015 calendar year. The list must also include the name, title and sample signature of each individual authorized to sign CalCAP documents for submission. Please remember that any time an authorized signer changes, especially throughout the year as staff changes, be sure to notify us immediately and submit an updated list to the CalCAP email box.

#### ❖ **CLOSING**

Just a reminder the updated loan enrollment application and Borrower Eligibility Criteria and Self-Certification Form will be up on our website this afternoon. Both the loan enrollment application and the borrower form have a revision date of **January 6, 2015**. Please begin using the updated documents immediately. Once the contract is in effect, we will require that all applications and certifications be submitted on the new documents. We will notify you via email once this occurs.