California Capital Access Program (CalCAP) Lender Roundtable

January 16, 2020

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CalCAP Lender Roundtable Agenda

• Introductions
• CalCAP/CARB Program Updates
• CARB Compliance
• Discussion of Potential Program Changes
CalCAP/CARB by the Numbers

As of January 4, 2020

Total CalCAP/CARB enrollment since 2009:
25,547 loans for $1.7 billion for 26,234 trucks, 620 retrofits and 628 trailers

Total CalCAP/CARB Contributions since 2009:
$118.8 million

Total CalCAP/CARB Claims since 2009:
1,621 claims for $57.9 million

2019 CalCAP/CARB enrollment:
4,472 loans for $314.7 million for 4,595 trucks and 142 trailers

2019 Total CalCAP/CARB Contributions:
$12.8 million

2019 Total CalCAP/CARB Claims:
422 claims for $15.3 million
CalCAP/CARB Program Reminders

1. CalCAP/CARB’s Truck Loan Assistance Program supports loans to small business owners, with fleet size of 10 or fewer trucks, to purchase trucks driven primarily in California to comply with the State’s engine emission standards.

2. Current CalCAP/CARB Contribution Thresholds:
   - 14% Contribution - for first $500,000 in total contributions
   - 7% Contribution - for $500,001 - $1.5 million in total contributions
   - 4% Contribution - for contributions over $1.5 million

3. Lenders can submit loan enrollments via web-based portal at https://calcap.treasurer.ca.gov
4. CalCAP/CARB now allows the cost of warranties on eligible equipment to be included in the loan financing.

5. Electric trucks and lighter vehicles (GVWR 14,001-26,000 lbs) are eligible for CalCAP/CARB loan enrollment.

6. Please share our CalCAP/CARB Borrower’s webpage with your borrowers:
   https://www.treasurer.ca.gov/cpcfa/calcap/arb/borrowers.asp

7. Program Summary, Lender Manual, and Loan Enrollment Forms are available at:
   https://www.treasurer.ca.gov/cpcfa/calcap/arb/index.asp

8. CARB One-Stop 2020 Events will be posted soon. Stay Tuned!
   https://ww3.arb.ca.gov/msprog/truckstop/azregs/training.htm
Important: CalCAP/CARB Compliance Updates

• The Truck and Bus Regulation has been in effect, and vehicles must currently meet the compliance deadlines.

• Starting January 1, 2020, the DMV began verifying compliance with the regulation in order to register vehicles based on the schedule.

• 2010 or older vehicles (2009 or older engines) must be replaced based on the schedule in these tables.

CalCAP Staff advises that lenders not enroll loans for any vehicle that will fall out of compliance prior to the maturity of the loan.
CARB/CPCFA Interagency Agreement Amendment

- Approved by CPCFA on December 10, 2019
- Pending final execution by CARB & Department of General Service (DGS)
- Key Updates:
  - $48 million in new funding.
  - Proof of CA DMV registration required at time of loan enrollment.
  - Updated Borrower Certification (will be posted after final approval).
Questions/Comments on CalCAP/CARB Program Updates?
Discussion
How to provide your input

• If you would like to talk, please click the ‘raise hand’ icon on your GoToWebinar toolbar so we can unmute you.

• You may also type in your comments/questions in the Question box.
Lender Question 1:

• Would an increase in the CalCAP/CARB contribution rate from 4% to 10% increase the number of loans your institution would enroll in the program?
• What are some of the determining factors for making a loan with the increased contribution amount?
Lender Question 2:

- Would an increase in the CalCAP/CARB contribution rate from 4% to 10% expand the number of borrowers eligible for a loan from your institution?
- Would an increase in the CalCAP/CARB contribution rate allow you to decrease the down payment amount?
Lender Question 3:

- What economic factors are contributing to riskier loans or less qualified borrowers?
Lender Question 4:

• Do you anticipate a recession in the trucking industry?
• If so, what data do you rely on to support this?
Lender Question 5:

• What kinds of repair bills have caused defaults?
• What portion of the defaults are caused by unaffordable repairs?
• How much do the repairs typically cost?
We are providing the opportunity for all lenders to provide additional input, comments and data.

We encourage you all to submit your written comments, feedback and documentation to CalCAP@treasurer.ca.gov no later than January 23, 2020.

Please include: “Follow-up to 1/16/2020 Webinar” in the subject line.