



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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CalCAP Supports 10,000 Loans For Cleaner, Heavy-Duty Diesel Trucks

SACRAMENTO – Residents across California are enjoying better health and cleaner air, thanks to a 7-year-old state initiative that has financed the replacement and retrofitting of more than 10,000 polluting diesel trucks.

The California Capital Access Program (CalCAP), a joint effort of the State Treasurer's Office and the Air Resources Board (ARB), provides loan loss protection to participating lenders to make loans to owners of small fleets to upgrade their heavy-duty trucks to meet current emissions standards.

The CalCAP program is administered by the California Pollution Control Financing Authority (CPCFA) which is chaired by the Treasurer. Enrolling loans in the program makes it easier for owner-operators to qualify for loans with favorable terms and interest rates that they otherwise would not be able to obtain from banks or credit unions.

"Loans from the CalCAP program have helped truckers create and retain jobs, improving the health of millions of Californians, children and adults," said state Treasurer John Chiang. "Eighteen-wheelers are essential to goods movement in the state, but they produce a tremendous amount of harmful emissions, especially near international seaports, major freeways and massive warehouse complexes.

"What is good for business, public health and environmental sustainability intersects at this program."

Getting cleaner-burning diesel trucks on California roads and highways is crucial in helping the state meet its air quality target over the next two decades.

Cleaner trucks also improve public health. One out of every eight state residents has been diagnosed with asthma, according to the California Department of Public Health. In the San Joaquin Valley, one out of six children suffers from the respiratory ailment. Living near a busy roadway drives up the rate of childhood asthma.

“This program helps smaller fleets clean up and upgrade their trucks -- and cleaner trucks mean cleaner air,” said ARB Chair Mary D. Nichols. “It makes economic and environmental sense to help owner-operators who may have a hard time getting conventional loans.”

The “On Road Heavy-Duty Vehicle Air Quality Loan Program” is a crucial tool for attacking asthma. For every loan enrolled by participating lenders, CPCFA deposits money into a designated loan loss reserve fund, which is used to cover potential losses from defaulted loans. Since 2009, the program has supported nearly \$659 million in private lending to truck owners.

Juan Moore of Covina, who operates a two-truck fleet, praised CalCAP for connecting him to a helpful lender. “Although I wasn’t ready to go into debt, I needed a compliant truck in order to compete. Before accessing CalCAP’s online participating lender list, I talked with several lenders, whose terms and interest rates limited my ability to obtain financing. But I got what I needed from CalCAP when one of its participating lenders, Pacific Enterprise Bank, was willing to work with me.”

On April 26, 2016, CPCFA enrolled the 10,000th loan in the heavy duty vehicle CalCAP program. Since the program’s inception in 2009, CalCAP has contributed \$76.3 million to lender loan loss reserve accounts assisting California small business owners with purchasing 10,240 cleaner trucks and 595 diesel exhaust retrofits.

The resulting emission reductions (oxides of nitrogen) due to 10,000 cleaner trucks is equivalent to taking more than 1 million cars off California roads every year. In addition, the cleaner fleet will reduce toxic diesel particulate matter emissions by about 54 tons per year.

In 2015, CalCAP enrolled a record 2,827 loans to California small business owners purchasing 2,887 trucks – the largest year ever in terms of volume.

For more information on CalCAP small business financing opportunities, visit the program’s webpage at: <http://www.treasurer.ca.gov/cpcf/calcap/>

Read this press release in Spanish.

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