

CalCAP Provides Support to Financial Institutions When They Make Loans to Small Businesses

Loan Loss Reserve

CalCAP California Air Resources Board (CARB) Heavy-Duty Vehicle Air Quality Loan Program makes contributions to loan loss reserve accounts for participating financial institutions (PFIs). This partnership between CalCAP and CARB utilizes a proven financing mechanism to incentivize PFIs to address the financing needs of California's small business borrowers (SBBs) acquiring air quality compliant heavy-duty vehicles.

How It Works

SBB can use technical support from CalOSBA calosba.ca.gov and/or Small Business Development Centers californasbdc.org, to compare options and prepare to apply for capital.

SBB applies to PFI for a loan of private capital; PFI applies its underwriting standards.

Within 15 days of loan issuance, PFI submits an enrollment application to CalCAP.

CalCAP makes a contribution to the PFI's CalCAP CARB loan loss reserve (LLR) account. The contribution is 14% for LLR accounts with \$500,000 or less in contributions; 10% for LLR accounts with more than \$500,000 in contributions.

Up to 100% reimbursement for certain defaults is made from the PFI's CalCAP CARB loan loss reserve account.



Loans for Purchase or TRAC Lease of CNG, Diesel, LNG, or ZE Vehicle, and Trailer and/or Equipment Warranty

- Heavy-duty vehicle (over 14,000 Gross Vehicle Weight Rating) with engine year of 2010 or newer
- Vehicle uses compressed natural gas (CNG), diesel fuel, liquefied natural gas (LNG), or zero-emission (ZE) technology
- Trailer when purchased **with** an eligible vehicle
- Equipment warranty when purchased **with** an eligible vehicle

Loans to Small Fleets

- 10 or fewer heavy-duty vehicles (as defined by ww2.arb.ca.gov/our-work/programs/truck-and-bus-regulation) at time of loan signing
- \$10,000,000 or less in annual revenues (averaged over prior three years)

Loan Amount Up to \$2,500,000

- A maximum of \$2,500,000 across all loans per SBB may enrolled within a three year period
- Maximum APR of 20%

Vehicle is Registered in California

With the California Department of Motor Vehicles

Employee Count is 1 to 100

Not including subcontractors