



California Pollution Control Financing Authority

California Capital Access Loan Programs

in partnership with

California Air Resources Board

Lender Roundtable

October 3, 2017



CALIFORNIA
**CAPITAL
ACCESS**
PROGRAM

Roundtable Key Speakers

- **Renee Webster-Hawkins**, Executive Director, CPCFA
- **Anmarie Rodgers**, Chief, Compliance Assistance and Outreach Branch, CARB
- **Warren Hawkins**, Manager, Specialized Fleet Enforcement Section, CARB
- **Reza Mahdavi**, Senior Economist, CARB

Agenda

- I. Senate Bill 1 - ties DMV registration to compliance with the Truck and Bus Regulation
- II. CARB's aggressive enforcement pilot project
- III. CalCAP borrower and high-risk borrower profiles
- IV. Explore options for coordination between the pilot project and the CalCAP/CARB lenders

SB1 - Truck and Bus Compliance

- In 2020, DMV will deny commercial registration to heavy-duty diesel vehicles over 14,000 pounds gross vehicle weight rating that do not comply with the Truck and Bus Regulation
 - Most fleets will require 2011 trucks or newer to comply based on a phased in approach.
 - Approximately 75,000 vehicles currently out of compliance

CARB Enforcement Pilot

- Need for aggressive enforcement in preparation for 2020
- Pilot = 1,500 delinquent citation and pre-1996 MY plus other non-compliant vehicles in cited companies fleet
- Enforcement streamlined process
 - Large increase in vehicles handled through enforcement
- Substantial increase in use of vehicle registration blocks
- Need for financial assistance for many of these vehicles/fleets
- Financial hardship determination

CalCAP Applicant Profiles

What is the typical profile of a borrower who enrolls in your program?⁷

- Type of business (trucking, construction, etc.)
- Demographic: age, income, etc.
- What kind of loan terms would be available to an applicant in the absence of the CPCFA program?
 - Down payment
 - Interest rate
 - Term of loan

What kind of financial metrics do you use to evaluate an applicant?

- Are applicants evaluated based on their business or their personal financial information?
- What are the key metrics you use to evaluate an applicant:
 - Analysis of financial ratios
 - Quality of financial statements
 - Business credit rating

What is the typical profile of an applicant who is almost eligible through the CPCFA program, but did not qualify due to current underwriting standards?

- What is the biggest disqualifying factor?

What are the circumstances that can help an applicant to qualify?

Under your credit policies do you allow flexibility under the “near-bankable” category?

Are current underwriting standards set at the federal or State level? Is there any opportunity for flexibility here?

What is the profile of the category of applicants who fall way below your current guidelines?

Is there anything that can be done to help those in this category?

- What should state agencies do to help those in this category?
- Do you track how many applicants are a “near-miss” vs. those way below current guidelines?

Do you think there is sufficient awareness in the trucking community about the loan opportunities offered by the CPCFA program?

Will applicants increase by a substantial number if this program was heavily advertised?

- Any suggestions in this area?

Business Model

- Is the current business model sustainable in the trucking industry and other affected industries?
- Do you know of any other business model that is a good fit for this industry (such as cooperatives, partnerships, etc.)

Financial Hardship

- Pilot project to begin this month
- 1,500 Fleets
- Economic Hardship may be a factor for many of these fleets
- Ideas for CARB to evaluate efficiently

Contact Information

- Annmarie Rodgers
 - Chief, Compliance Assistance and Outreach Branch
 - annmarie@arb.ca.gov
 - (916) 322-1855
- Reza Mahdavi, PhD
 - Senior Economist
 - rmahdavi@arb.ca.gov
 - (916) 323-8704
- Warren Hawkins
 - Manager, Specialized Fleet Enforcement Section
 - whawkins@arb.ca.gov
 - (916) 229-0751
- CalCAP Contact
 - CalCAP@treasurer.ca.gov
 - (916) 654-5610