



California Pollution Control Financing Authority

California Capital Access Loan Programs: CalCAP Lender Roundtable

April 3, 2018

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Executive Director



➤ Introductions

➤ CalCAP Administrative Updates

- Recapture
- Change in Terms
- Reminders
- Maturing Date One-Time Extension
- Quarterly Report Reminder and Refresher Training

➤ CalCAP Program updates

- Small Business Program (CalCAP/SB)
- California Air Resources Board On-Road Heavy-Duty Vehicle Air Quality Loan Program (CalCAP/CARB)
- Collateral Support Program (CSP)
- Americans with Disabilities Act (ADA) Financing Program (CalCAP/ADA)
- Electric Vehicle Charging Station (EVCS) Financing Program (CalCAP/EVCS)
- Seismic Safety Financing Program (CalCAP/Seismic Safety)



CalCAP Small Business & CARB: Recapture Update

- Per CalCAP regulations, § 8073(g) CalCAP will recapture its contributions for each loan enrolled upon maturation or after five years from the date of enrollment, whichever happens first.
- Recapture is not applicable for Contributions for Qualified Loans that are charged off as a result of a default, and have a pending or approved claim with the Authority.
- Letters regarding the recapture amount have been sent out to the Lenders who opted in for recapture.
- Total recapture amount for the CalCAP Small Business and CARB Programs:
 - from state contributions: **\$392,945.15**
 - from federal contributions: **\$2,461,197.51**
 - from the CARB contributions: **\$6,152,066.55**



Change in Loan Terms Update

Lenders are required to notify CalCAP within 15-business days of any change in loan terms of a currently enrolled loan by submitting a Change in Terms notification.*

Per Section 8070(c): "Change in Terms" means the process to report any change in material terms of an enrolled loan, including changes to the names) of the borrower or co-borrowers, the total loan amount, the maturity date, or the interest rate."

If any of the terms other than the interest rate have changed, the Lender must also submit the following:

- 1) Change in Terms form
- 2) Amended loan enrollment application
- 3) New lender certification
- 4) New borrower certification

*<http://www.treasurer.ca.gov/cpcf/calcap/tools/notification-loan-change.pdf>



Maturity Date: One-Time Extension



Per new CalCAP regulations, § 8072(i)(4), CalCAP may authorize a single extension of the maturity date of an enrolled loan for up to one hundred eighty (180) days, if the lender provides written certification to its credit policy that provides for such extensions of the maturity date.

Forms to be submitted:

- Change in Terms Form
- Amended Enrollment Application
- New Lender Certification
- New Borrower Certification



Quarterly Report Reminder and Refresher Training Available

- 1st 2018 Quarterly Report due on April 15th

Quarter Begins	Quarter Ends	Quarterly Report Due to CalCAP
January 1st	March 31st	April 15th
April 1st	June 30th	July 15th
July 1st	September 30th	October 15th
October 1st	December 31st	January 15th

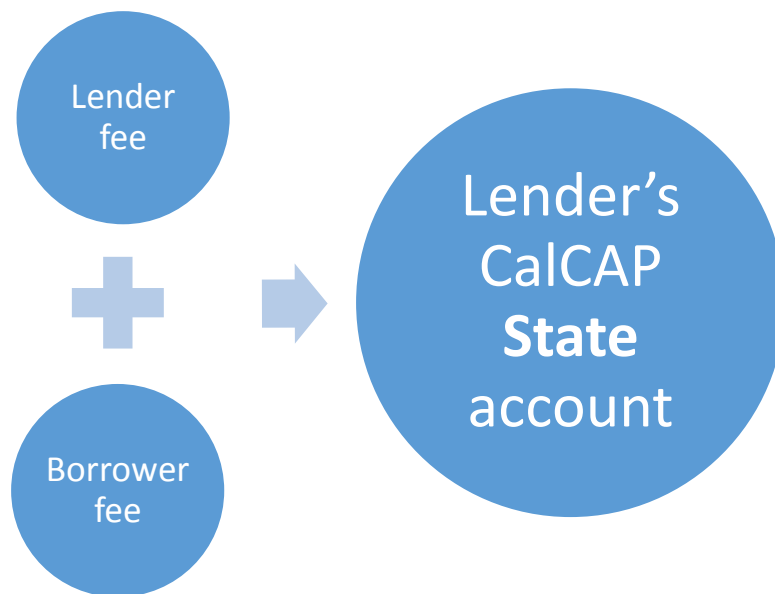
- Refresher training available for interested Lenders – Email CalCAP@treasurer.ca.gov to schedule with a CalCAP analyst



CalCAP/Small Business Program Updates

(<http://www.treasurer.ca.gov/cpcf/cap/sb/index.asp>)

- Federal funding has been exhausted.
- All Lenders submitting Small Business loan applications must start depositing Lender's and Borrower's fees to their CalCAP **State** loss reserve account.



CalCAP/CARB Heavy-Duty Vehicle Air Quality Loan Program Updates⁸

(<http://www.treasurer.ca.gov/cpcfca/calcap/arb/index.asp>)

- **New CalCAP/CARB Borrower's webpage:** CalCAP will be launching a new CalCAP/CARB Borrower's webpage providing information and resources for Borrowers and potential Borrowers. More exciting information to come soon!
- **Upcoming site visits and desk audits**
- **Amended Interagency Agreement:** In March 2018 CalCAP and CARB amended their Interagency Agreement which includes an additional \$20 million in Program funding for FY 2017/2018.
- **Electric Vehicle Reminder:** Electrical vehicles are eligible for CalCAP/CARB.
- **2023 Compliance Update:** 2010 or newer engine model is required.
- **CARB One-Stop Truck Event:** Next event is April 17, 2018 in Bakersfield.



Completing CalCAP/CARB Loan Enrollment Application

<http://www.treasurer.ca.gov/cpcfaca/calcap/arb/tools.asp>

✓ **Tip #1:**
Use the *Tools*
for Lenders
webpage.

The screenshot shows a web browser window with the URL [treasurer.ca.gov/cpcfaca/calcap/arb/tools.asp](http://www.treasurer.ca.gov/cpcfaca/calcap/arb/tools.asp) in the address bar. The browser's suggested sites include NAICS Search, Geocode - Census Tracts, CPCFA California Cap, Truck & Bus Regulation, CPCFA CalCAP ARB S, Calculator: Add to or, and ZIONS.

The website header features the California State Treasurer's Office logo and the name of the California State Treasurer, John Chiang. The navigation menu includes links for Home, CPCFA Home, Contacts, and Publications and Annual Reports. A search bar is also present.


The main content area displays the California Pollution Control Financing Authority logo and the text: "California Air Resources Board (ARB) Independent Contributor for the Heavy-Duty Vehicle Air Quality Loan Program".

Below this, the "Tools for Lenders" section is highlighted with a blue arrow. The tools listed are:

- [Lender Manual](#) (highlighted in yellow, with a blue arrow pointing to it)
- [Change in Terms](#)
- [North American Industry Classification System \(NAICS\) Code](#)
- [Census Tract Tool](#) (highlighted in yellow, with a blue arrow pointing to it)
- [Census Tract Tool \(guided walkthrough\)](#)
- [Authorized Retrofits](#)
- [Claim Interest Calculator](#)
- [Recapture Opt-in](#)
- [Recapture Worksheet Formula & Examples](#)
- [Frequently Asked Questions](#) (highlighted in yellow, with a blue arrow pointing to it)

Completing CARB Loan Enrollment Application – Common Errors & Omissions (continued)

✓ **Tip 2: Check to see that the Borrower's Name, DBA & Address are CONSISTENT.**



Borrower Information

Name _____ DBA _____

Address _____ City _____ County _____ Zip _____

Type of Business/Activities _____

Average Annual Revenue Last 3 Years \$ _____

Number of Employees _____ Jobs created _____ Jobs retained _____

Will loan monies be used at above address? Yes No If no, location where loan will be used:

Address _____ City _____ County _____ Zip _____

NAICS Code _____ Census Tract # _____
<http://www.census.gov/eos/www/naics/> <http://www.ffiec.gov/Geocode/default.aspx>

Purpose of Loan _____

Is business minority owned? Yes No Decline to Answer

Is business woman owned? Yes No Decline to Answer

Is business veteran owned? Yes No Decline to Answer

(Business Name)

(Print Individual's Name)

(Individual's Signature)

(Business Address, City, State, Zip Code)

(Individual's Title as it pertains to the business)

(Date)

(Phone Number)

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(CPCFA Review: Signature and Date)

Revised August 15, 2017

ARB Enrollment Application

Borrower Certification - Page 3

Completing CARB Loan Enrollment Application

Common Errors & Omissions (continued)

✓ **Tip 3: All census tract entries should include the state, county & tract codes – a total of 11 digits.**

Borrower Information

Name _____ DBA _____

Address _____ City _____ County _____ Zip _____

Type of Business/Activities _____

Average Annual Revenue Last 3 Years \$ _____

Number of Employees _____ Jobs created _____ Jobs retained _____

Will loan monies be used at above address? Yes No If no, location where loan will be used:

Address _____ City _____ County _____ Zip _____

NAICS Code _____ <http://www.census.gov/eos/www/naics/>

Census Tract # **06 067 0011.01** <http://www.ffiec.gov/Geocode/default.aspx>

Purpose of Loan _____

Is business minority owned? Yes No Decline to Answer

Is business woman owned? Yes No Decline to Answer

Is business veteran owned? Yes No Decline to Answer

<http://ffiec.gov/Geocode/default.aspx>



Matched Address	
Address	915 CAPITOL MALL, SACRAMENTO, CA, 95814
MSA/MD Code	40900
State Code	06
County Code	067
Tract Code	0011.01
MSA/MD Name	SACRAMENTO--ROSEVILLE-- ARDEN-ARCADE, CA
State Name	CALIFORNIA
County Name	SACRAMENTO COUNTY

Census Demographic Data

Completing CARB Loan Enrollment Application

Common Errors & Omissions (continued)

- ✓ **Tip 4: On Page 1 of Borrower Certification borrower initials are only needed on Items (d), (e), and (f) if the borrower received an CARB grant or voucher.**

**HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM
(HDV AIR QUALITY LOAN PROGRAM)
BORROWER ELIGIBILITY CRITERIA AND SELF-CERTIFICATION FORM**

By initialing either (d) (e), or (f) below, Borrower certifies that either (d) (e), or (f) is true and correct. If Borrower has not received a ARB grant or is not approved for a voucher below, DO NOT INITIAL ANY OF THE STATEMENTS.

(d) Borrower certifies that he/she has received a grant through ARB's Proposition IB Goods Movement Emission Reduction Program for the vehicle(s) being financed.

(e) Borrower certifies that he/she has received a grant through the ARB's Carl Moyer Program On-Road Heavy-Duty Vehicle Voucher Incentive Program (VIP) for the vehicle(s) being financed.

(f) Borrower certifies that he/she is approved for a voucher for ARB's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) to purchase or lease a hybrid or zero-emission truck or bus.

Revised August 15, 2017

Completing CARB Loan Enrollment Application

Errors & Omissions (continued)

✓ **Tip 5: Follow these reminders when completing Page 3 of Borrower Certification.**

Fleet size: Enter number of vehicles in borrower's fleet prior to this purchase.

GVWR: Enter truck's Gross Vehicle Weight Rating.

Replaced Truck: Not needed unless borrower received a CARB voucher or grant for replaced truck.

Individual's title: Provide signer's title as it relates to the business (eg. CEO, Owner, etc).

(a) _____ Borrower certifies that he/she meets state and federal requirements to operate in California.

(b) _____ Borrower agrees to allow ARB staff or its designee to inspect the affected vehicle.

Additional Information for Completion by the Borrower				
Fleet Size^a				
For Truck Purchases				
For truck purchase, state the GVWR ^b :				
	Engine Manufacturer	Engine Model Year	Engine Horsepower	Fuel Type ^c
New Purchase				
Used Purchase				
Replaced Truck (if purchase is to replace an existing truck)				
For ARB-Verified Diesel Emission Control Device (Exhaust Retrofit) Purchases				
	Device Manufacturer And Model Name		Technology Type (State the technology type. Example: Diesel Particulate Filter)	
Diesel Emission Control Device				
For Trailer Purchases^d				
	Trailer Manufacturer	Trailer Model Year	SmartWay Certified? (Yes or No)	
Trailer				

^a The Borrower shall write in the total number (example: 8) of on-road vehicles subject to the Regulation referenced in the beginning of this form, in his or her fleet.

^b Information about Gross Vehicle Weight Rating (GVWR) is available at <http://www.arb.ca.gov/msprog/truckstop/azregs/labels.htm>.

^c Fuel Codes: **D-Diesel, E-Electric, N-Natural Gas, Q-Hybrid.**

^d Trailers may be eligible for financing ONLY in conjunction with an eligible tractor or exhaust retrofit.

(Business Name)

(Print Individual's Name)

(Individual's Signature)

(Business Address, City, State, Zip Code)

(Individual's Title as it pertains to the business)

(Date)

(Phone Number)

CPCFA USE ONLY	

Completing CARB Loan Enrollment Application

Common Errors & Omissions (continued)

✓ **Tip 6: Send enrollment documents in the following order when submitting your loan enrollment documents to CalCAP and use these helpful links.**

1. ARB (or CalCAP) Enrollment Application
2. Lender Certification
3. Borrower Certification (followed by Docu-Sign Cert, if applicable)
4. NAICS verification
5. Google Map printout (if census tract information is not available)

Helpful CalCAP/CARB Links:

Lender Manual: <http://treasurer.ca.gov/cpcfa/calcap/arb/manual/index.asp>

NAICS Codes: <http://www.census.gov/eos/www/naics/>

Census Tract Tool: <http://www.ffiec.gov/Geocode/default.aspx>

CARB Authorized Retrofits: <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>

Collateral Support Program (CSP) Update

(<http://www.treasurer.ca.gov/cpcfca/calcap/collateral/index.asp>)

- **Minimum Fees:** Closing fees for CSP Requests will increase from \$500 to a \$1,000 minimum starting **April 04, 2018**.
- **Loans In Default Reporting**
 - All CSP loans in default must be reported and included in the Lender's Quarterly Report.
 - Instructions for completing the Quarterly Report can be found on the CSP website:
<http://www.treasurer.ca.gov/cpcfca/calcap/collateral/index.asp>



California Pollution Control Financing Authority



Collateral Support Program (CSP) Update (continued)

- **Lines Of Credit Renewals**

- Annual fees of 1% of the General Support for all LOC's are required.
- Renewal Requests must be received prior to the annual anniversary date of the initial disbursement or date of loan.

- **Records Retention**

- All records and documents for enrolled CSP loans must be retained for 3 years after maturity or 3 years after the ending of the Program, whichever is later.



CalCAP/ADA Update

- Emergency Regulations effective as of 12/21/17.
 - Allow Borrowers to be reimbursed for the cost of the Certified Access Specialist Report (CASp) equal or up to 5% of the enrolled loan amount.
 - Expanding the “small business” definition to include businesses with less than \$5 million in total gross annual income.
- Notice of Proposed Rulemaking has been published on March 23, 2018 by Office of Administrative Law (OAL)
- 45-days comment period ends on May 7th



CalCAP/ADA Update

(<http://www.treasurer.ca.gov/cpcf/cap/ada/index.asp>)

CalCAP/ADA Key Features

\$50,000	Maximum Loan enrolled loan amount
\$5 million	Total gross annual revenue for small business eligibility
15 FTEs	Maximum number of employees for small business eligibility
60 months	Maximum loan term
2%-3.5%	Lender fee
2%-3.5%	Borrower fee matches Lender fee
8%-14%	CalCAP/ADA Contribution is 4 times Lender fee
2%-3.5%	Severely Affected Community (SAC) Contribution matches the Lender fee
Additional feature(s)	<ul style="list-style-type: none">• Certified Access Specialist Program (CASp) report and cost estimate required. Reimbursement offered for CASp report.• Recapture of CalCAP/ADA contribution amounts on an annual basis when enrolled loans mature or after sixty (60) months from the date of enrollment, whichever occurs first.

CalCAP/EVCS Update

- ❑ Governor Brown's recent Executive Order B-48-18 increases the goal to deploying at **least 5 million** zero emission vehicles (ZEVs) on California roads by 2030 and specifically addresses the installation of car chargers, a significant increase from his 2012 goal of 1.5 million ZEVs in California by 2025.

- ❑ The current gap in public and private investment in charging station infrastructure is approximately **\$2.6 billion**.
 - An estimated **14,272** chargers are currently deployed in California
 - The estimated need is for at least **344,000** chargers at or near apartments, workplaces and public locations.



Electric Vehicle Charging Station (EVCS) Financing Program Updates

<http://www.treasurer.ca.gov/cpcfca/calcap/evcs/index.asp>

CalCAP/EVCS Key Features

\$500,000	Maximum Loan enrolled per borrower
N/A	Total gross annual revenue for small business eligibility
1000 FTEs	Maximum number of employees for small business eligibility
48 months	Maximum loan loss reserve coverage
N/A	Lender fee
N/A	Borrower fee matches Lender fee
20%	CalCAP/EVCS base contribution
10%	Severely Affected Community (SAC) contribution
Additional feature(s)	Borrower rebate equal to half of the total contribution.

- ❑ Other pressures that could broaden the infrastructure gap include:
 - Expanded EV awareness
 - Efforts to make EV an affordable and attractive option for more California Drivers
 - Car manufacturers commitments to electrification – **42 ZEV** models are on the market today and more to come

- ❑ In order to increase participation in CalCAP/EVCS, staff is seeking input from lenders and stakeholders on the following:
 - What data and/or assistance do lenders or small businesses need for financial institutions to expand their small business charging station infrastructure lending portfolio?
 - How can the CalCAP/EVCS Financing Program support charging station Infrastructure lending to the small business community?

CalCAP/Seismic Safety Update

(<http://www.treasurer.ca.gov/cpcfca/calcap/seismic/summary.asp>)

CalCAP/Seismic Safety Key Features

\$250,000	Maximum Loan enrolled loan amount
N/A	Total gross annual revenue for small business eligibility
500 FTEs	Maximum number of employees for small business eligibility
60 mos or 120 mos	Maximum loan loss coverage depending on loan term
2%-3.5%	Lender fee
2%-3.5%	Borrower fee matches Lender fee
8%-14% or 6%-10.5%	CalCAP/Seismic Safety Contribution is 4 times Lender fee or 3 times depending on loan term
4%-7% or 2%-3.5%	Severely Affected Community (SAC) Contribution is 2 times the Lender fee or equal to Lender fee depending on term
Additional feature(s)	<ul style="list-style-type: none">• Additional incentive for loan term of 60 months or less• Residential and commercial building owners eligible• Certification from local building code official required• Recapture of CalCAP/Seismic Safety Contribution amounts on an annual basis when enrolled loans mature or after 60 months or 120 months from the date of enrollment depending on loan term election, whichever occurs first.

CalCAP/Seismic Safety Update

- ❑ Working with stakeholders to address concerns with the following statutory requirements:
 - Borrowers must obtain certification from the local building code official that “the building is hazardous and in danger of collapse in the event of a catastrophic earthquake.”
 - Small businesses must “own and occupy or intend to occupy” a qualified building.

❑ Generous CPCFA contributions:



Rates	Enrolled loan term is <u>60 months or less</u>
2%-3.5%	Lender fee
2%-3.5%	Borrower fee – matches Lender fee
8%-14%	CalCAP/Seismic Contribution is 4 times Lender fee
4%-7%	Severely Affected Community (SAC) Contribution is 2 times Lender’s fee
16%-28%	Maximum Total Contribution deposited into LLR
12%-21%	CalCAP/Seismic Safety recapture at maturity or 60 months whichever is first
4%-7%	Amount remaining in LLR after recapture

Rates	Enrolled loan term is <u>61-120 months</u>
2%-3.5%	Lender fee
2%-3.5%	Borrower fee – matches Lender fee
6%-10.5%	CalCAP/Seismic Contribution is 3 times Lender fee
2%-3.5%	Severely Affected Community (SAC) Contribution is equal to the Lender’s fee
12%-21%	Maximum Total Contribution deposited into LLR
8%-14%	CalCAP/Seismic Safety recapture at maturity or 120 months whichever is first
4%-7%	Amount remaining in LLR after recapture

❖ CalCAP Inbox

- CalCAP@treasurer.ca.gov

❖ CalCAP Small Business & CSP: Doreen Smith, Program Manager

- 916.653.3993 Doreen.Smith@treasurer.ca.gov

❖ CalCAP/CARB and CalCAP/ADA: Bianca Smith, Program Manager

- 916.653.5408 Bianca.Smith@treasurer.ca.gov

❖ CalCAP/Seismic Safety: Elena Miller, Deputy Executive Director

- 916.654-5951 Elena.Miller@treasurer.ca.gov

❖ CalCAP/EVCS: Jason L. Bradley, Program Manager

- 916.653.3376 Jason.Bradley@treasurer.ca.gov

❖ Outreach: Janae Davis, Program Manager

- 916.651.8663 Janae.Davis@treasurer.ca.gov





**The CalCAP team thanks you for
participating in today's Lender
Roundtable!**

