

ARB/CalCAP Truck Loan Assistance Program

December 9, 2013
Sacramento, California



California Pollution Control Financing Authority

Purpose of Today's Discussion

- Discuss proposed program changes for 2014
 - Designed to better serve the target population of small business truck fleets in need of financial assistance
 - Proposed changes primarily directed at participating lenders
- Solicit feedback on affected program areas:
 - Changes to loan loss reserve contribution rate to lenders
 - Potential cap on interest rate that lenders may charge
 - Change in maximum fleet size

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Program Overview

- Component of ARB's funding assistance program to support 2008 diesel vehicle regulations
- Initial program funding provided through the Assembly Bill 118 Air Quality Improvement Program (Chapter 750, Statutes of 2007)
- Provides financing for necessary truck upgrades
- Assists small business truck owners

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ARB/CPCFA Partnership

- Program model: CPCFA's California Capital Access Program (CalCAP)
 - Enabled prompt program startup in 2009
- Existing ARB/CPCFA Interagency Agreement
 - 2009-2013: \$44.3M through Assembly Bill 118 Air Quality Improvement Program funds (2009-2013)

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Programs Supported

- With existing Interagency Agreement:
 - In-Use Truck and Bus Regulation
 - Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Regulation (SmartWay Technologies)
- For new Interagency Agreement in 2014
 - Continued support for the In-Use Truck and Bus Regulation

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Program Achievements

Vehicles/Equipment Financed as of December 3, 2013 (AQIP funds)				
Number of Loans Issued	Number of Projects Financed	Project Type	\$ Spent on Projects	Total Amount Financed
3,552	3,816	Truck Purchases	\$33.7M	\$237M
	229	Exhaust Retrofits		
	20	Trailers		

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Proposed Program for 2014

- New Interagency Agreement with CPCFA to continue loan assistance in 2014
- \$10M from Senate Bill 359 (Chapter 415, Statutes of 2013)
 - Continues program established with AQIP funds to support compliance with In-Use Truck and Bus Regulation

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Proposed Changes for 2014

Program Criteria	Existing Interagency Agreement: Truck Loan Assistance (AQIP Funds)	Proposed New Interagency: Agreement Truck Loan Assistance (SB 359 Funds)
Fleet Size	≤ 40 HD Vehicles	≤ 10 HD Vehicles
Interest Rate Cap	None	20% Annual Percentage Yield (APY)
Loan Loss Reserve Contribution	Currently at 10%	<ul style="list-style-type: none"> • Reinstate 20% contribution until \$5M in loans issued • Retain 10% contribution for all lenders with over \$5M in loans
Products Eligible for Financing	<ul style="list-style-type: none"> • Newer Trucks (2007+ MY engines) • Exhaust Retrofits • SmartWay Technologies 	<ul style="list-style-type: none"> • Newer Trucks (2007+ MY engines) • Exhaust Retrofits

Additional Borrower Information

- Borrower writes in total number of on-road heavy-duty vehicles in fleet on Borrower Eligibility Criteria and Self-Certification Form

SECTION II
 By initialing on each line, the Borrower certifies that each statement below is true and correct. Please also provide the applicable information in the table below, including the engine manufacturer and model year of a tractor that is replaced with a tractor purchased with loan proceeds.

_____ The Borrower certifies that he/she meets state and federal requirements to operate in California.
 _____ The Borrower agrees to allow ARB staff or its designee to inspect the affected vehicle.

Additional Information for Completion by the Borrower

Fleet Size*			
For Tractor Purchases			
New Purchase	Engine Manufacturer	Engine Model Year	
Used Purchase			
Replaced Tractor (if purchase is to replace an existing tractor)			
For ARB-Verified Diesel Emission Control Device (Exhaust Retrofit) Purchases			
Diesel Emission Control Device	Device Manufacturer And Model Name	Technology Type (State the technology type. Example: Diesel Particulate Filter.)	
For Trailer Purchases*			
Trailer	Trailer Manufacturer	Trailer Model Year	SmartWay Certified? (Yes or No)

*The Borrower shall write in the total number (example: 8) of on-road heavy-duty vehicles in his or her fleet.
 **Trailers may be eligible for financing ONLY in conjunction with an eligible tractor or exhaust retrofit.

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Program Contacts

- CPCFA
 - Nancee Trombley, CalCAP Manager: 916-651-8663 or ntrombley@treasurer.ca.gov
- ARB
 - Krista Fregoso, Program Staff: 916-445-5035 or kfregoso@arb.ca.gov
 - John Kato, Program Manager: 916-322-2891 or jkato@arb.ca.gov

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Comments and Discussion

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