



NEWS RELEASE

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May 19, 2009

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Treasurer Lockyer Announces Kickoff of Loan Program to Help California Truckers Comply with New Diesel Emissions Regulations *Partnership with Air Resources Board Eases Access to Upgrade Financing*

SACRAMENTO – State Treasurer Bill Lockyer today announced the kickoff of a \$48 million loan guarantee program to help California truckers comply with new diesel emissions regulations. The program is a partnership with the California Air Resources Board (ARB).

“These loans provide truckers an affordable way to upgrade their vehicles,” said Lockyer. “They’ll save themselves money, increase fuel efficiency and reduce emissions. In a tough economy, it’s a win-win not just for truckers, but the environment and California’s citizens as well.”

“Through this partnership, California truckers now have the option to use the loan program to help them comply with the state’s clean air regulations,” said ARB Chairman, Mary D. Nichols. “The program will lead to improved public health and assist truckers as they transition into cleaner rigs.”

The California Pollution Control Finance Authority (CPCFA), chaired by Lockyer, today began considering applications through its participating financial institutions. Loans could be approved as early as Friday. In March, the two agencies approved an agreement that governs the new diesel emissions program.

The loan program is operated as part of CPCFA’s existing small business loan guarantee program, called the California Capital Access Program (CalCAP). CalCAP encourages banks and other financial institutions to make loans to small businesses that fall just below most conventional underwriting standards. Under the program, CalCAP puts money into loan loss reserves for each participating financial institution. Each institution’s reserve fund grows as it makes new loans. The reserve funds can be tapped to provide up to 100 percent coverage on defaults. Currently, 57 financial institutions participate in CalCAP.

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Under CPCFA's partnership with ARB on the diesel initiative, the ARB will provide institutions' loan loss reserve accounts an amount equal to 14 percent of the principal for each qualified loan. The agreement caps the ARB's total CalCAP contribution at \$48 million. The \$48 million could leverage roughly \$350 million in loans for truckers and small trucking fleets.

The loan proceeds can be used to purchase new trucks, used trucks, SmartWay products that significantly reduce fuel use and emissions, and exhaust retrofits. Pursuant to CalCAP regulations, the maximum loan amount will be \$1.5 million, and the recipient businesses must have fewer than 100 employees and less than \$10 million in annual revenues.

For off-road vehicles, the loan proceeds can pay for exhaust retrofits necessary to comply with recently adopted off-road diesel vehicle regulations. These vehicles are commonly used in construction, mining and other industrial operations.

Aside from administering the CalCAP program, CPCFA provides tax-exempt bond financing for pollution control projects. The financing helps California businesses acquire or build qualified pollution control, waste disposal or waste recovery facilities, or buy or install new pollution control equipment.

The CPCFA also runs the CalReUSE program, which offers low-interest, forgivable loans and grants to help public and private partners redevelop contaminated "brownfields."

For more information about CPCFA and the loan guarantee programs, visit www.treasurer.ca.gov/cpcfa.

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