



Rosa Cucicea



Megan Hodapp



George McDaniel



John Meredith



What is Climate Tech?

Technology that...

avoids carbon-based fuels

- Use renewable energy
- Switch to electricity
- Switch to hydrogen fuels

reduces greenhouse gases

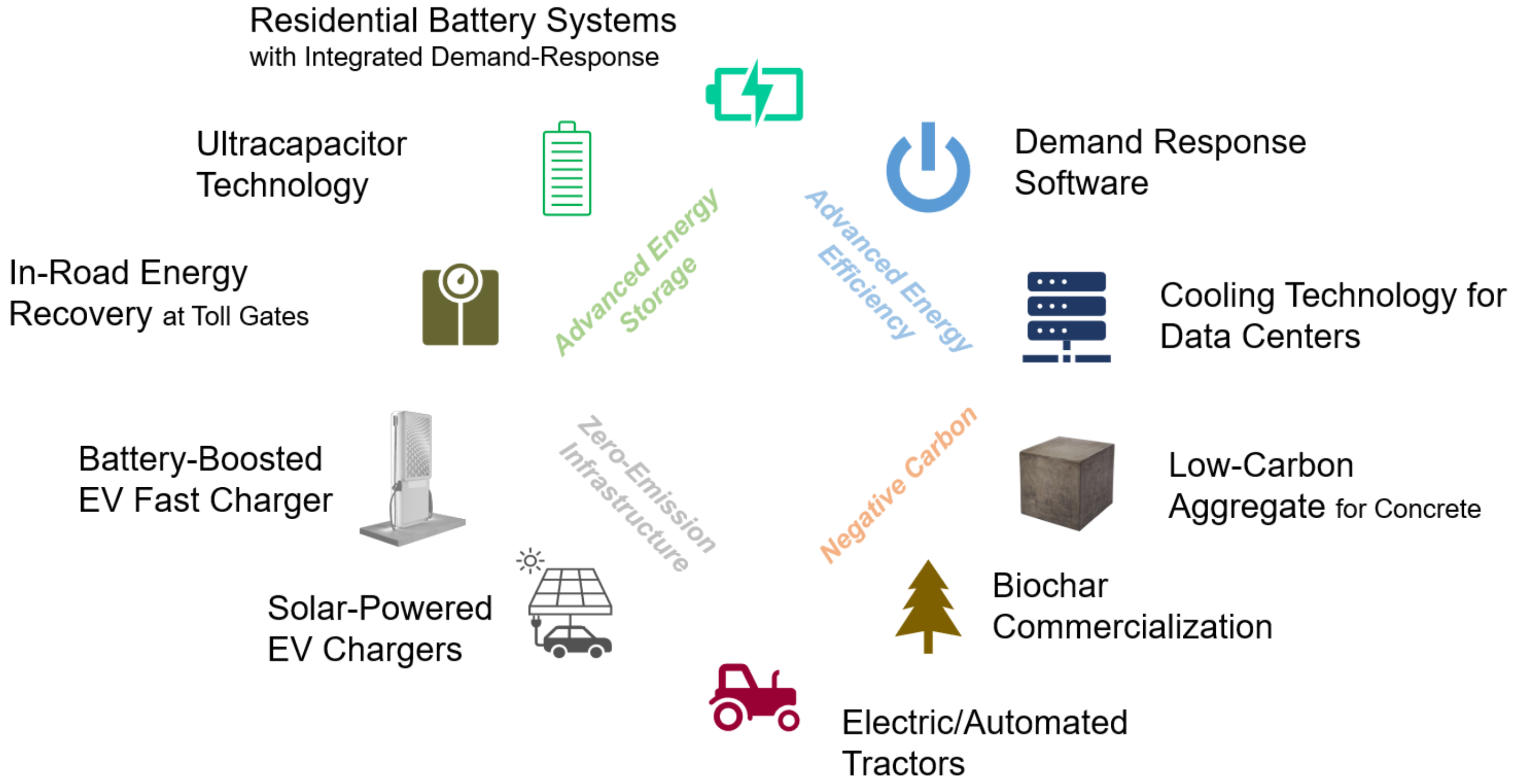
- Improves energy efficiency
- Convert methane to CO₂

sequesters carbon

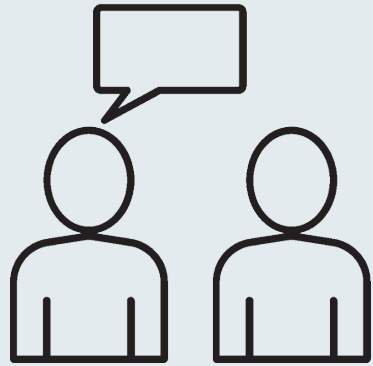
- Apply compost to soil
- Use exhaust to make concrete



Qualified Projects



Loan Guarantee Process



Entrepreneurs meet with us to discuss their technology and growth plans



We work with entrepreneurs to find the right lender



We work together to get financing approved



Introduction



John Meredith
Finance Lead
Climate Tech Finance



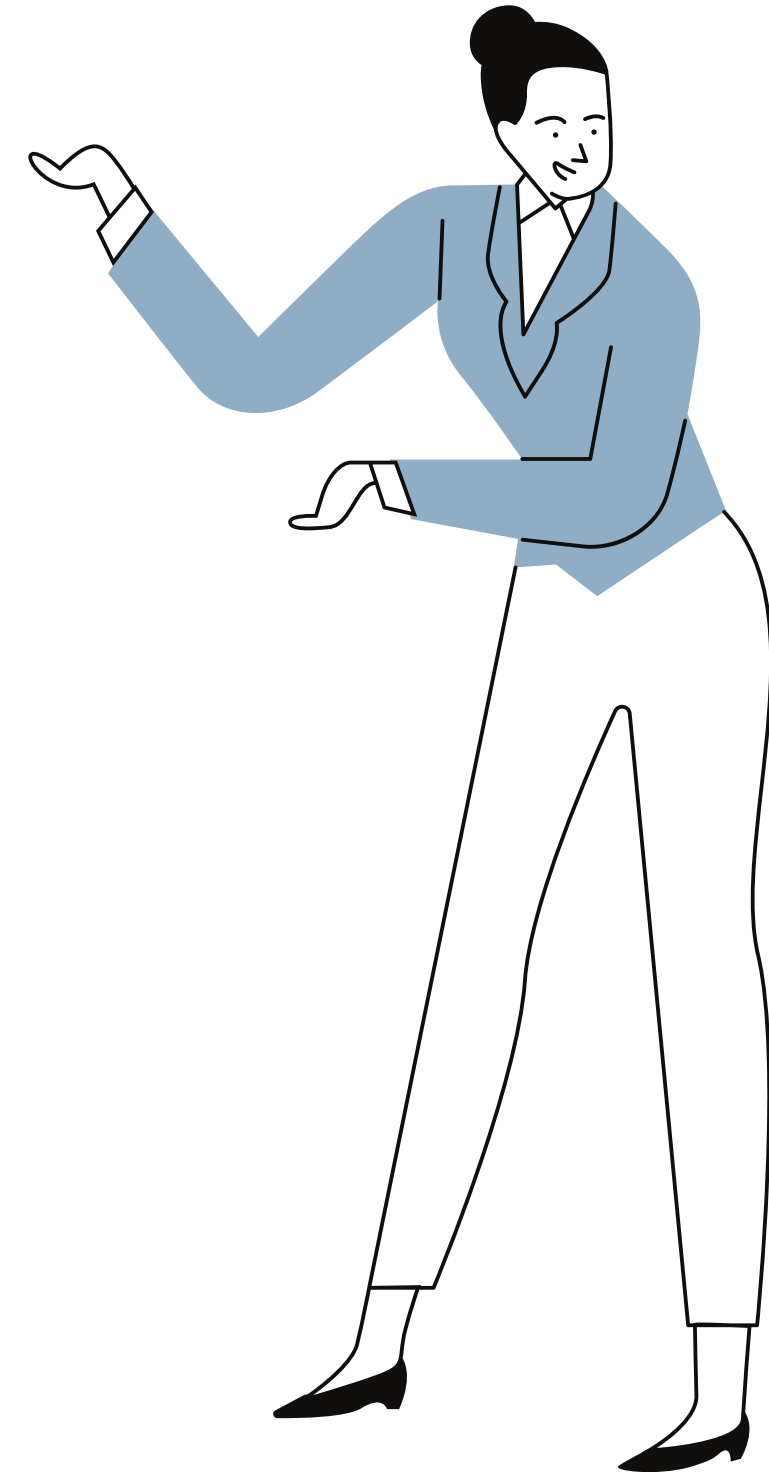
George McDaniel
Chief
Climate Tech Finance
Nor-Cal FDC



Megan Hodapp
Small Business Finance
Center Manager
iBank



Rosa Cucicea
Director of Clean Energy
Division
River City Bank



Gain direct insights from financial experts in Climate Tech on effectively structuring a loan with the support of a government-backed guarantee.

Climate Tech Finance

Key Players



State Fund
Oversees loan guarantee program for the State of California and the trust fund



Air Quality Regulator
Validates Climate Technology in question and quantifies greenhouse gas reductions

**Financial
Development
Corporations**

Loan Guarantee Issuer
Authorize to underwrite the loan guarantee on behalf of IBank



Lender
Determines qualifications and terms to fund a loan. Lender can be bank, credit union, or CDFI

Financial Development Corporations

- 01 Authorized to issue loan guarantees from the California IBank
- 02 7 across the State of California
- 03 Each have a board that approves the loan guarantee in question





California Infrastructure and Economic Development Bank

Created in 1994, IBank is the State's only general-purpose financing authority. IBank provides financial assistance to support infrastructure and economic development.



Created in 1968, The Small Business Finance Center supports small businesses throughout California through various programs including:

- ✓ Small Business Loan Guarantee Program
- ✓ Disaster Relief Loan Guarantee Program
- ✓ Climate Tech Finance Loan Guarantee Program
- ✓ Farm Loan Program
- ✓ Jump Start Program



Objective 1

Create jobs and a strong economy



Objective 2

Improve the quality of life for Californians

Loan Guarantee Terms



80% up to \$5M

Guarantee can be up to \$5 million with an 80% maximum advance against the loan amount



7-years

Loan guarantees can be for up to 7 years in duration and the loan proceeds must be used in California



2.5% Fee

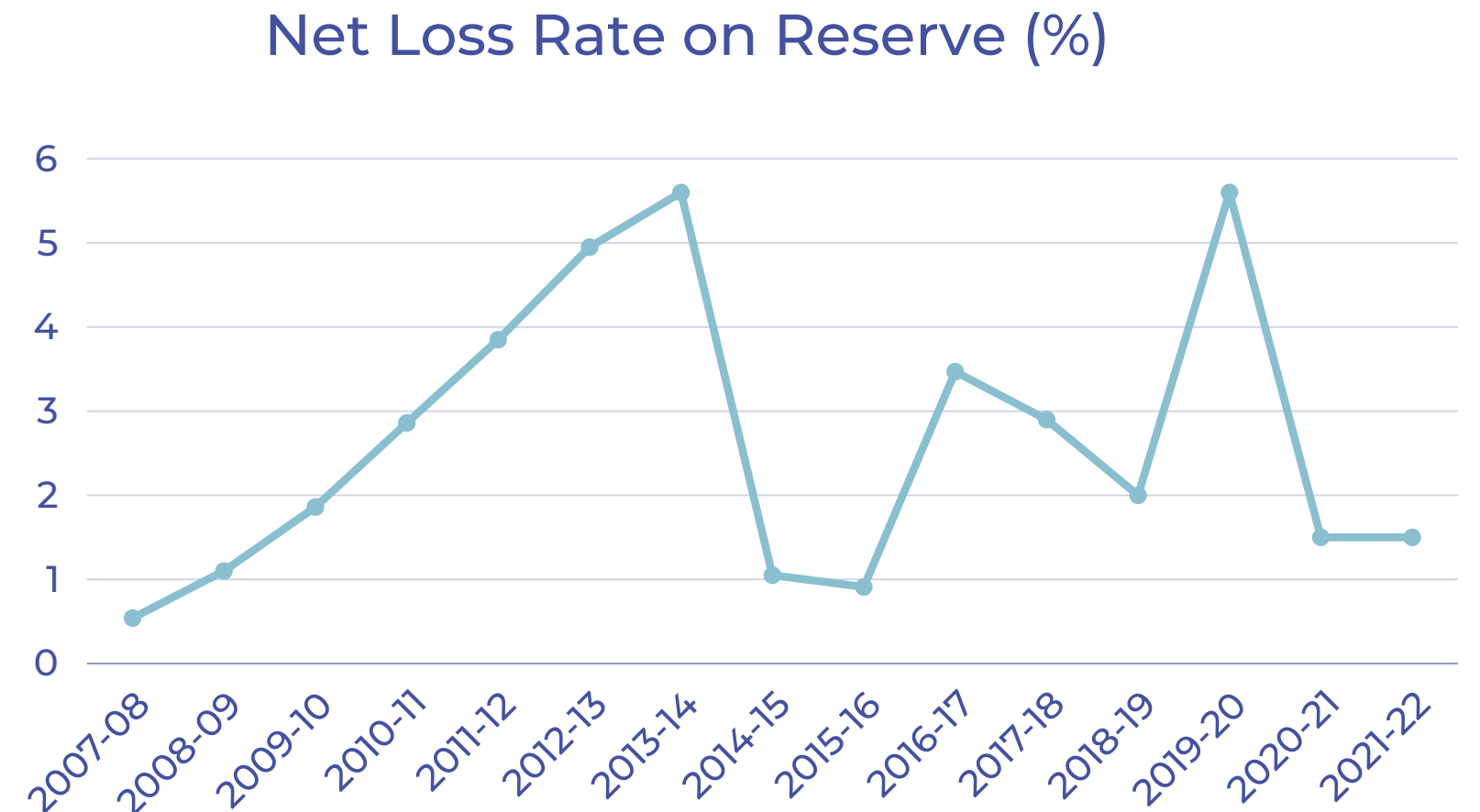
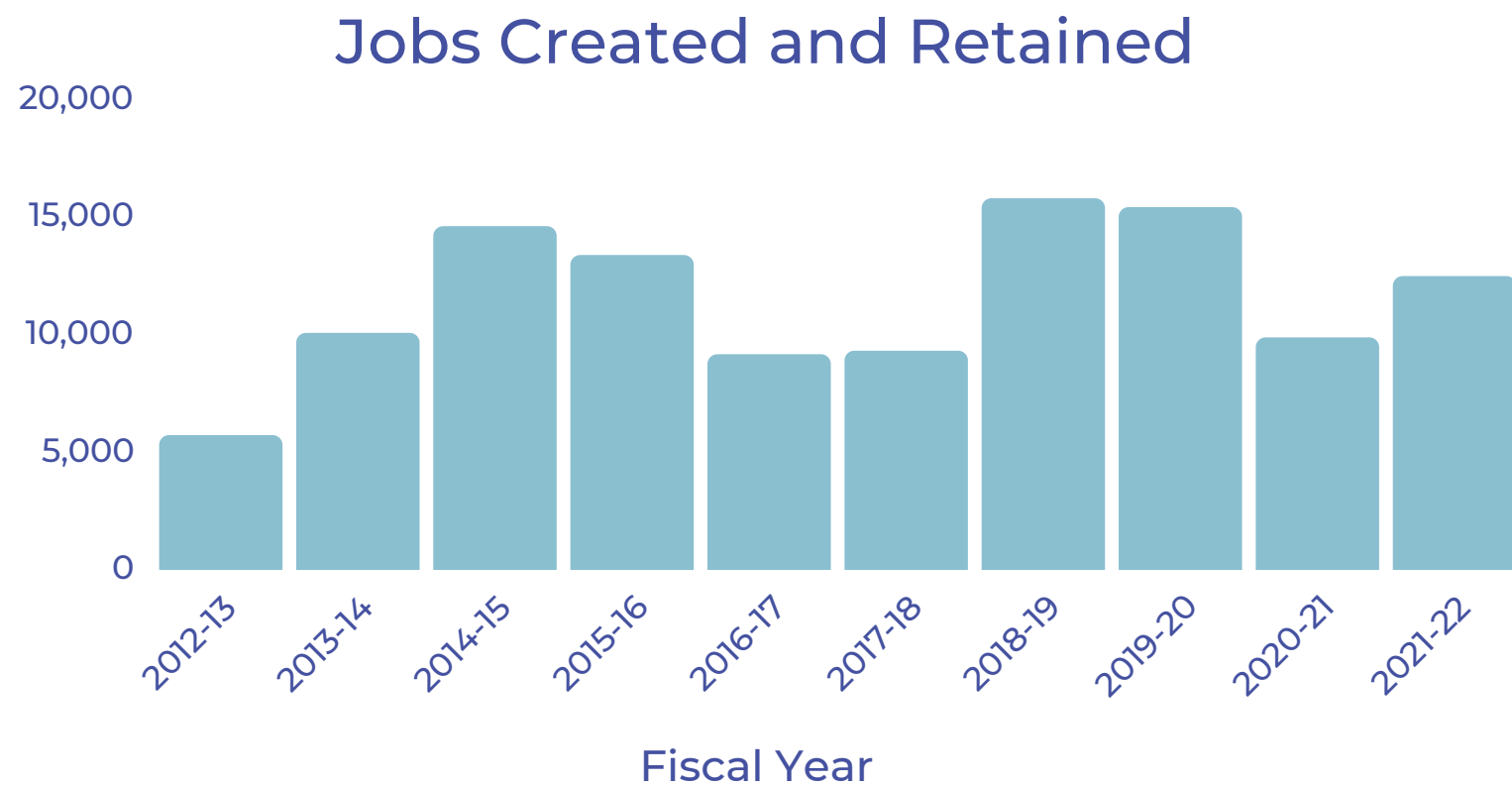
Cost of guarantee is 2.5% of guarantee amount paid by borrower at loan closing



IBank Loan Guarantee Performance

Objectives

- 01** Help provide access to capital
- 02** Mitigate risk for Small Business Lending



Loan Guarantees \$ 1.3 B 2012-2022	Loans Supported \$ 1.7 B 2013-2021	Capital Injected \$ 2.8 B 2013-2021
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Small Business Loan Guarantee Program Fund: ~\$500M

Example Bank Partner

- ✓ River City Bank is a regional bank with headquarters in Sacramento and offices in San Francisco
- ✓ River City Bank has a dedicated Clean Energy Division – we understand the industry and how to underwrite loans that qualify under the Climate Tech Finance program
- ✓ We have utilized the Climate Tech Finance Guarantee Program for loans that require additional credit support to move forward
- ✓ Our experience with the Climate Tech Finance program has been positive and the approval process has moved forward in a timely fashion



Program Criteria



**Be a Small
Business**



**Have a Climate
Impact**



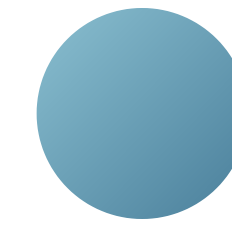
**Be ready to
commercialize
in California**

Lender On-boarding

- ✓ Lender is on-boarded into the program (if not already a participating lender)
- ✓ Lender can be a bank, credit union or CDFI.
- ✓ Non-traditional lenders may also be considered on an exception basis.
- ✓ Lender is sponsored by one of the seven California Financial Development Centers (“FDC’s”) who administer the program for the IBank.

Customers are encouraged to work with any of their existing lending sources who may be able to participate in the loan guarantee program.

The CTF Team is also available to assist by introducing the loan request to participating lenders in the program



Loan/Guarantee Approval Process

1 - Lender Approval Process



Lender conducts their standard commercial loan approval process.

2 - Draft Terms



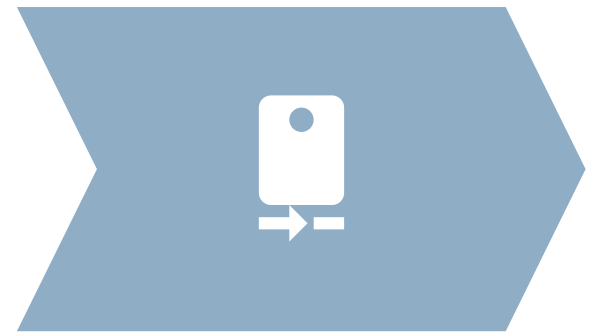
Lender approves loan subject to a Climate Tech Finance loan guarantee.

3 - FDC Review



Once Approved, Lender sends their loan approval package to the assigned FDC for review.

4 - FDC Committee Review



FDC provides brief summary for FDC Committee review and approval.

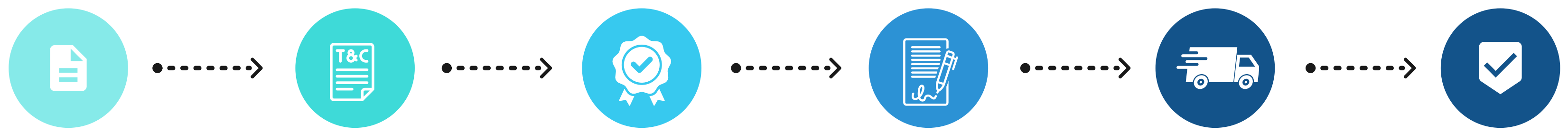
5 - Approval and Delivery



FDC issues Loan Guarantee Commitment Letter to Lender with guarantee conditions.

Customers are encouraged to work with any of their existing lending sources who may be able to participate in the loan guarantee program. The CTF Team is also available to assist by introducing the loan request to participating lenders in the program.

Documentation Process



1 - Prep Documents

Lender and FDC work in parallel on documents.

2 - Term Sheet

Lender provides loan document details to FDC to complete loan guarantee documents.

3 - Guarantee

FDC / IBank sends executed loan guarantee document to Lender.

4 - Signatures

Lender has loan documents signed by customer.

5 - Delivery to FDC

Lender sends copy of fully executed loan documents to FDC for their files.

6 - Review/Approval

FDC reviews loan documentation files and works with Lender to resolve any open items.

Loan Funding



Completion of Documents

Once loan and guarantee documents are executed by required parties, the Lender can start funding the loan.

Fee Payment

The first funding must include payment of the guarantee and technology review fees to the FDC to effectuate the guarantee.

Funding updates/changes

Lender provides funding updates to the FDC. Any changes to terms of guarantee (renew, extend, accelerate, alter, etc.) need prior written consent from IBank.

Default Requirements



- ✓ Borrower is in Default (as defined in the Guarantee)
- ✓ Lender has completed the appropriate default loan procedures.
- ✓ Lender has complied with the terms of the guarantee commitment letter.
- ✓ Lender has diligently pursued its remedies under the loan agreements prior to making demand under the Guarantee.



Question and Answer

Thank You

Because, we're here to help

We are committed to helping those individuals that do not meet traditional lending guidelines because we believe that together, we can accelerate climate technology development and adoption and have a positive impact on the global climate.

 Website

www.ctf.baaqmd.gov

 Email

ctf@baaqmd.gov

