



CLIMBER Small Business Loan Program
Oversight Board
Product and Underwriting Working Group
Meeting Minutes
December 9, 2020

Board Members in Attendance:

Doug Price
Peter Calamari

Additional Attendees:

Steve Johnson, CHFA
Justin Vause, CHFA Staff
Jeff Kraft, OEDIT Staff
James Eke, Treasury Staff
Mary Wickersham, Treasury Staff **1:30 —**

1:34 Welcome, Mary Wickersham

1:34 — 2:15 Discuss Credit Enhancement Tools and risk mitigation to contributors, Doug Price, Peter Calamari, Mary Wickersham, Jim Eke Steve Johnson, and Justin Vause. This will include time for comments from any stakeholders or members of the public who attend.

- Mary framed the meeting as a discussion about the feedback received from a bank that is a potential contributor as well as other related questions from other potential bank contributors. The main of the discussion involved issues related to questions around the CLIMBER credit enhancement tool. Doug discussed how the Credit enhancement tool works and reduces risk to originating lenders. Doug reviewed some example scenarios. Doug's examples explain how the tool adds value to originating lenders and small businesses. Mary and Peter agreed to forward the examples to the fundraising team and the bank that had requested it. Outlining the benefit, the lending institutions would be able to fund money with reduced risk. Doug discussed the 3 main goals in cashflow cycle to the customer being 1) reduce the rate of the loan and 2) extend the term of the working capital shortfall—give businesses the time to recover, and 3) cover current losses (payments) to extend capacity to future payback.
- Doug moved to discuss the goal of lending new money in CLIMBER is 3-fold – two customer lead; one lender based. 1) Customer – Lower rate to borrow funds; 2) Customer – Extend term to postpone payback to future cashflows; 3) Lender – Lower risk of default. This last piece helps preserve the relationship with the banks and customers and buys time to repayment. Overall reduce risk of the portfolio so the new loans help fill economic gap. This helps stabilize the current financial issues and continue being a good customer.

The meeting was adjourned at 2:15 pm