



CLIMBER Small Business Loan Program
Oversight Board
Meeting Minutes
May 27, 2021

Board Members in Attendance:

Treasurer Dave Young, Board Chair
Akasha Absher
Peter Calamari
Monique Lovato

Additional Attendees:

Emily Buckley - Assistant Attorney General
Jim Eke, Treasury Staff
Chamber of Commerce
Erin Gallegos, Treasury Staff
Sean Gould, OEDIT Staff
Steve Johnson, CHFA ED
Jeff Kraft, OEDIT Staff
Renee Saia, CHFA
Justin Vause, CHFA Staff
Mary Wickersham, Treasury Staff

2:03 — 2:04 Welcome, roll call

2:04 — 2:11 Updates

• **PSA and Marketing**

Megan and her team at CHFA are putting together the marketing materials. Many of the social media and media advertisements should be out as soon as the contracts are finalized. Megan met with Mike Farrafino and they are working on putting proposals together for the Spanish language outreach. Additionally, Monique is working with Mike for the non-media outreach and Jim hopes to loop in Antonio.

2:07 — 2:18 Modification of First Tranche Allocation and First Loss Capital

KeyBank was added to the first tranche but 1stBank had to drop out due to an internal regulatory issue. Staff will continue to work with 1stBank so they can have an opportunity to support the program in the future. There was a discussion, and the Board would like to find a solution for this in the future. Since 1stBank dropped out the Board needs to approve the new amount of money for the Tranche.

At 2:16 pm Peter made a motion to approve the proposed first tranche allocation and first loss capital. That is outlined in the shared document. Monique seconded the motion.

- Akasha Absher – Excused
- Peter Calamari – Yes
- Monique Lovato – Yes
- Doug Price – Excused
- Dave Young – Yes

Sean and Mary discussed that they would need to redo the numbers for the county allocation documents.

2:18 — 2:26 Funding First Southwest Community Loan Fund

Justin gave an overview of First Southwest Community Fund who is requesting two million dollars for the lending program. CHFA and staff recommend approving this request. The MFA fund contributors have 10 days to provide direct input on funders. They also have 10 days to put their input on changes the Board makes to the participation and direct lending program. Dave had some questions on how communicate with the contributors to get feedback. Monique emphasizes that this is an important organization for the program portfolio because of who First Southwest works with and for their outreach and connections to the underserved businesses in the State. At 2:25 pm Monique made the motion to provide two million dollars of direct funding to First Southwest. Peter seconded the motion.

- Akasha Absher – Excused
- Peter Calamari – Yes
- Monique Lovato – Yes
- Doug Price – Excused
- Dave Young – Yes

2:26 — 2:35 Fee Structure for Banks and CDFI

Akasha joined the meeting. There is a related entity to First Southwest called First Southwest Bank. This Bank is a CDFI Bank which is unusual. The Bank is very eager to participate in the credit enhancement program but has a question on the fee structure. They feel like they should be in the CDFI fee category instead of the Bank category because they do all the things CDFIs do. CHFA, Treasury and OEDIT staff had a call with First Southwest Bank, and they recommend that the Board approves the higher fee for First Southwest Bank. There are only two CDFI banks in the state.

At 2:33 pm Peter made a motion to approve the amendment to the existing CLIMBER products and policy procedures in respect to the borrower and lender fees for the credit enhancement. Akasha seconded the motion.

- Akasha Absher – Yes
- Peter Calamari – Yes
- Monique Lovato – Yes
- Doug Price – Excused
- Dave Young – Yes

2:35 – 2:51 Semi-Annual JBC Report

Jim gave an overview of the report that is due to the Joint Budget Committee and sent to the whole general assembly by May 31st. Dave asked if First Southwest will be giving any loans before this report is due. There may be some loans, but the Board does not want to report loans to the legislature that have not been given.

At 2:49 pm Monique made a motion to approve the report with last minute adjustments and small edits to be sent to the legislature. Akasha seconded the motion.

- Akasha Absher – Yes
- Peter Calamari – Yes
- Monique Lovato – Yes
- Doug Price – Excused
- Dave Young – Yes

Sean caught an error in the distribution. He will send the corrections to Jim.

2:51 – 2:55 Public comments: facilitated by Dave Young

- Written Comments
 - There were no written comments.
- Verbal Comments
 - Sean introduced Renee the project manager from CHFA. She commented that the team was doing an amazing job. Mary is getting the final signatures from the funders and hopefully will get some of the tranche one funding on June 1st.

2:55 – 2:55 Next Meeting

- Next Meeting is June 10th at 2 pm

The meeting was adjourned at 2:55 pm.