

## Board Action: Waiver of Geographic Distribution Requirements for Tranche One CLIMBER Credit Enhancement

### Statutory Charge:

24-36-205(4)(C)(III): “For money contributed to the Colorado credit reserve, the oversight board may waive the requirements of this subsection (4)(C) or establish alternative geographic distribution requirements or targets.”

### Board Action:

The Board waives the requirements for geographic distribution for the CLIMBER Credit Enhancement portion of the first tranche of the CLIMBER program.

### Rationale:

In order to roll out the program in the most effective and efficient way, CHFA is focusing on lenders that are currently participating in the Colorado Credit Reserve and Cash Collateral Support programs, which have been operating for more than a decade. Since a version of both these programs make up the CLIMBER Credit Enhancement Program, these lenders are much more likely to be early adopters for CLIMBER and will be important to build momentum and support for the program. The current CCR and CCS lenders do not make a perfect match for a standard geographic county-by-county distribution (although there are existing lenders in all regions of the state).

In addition, since the Board has allocated \$3 million to the first tranche of CLIMBER Credit Enhancement, and this product is rolling out in advance of the other two products, county-by-county distribution for this product alone would be a struggle for providing a minimum viable amount for each county.

The other two CLIMBER products (participations and CDFI/non-profit direct lending capital) will adhere to the geographic distribution adopted by the board. Those products will represent ~\$30 million of CLIMBER capital in the first tranche. This waiver applies only to the first tranche of CLIMBER Credit Enhancement.