# **Board Action: Allocation of State Funds for Second Tranche CLIMBER**

Background:

* *Credit Enhancement Tool:* provides 15-20% credit enhancement in the form of a loss reserve or cash collateral for CLIMBER loans enrolled by lenders across the state. Therefore, the State’s contribution leverages at least 1:4 total CLIMBER loan capital. Loans are enrolled into the program by lenders, then they receive a deposit equal to 15% (if loan loss reserve) or 20% (if cash collateral). This tool does not use outside investments from fund contributors. The board previously approved $3,000,000 from the state fund to this with a remaining balance of $2,460,750 as of the end of Q1 of 2023. When nearly depleted we may come back for additional funding for this program.