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

Background:

The CLIMBER Fundraising Committee has successfully raised the private capital necessary for the statutorily required match between State and private contributions (1:4). The State’s statutory maximum for first-loss capital in any single tranche is $10 million.

Tranche Two Summary

Below is a summary of the small business loan capital for tranche Two of the CLIMBER program.

**CLIMBER Tranche Two: Total Small Business Lending Capital=$15,000,000**

* *Loan Participation Tool and Direct Lending Capital for CDFIs Tool*: These two CLIMBER tools use capital provided by a combination of the State and outside CLIMBER fund contributors. For loan participations, the fund purchases 80% of CLIMBER loans. For Direct Lending Capital, the fund provides lending capital to CDFI’s to originate CLIMBER loans. The State always has 20% in a first loss position.

|  |  |  |
| --- | --- | --- |
| *Contributor* | *Amount* |  |
| *Wells Fargo* | $5,000,000 |  |
| *Northern Trust* | $3,000,000 |   |
| *State of Colorado* | $3,000,000 |  20% of First Loss, Total |
| *FNBO* | $2,500,000 |   |
| *SSBCI* | $1,500,000 |   |
| *Total* | **$15,000,000** |   |
|  |  |   |

# **Board Action**

***The Board hereby allocates $3,000,000*** to CHFA, as Loan Program Manager, to be used as first loss capital for the Participation and Direct Lending Capital CLIMBER tools, to be used in accordance with policies previously adopted by the Board.