

Overview

Included in ARPA (new funding for a program from ARRA)

\$10B (plus TA funding)

Meant to leverage private finance to small business at a ratio of at least 10:1

Each loan/investment must also have private capital at risk

Specific list of possible programs:

- Loan loss reserve
- Loan guarantee
- Collateral support
- VC
- Loan participation

Overview



Loan size less than \$5M



Businesses with fewer than 200 employees



Focus on businesses owned by socially and economically disadvantaged individuals (SEDI-owned)



\$\$ received in 3 disbursements over up to 6 years



Funding retains SSBCI rules for 10 years after which it becomes State funds (under the EDC's control) and is more flexible

Colorado SSBCI Allocation

Total Colorado SSBCI Allocation/Potential	
Main Capital	\$70,278,471
SEDI Allocation	\$18,852,249
Very Small Businesses (VSBs)	5,558,301
SEDI Incentive	10,054,533

State's Current Plan

State SSBCI Allocation between Programs	
Venture Capital Authority	\$59,773,554
Cash Collateral Support	\$35,000,000
CLIMBER Loan Program	10,000,000

SSBCI Tranche One Allocation

SSBCI Tranche One Allocation	
Venture Capital Authority	\$19,477,277
Cash Collateral Support	\$6,800,000
CLIMBER Loan Program	4,000,000
Administration (compliance, reporting and outreach)	980,000
TOTAL	\$31,257,277

SSBCI Requirements

- The State must achieve certain targets for supporting businesses owned by Socially and Economically Disadvantaged individuals (SEDI-owned) and Very Small Businesses (VSBs)
- If the State does not achieve SEDI targets, it could lose \$10M in SEDI incentive funding
- In order to draw down the State's full allocation, we must qualify for the third tranche of funding within 6 years (each tranche must be 80% EOT to qualify for the next tranche)
- Reporting and compliance requirements



SSBCI in CLIMBER

- The EDC, through OEDIT, has contracted with CHFA to administer the SSBCI funds in CLIMBER
- The funds can only be used for the CLIMBER loan participation product
- SSBCI funds cannot be more than 10% of a CLIMBER tranche (to achieve required leverage)
- SSBCI funds will be subordinate to private funds in CLIMBER, but senior to State funds (i.e. SSBCI will be 2nd loss)
- With the addition of SSBCI funds, the State may use its funds to support CLIMBER in other ways
- In the SSBCI contract, the EDC has set up deployment timelines and SEDI and VSB targets for CLIMBER (for use of the SSBCI funding)
- The EDC is also passing through reporting and compliance requirements that includes the requirement that CLIMBER loans that do not meet SSBCI requirements, upon UST review, must be unenrolled from the SSBCI/CLIMBER portfolio and funded instead without SSBCI

Deployment timeline

Table A: Timeline of Required Capital Expended per SSBCI Tranche

SSBCI Tranche	Years to Expend from Time of Receipt	% of Capital Expended
1	1	80
2	1	80

Table B: Timeline of Required Annual Capital Expended per SSBCI Tranche

Number of Years after Contractor's Receipt of Funds From a SSBCI Tranche	Percentage of SSBCI Tranche Required to be Expended
1	20
2	50
2.75	80

SEDI and VSB Targets

Table C: Timeline of Capital Expenditure for VSB and SEDI Requirements

Number of Years after Contractor's Receipt of Funds from SSBCI Tranche	% of SSBCI Tranche Required to be Expended for VSBs*	% of SSBCI Tranche Required to be Expended for SEDI-owned Businesses*
1	2%	10%
2	5%	24%
3 or after SSBCI Tranche is fully deployed	8%	36%