

CLIMBER

LOAN FUND

The CLIMBER Loan Fund Program, leveraging up to \$50 million, will continue to provide loans for small businesses over the next two years and preserve thousands of at-risk jobs across the State. While federal resources have provided a much-needed lifeline for many Colorado businesses, the State anticipates that additional support will be necessary for small businesses that have less capacity and fewer lending opportunities to weather the long-term effects of the downturn than medium to large sized businesses.

Why run another bill:

- ❖ As we are moving into the 'new normal' phase of the COVID health pandemic, the economic crisis persists. Small businesses need more time to take advantage of this business-saving opportunity, climbing their way to recovery.
- ❖ After speaking with hundreds of small businesses across the state, the current language in statute is too restrictive, leaving many who want to participate in the program being unable to. This will allow more business owners to take advantage of this business-saving opportunity, climbing their way to economic recovery.
- ❖ Bringing people and businesses back from the edge.

Return on investment:

- ❖ Support the ongoing operations of thousands Colorado small businesses
- ❖ Preserve jobs across Colorado
- ❖ Generate gross revenue for the General Fund through increased state sales and income taxes paid by the employees whose jobs were saved which will more than offset the costs of the state funding.
- ❖ Generate millions of dollars of local sales taxes
- ❖ To date, has saved close to \$10 million in unused unemployment benefits

Successes

- ❖ More than 150 Colorado jobs saved
- ❖ Saved almost \$10 million in unused unemployment benefits

Changes being made?

The following is a summary of the items we are changing.

- ❖ Extend the lending program from the end of 2022 to 2024
- ❖ Tax credit sale modification:
 - Extending the ability to sale the credits into FY2022-23
 - Second tranche tax credits can be used earlier (calendar year 23 and 24)
- ❖ Loan repayment terms moving from 5 years to 10 years to line up with lender programs already offered
- ❖ Lowering the minimum employee count from 5 to 1
- ❖ Lowering the minimum loan amount to \$10,000 from \$30,000
- ❖ Changing the historic profitability requirements - was originally set prior to February 29, 2020