

H-GAC DRAYAGE LOAN PROGRAM

Port Freeport Loan Program

Workshop

DATE: June 17, 2010

TIME: 4:00PM-5:30PM

LOCATION: Freeport Community House
1300 West 2nd Street
Freeport, Texas 77541

Outline

1. Program Objective-*Patricia Lawhorn*
2. Program Requirements –*Patricia Lawhorn*
3. Application Process-*George Jugo*
4. Loan Specifics-*Rogelio Mendoza*



Program Objective

- About \$9 million in ARRA funds awarded to the H-GAC to generate emission reductions and preserve or create 200 jobs
- Establish a revolving loan program specifically for port/drayage truckers to finance cleaner trucks
- Leverage TERP grants
- Funds must be expended by end of August 2011



Program Requirements

- Counties in which projects may be eligible for funding include the state's air quality nonattainment areas and other affected counties
<http://www.tceq.state.tx.us/assets/public/implementation/air/terp/TerpMap-EligibleCounties.pdf>
- Conduct business involving travel to a port in the H-GAC region (*through the life of the loan*)
- Purchase a 2007 engines or newer with less than 400,000 miles
- Destroy engine of old truck (*within 30 days of the signing of the promissory note*)
- Purchase/Install AVL technology on the new/replacement vehicle
- Quarterly monitoring reports for the life of the loan.



Application Process

- Grant Award Letter (TERP)
- Explain Requirements BEFORE Application
- 2 components of the Application Process:
 - Air Quality
 - Loan Application
- Loan Approval Letter
- Timeframe (~5-7 weeks)



SmartWay Technology-Optional

- DOCs and/or Flow-Through Filter
- Adds to cost of loan, but:
 - Increases marketability
 - Driver isn't at a disadvantage as more shippers move to cleaner fleets
- Some techs already included in most 2007 vehicles



Loan Specifics

- Fixed interest rate for life of loan
 - If a cosigner is needed, this must be someone in your profession-can also be your company if it is willing
 - Minimum rate of 4% (Actual interest rate will be based on prime at time of closing)
 - Loan maturity*:
 - Vehicle Replacement (typically 1-7 years)
 - New vehicles with TERP grant up to 7 years
 - H-GAC will hold 1st lien and title until loan is paid off
 - You may pay off loan early without a prepayment penalty
- *Shorter or longer terms may be considered on a case by case basis*



Questions?





Drayage Loan Program

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