



# Advanced Technology Vehicles Manufacturing Loan Program (ATVM)

Program & Application Overview  
2014



U.S. DEPARTMENT OF  
**ENERGY**

**LOAN PROGRAMS OFFICE**

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# ATVM Supports American Advanced Vehicle Manufacturing

The Advanced Technology Vehicles Manufacturing (ATVM) Program was established by Congress in 2007 to support the production of fuel-efficient, advanced technology vehicles and components in the United States. To date, the program has made over \$8 billion in loans.

**\$8 Billion  
in Loans  
including:**



- \$5.9 billion loan closed in 2009.
- Modernized 13 facilities in 6 states for the manufacture of fuel-efficient vehicles and components, including Ecoboost engine.



- \$1.45 billion loan closed in 2010.
- Financed construction of the new Nissan Leaf battery facility, Leaf vehicle assembly line, and electric motor manufacturing facility in TN.



- \$465 million loan closed in 2010. Fully repaid in 2013.
- Financed the opening and modernization of a shuttered CA auto plant to become Tesla's assembly facility for all-electric models.
- Brought to market the award winning Model S EV.



# ATVM Offers Attractive Financing for U.S. Auto Industry

## \$16.6 Billion in Remaining Loan Authority

(No Application Fee, U.S. Treasury Rates, Long-Term Financing)

- ✓ **Low Interest Rates:** Interest rates on loans are set at U.S. Treasury rates (~2-4%).
- ✓ **Minimal Fees:** The program does not charge application fees or an interest rate spread. At closing, applicant pays a closing fee of 0.1% of loan principal amount.
- ✓ **Long Tenor:** Loans are available up to 25 years but are set at the useful life of the asset as determined by DOE.
- ✓ **Broad Applicability:** Applies to light-duty vehicles and eligible projects can include vehicle and component manufacturing as well as engineering integration.



# ATVM Can Support U.S. Auto Industry Resurgence



## Achieving Stronger Fuel Economy Standards

- ATVM can support investments in broad set of fuel-efficient technology.
- Assists the compliance strategy for automakers & suppliers.



## Meets Rising Consumer Demand for Fuel Efficient Vehicles

- Light-duty vehicle sales increased to over 15 million in 2013. Volume is projected to increase in future model years.
- Consumers are increasingly choosing fuel-efficient models.



## Addresses Industry Capacity Constraints & Aids Insourcing

- Growing demand for fuel-efficient vehicles and components has strained industry capacity.
- ATVM can support the “localization” of engineering and manufacturing in the U.S.



# What is an Advanced Technology Vehicle (ATV)?

An Advanced Technology Vehicle is a light-duty vehicle that, among other things, achieves a 25% improvement in fuel economy over a 2005 model year baseline.

## 2005 Baseline



Sedan



SUV



Light Duty Truck

## Applied Vehicle Technologies

- Electric or Hybrid Powertrain (EV/HEV)
- Alternative Fuels (fuel cell, CNG, Diesel)
- Advanced Internal Combustion Engines
- Light weighting
- Aerodynamics

25% Required Improvement in MPG

## Examples: Future ATV Production (2014+)



Hybrid or Electric Vehicle



Clean Diesel or CNG Vehicle

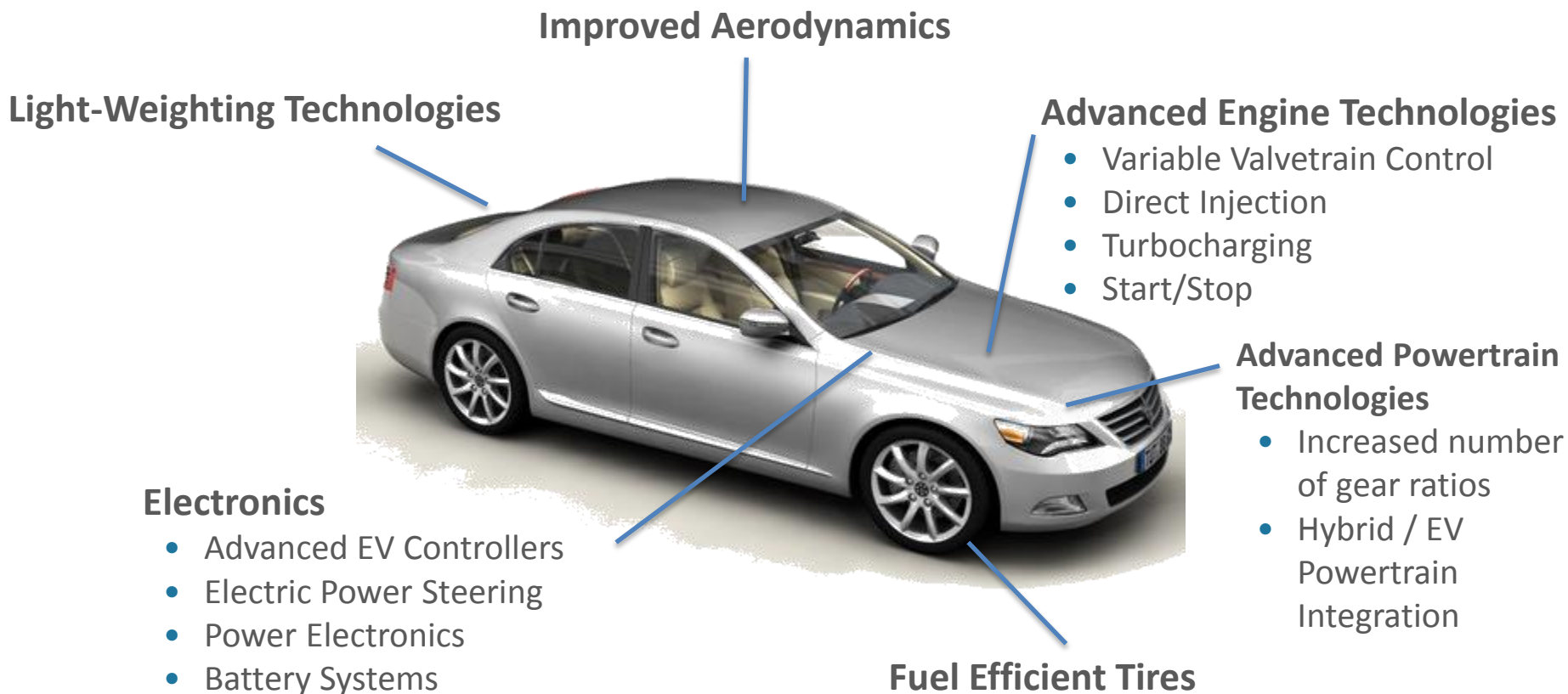


Advanced ICE Vehicle



# What Components Qualify Under ATVM?

A Qualifying Component for ATVM is defined as a component that is designed for advanced technology vehicles (ATVs) and installed for the purpose of meeting the performance requirements (25% improvement in MGP from 2005 baseline) of ATVs. These can include the following:





# What Projects are Eligible Under ATVM?

**ATVM can provide direct loans to support three broad project categories**



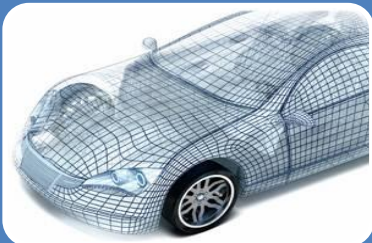
## Advanced Technology Vehicle Manufacturing

- Building new facilities in USA
- Reequipping, modernizing, or expanding existing facilities in USA



## Qualified Component Manufacturing

- Building new facilities in USA
- Reequipping, modernizing, or expanding existing facilities in USA



## Engineering Integration

- Engineering integration performed in USA for ATVs or qualifying components.



# ATVM Eligibility Requirements

## 1. Manufacturers of Advanced Technology Vehicles (ATVs) and their Components:

- ATVs are light duty vehicles that have a fuel economy rating (mpg) of at least 125% of the 2005 average base year combined fuel economy for vehicles with substantially similar attributes

Vehicle Class	2005mpg	125%mpg
Large Sedan	26.2	32.7
Small Wagon	32.7	40.8
Mid-Size and Large Wagons	26.7	33.4
Small and Standard Pickup	19.7	24.6
Minivan	24.3	30.4
Passenger Van	19	23.8
Cargo Van	24.2	30.2
Sport Utility Vehicle	21.8	27.2

- “Ultra Efficient Vehicles” that achieve at least 75 miles per gallon
- Qualifying Components are designed for ATVs and installed for the purpose of meeting the performance requirements of ATVs."

## 2. Projects must be located in the United States, though the program is open to both foreign and domestic manufacturers

## 3. Projects must be “financially viable without the receipt of additional Federal funding associated with the proposed project”

- ATVM is a loan program, not a grant program. It provides “expansion capital,” not working capital
- ATVM is capable of funding the ATV aspects of projects producing a mix of both ATVs and non-ATVs, as well as components that may also have a fuel efficiency application when installed in both ATVs and non-ATVs.





# Hallmarks of a Strong Application

**While all applications will be considered on their own merits, there are several key points which set apart a strong application. The following are just some of the hallmarks of a strong ATVM application:**

- Detailed project narrative and plan with key activities and milestones
- Integrated, dynamic financial model, including cash flow, and a strong NPV for the project
- Three years of consolidated financial statements (audited, if available)
- Significant equity funding at the time of application
- Significant, unencumbered collateral, broken down by asset type
- For suppliers, sale agreement for existing (and/or planned) production strengthens the creditworthiness of the application
- Control over the proposed project site
- Experienced leadership and senior staff with experience directly related to the proposed project
- Strong operating history of the company, parent, and/or subsidiary



# How to Apply to ATVM

## Learn about ATVM Loan Program via a non-binding, no cost, pre-application consultation

- Speak to senior staff about a proposed project
- Discuss questions and concerns about the program
- Understand if this program is right for your company and the next steps to apply

Phone: 202-586-8146

Fax: 202-586-7809

Email: [atvmloan@hq.doe.gov](mailto:atvmloan@hq.doe.gov)

## Read more about ATVM Loan Program via <http://lpo.energy.gov/programs/atvm/>

- On the Loan Programs Office web site, you will find links to a number of key resources
  - Learn more about the ATVM Loan Program and our current projects
  - Download PDF copies of governing legislation and the interim final rule, and view a webinar about the program, available through our online resource library
  - Understand the program's eligibility requirements and read our "Updated Guidance for Applicants"

Apply to the program at <https://apply.loanprograms.energy.gov/doe/common/Pages/welcome.aspx>

