



# 34 YEARS

*Serving New Mexico*



**New Mexico  
Educational  
Assistance  
Foundation**

**2015 ANNUAL REPORT**



## EXECUTIVE MESSAGE

Fiscal year 2015 saw the creation of two new partnerships and the re-start of our private education loan program. In the following pages you will find highlights of our programs, information about important achievements during the year, and data showing our continued strong financial and operational performance.

Review the sections on our new partnerships: the New Mexico Education Council and the FAFSA & College Application Completion Collaborative. Our partner organizations look to NMEAF for financial support, event logistics, and subject matter training. NMEAF's involvement is critical to long-term sustainability and state-wide reach.

NMEAF remains committed to faithfully fulfill its public service mission to:

**“...Promote the public welfare and prosperity of the people of New Mexico by stimulating the availability of financial assistance for post-secondary education so as to give greater higher education opportunity.”** [New Mexico Code – Article 21A, Educational Assistance Act, as amended.]

We are here to serve and we do so by:

1. Sponsoring community outreach programs in partnership with New Mexico Public Education and Higher Education government officials, administrators, and other professionals, promoting financial literacy education and post-secondary education success;
2. Sponsoring community outreach programs in partnership with a variety of other non-profit organizations with the collective goal of assisting New Mexico students and families save, plan, prepare, and pay for post-secondary education;
3. Issuing both tax-exempt and taxable student loan revenue bonds to finance government-guaranteed and supplemental private education loans; and
4. Performing loan administration and servicing on government-guaranteed student loans, supplemental private education loans, and campus-based loans in support of New Mexico colleges and universities.

Let us know if we can help and thank you for your past support.



**MICHAEL NEMELKA**  
*President/  
Chief Executive Officer*



**BRAD ALLPASS**  
*Vice President,  
Finance*



**GRACE TACKMAN**  
*Assistant Vice President,  
Human Resources*



**LUCAS COVINGTON**  
*Assistant Vice President,  
Information Technology*

# Program Highlights

## The New Mexico Student Loan (NMSL) program

NMEAF's long-standing NMSL program administers student loans and provides low-cost private education loans to undergraduate and graduate students attending school in New Mexico or residents attending school outside New Mexico.



**NEW MEXICO  
STUDENT  
LOANS**

*We invest in you.*

### ■ GOVERNMENT-GUARANTEED STUDENT LOANS

In 2015, NMSL administered:



### ■ BORROWER BENEFIT PROGRAMS

NMSL sponsors Borrower Benefit programs lowering interest rates and reducing the cost of repaying student loans. The total cost savings to New Mexico's student loan borrowers since inception is approximately \$57.8 million. Benefit programs are:

- **Instant Savings** – Borrowers receive a .50% interest rate reduction when their loans enter repayment. In FY 2015, 10,143 borrowers qualified for this benefit decreasing their interest due during the year by approximately \$814,589.
- **Easy Pay** – Borrowers who sign up to have their monthly payments automatically deducted from their bank accounts receive a .25% interest rate reduction. In FY 2015, 5,431 borrowers received this benefit, reducing their interest due during the year by approximately \$182,694.
- **Pot of Gold** – Borrowers earn a 5.0% reduction in their principal balance when they make their initial 48 monthly payments on time. In FY 2015, 183 borrowers qualified for this benefit, reducing the amount they owed on their loans by approximately \$111,649.

In addition to interest rate reductions and principal balance credits, NMSL sponsors programs rewarding students for working full-time in their professions in New Mexico. Teachers, nurses, and medical doctors who agree to remain in and work in New Mexico pay 0% interest on their Federal Stafford loans, and receive an interest rate reductions of 1.25% on their Federal Consolidation loans held by NMSL.

- **Teachers for Tomorrow** – In FY 2015, 530 participated in this program, saving approximately \$320,577 in interest during the year.
- **Nurses for New Mexico** – In FY 2015, 342 participated in this program, saving approximately \$173,311 in interest during the year.
- **MDs for New Mexico** – In FY 2015, 63, participated in this program, saving approximately \$249,536 in interest during the year.

### ■ PRIVATE EDUCATION LOANS

In May 2015, NMSL re-started our private education loan program. Turmoil in the national economy caused us to suspend the program in 2008. Now, once again, NMSL provides low-cost/zero fee private education loans to New Mexico's students attending high-cost programs or who are unable to obtain student loans from federal programs. Looking ahead to 2016, NMSL will launch a student loan re-finance program, helping students with high-interest rate private and federal loans lower their interest rates and reduce the cost of repaying student debt.

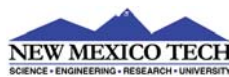
# Program Highlights continued...



## New Mexico Education Council (NMEC)

In 2002, admissions and recruitment professionals from New Mexico's public colleges and universities joined together to form an organization called the New Mexico Education Council (NMEC) for purposes of conducting College Days events across the state. High school students and their families are invited to these events to meet with admissions staff and discuss the education programs available at each school. NMEAF has always participated in these events by providing FAFSA and financial aid information and assistance to attendees.

In 2015, the schools asked NMEAF to lend our logistics expertise, community outreach experience, administrative capabilities, and state-wide reach to strengthen NMEC. The NMEAF Board of Directors approved the creation of a DBA of NMEAF called the New Mexico Education Council, and 17 New Mexico colleges and universities joined NMEAF to form a stronger and more effective NMEC partnership. NMEAF now has the responsibility for all logistical and administrative duties in support of New Mexico's institutions of higher education, freeing admissions and recruitment staff to do what they do best, "...help New Mexico families plan and prepare to go to college."



# Program Highlights continued...

## FAFSA & College Application Completion Collaborative (FCACC)



Recent studies have shown that the most important factors determining whether a high school student will pursue a post-secondary academic degree or technical certification are completion of the FAFSA and submission of a college application. For many years, NMEAF has sponsored FAFSA completion programs and financial literacy education events promoting post-secondary education. Many non-profit organizations had the same goals and objectives. Cooperation seemed compelling and inevitable.

In 2015, NMEAF and 21 community non-profits in the Albuquerque Metro area came together to form a collaborative focused on assisting high school students do two things: complete the FAFSA and submit a college application. Called the *FAFSA & College Application Completion Collaborative*, or FCACC, and working together instead of individually, this collaborative is a more effective and efficient way of promoting post-secondary education participation. Although the first year focused on the Bernalillo-to-Belen I-25 corridor, we are excited at the prospect of adding other non-profits from around the state and making the collaborative a true state-wide effort. Stay tuned!

Organizations in the Collaborative include:



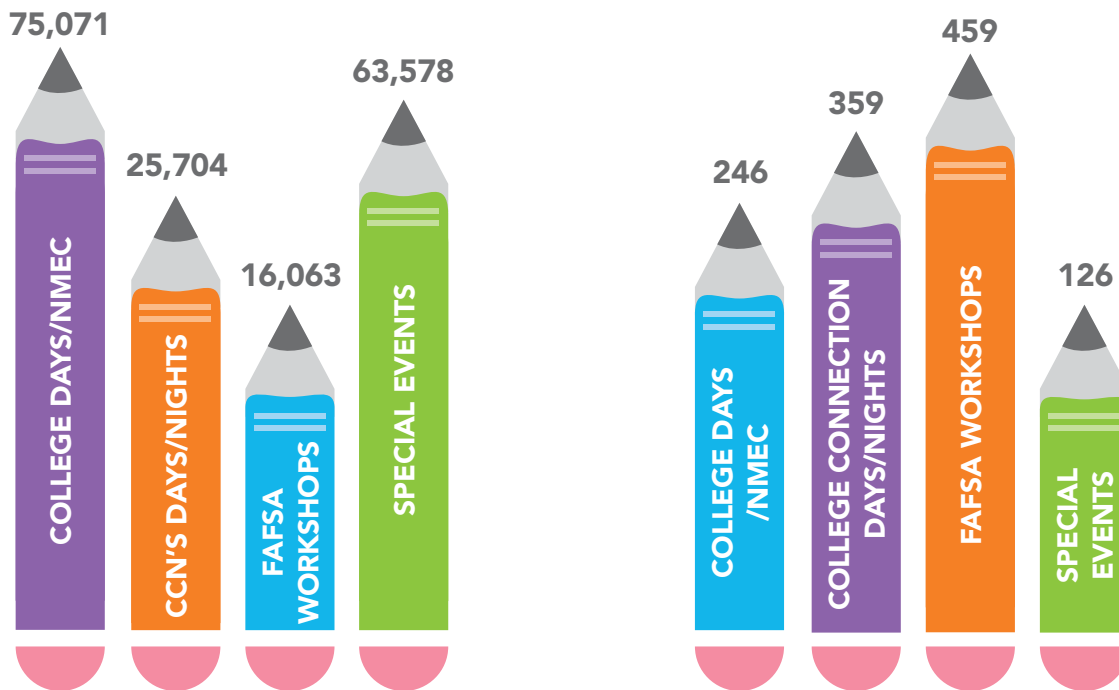
# Community Outreach Highlights

## COMMUNITY OUTREACH

Fulfilling our mission of serving New Mexico communities; and serving low-income, first-generation, and other disadvantaged groups.



## 2011 – 2015 Statistics



TOTAL AUDIENCE: 180,416

TOTAL EVENTS: 2,211

# Financial Highlights

## CONDENSED BALANCE SHEET (UNAUDITED\*) JUNE 30, 2015

	Combined Fund Total	
	June 30, 2015	June 30, 2014
<b>ASSETS</b>		
Cash and Investments	\$128,874,874	\$142,820,730
Student Loans Receivable, net and Accrued Revenue	659,791,930	742,951,105
Derivative Instrument	17,083,913	24,391,967
Property and Equipment, net	5,884,432	5,702,199
Other Assets	582,507	463,910
<b>Total Assets</b>	<b>\$812,217,656</b>	<b>\$916,329,911</b>

<b>LIABILITIES AND FUND BALANCES</b>		
Bonds/Notes Payable and Accrued Expenses	\$685,920,970	\$783,362,224
Deferred Gain on Refunded Bonds	4,210,617	5,696,717
Accounts Payable and Accrued Liabilities	1,888,378	1,958,665
Other Liabilities	319,460	103,730
<b>Total Liabilities</b>	<b>\$692,339,425</b>	<b>\$791,121,336</b>
Fund Balances	119,878,231	125,208,575
<b>Total Liabilities and Fund Balances</b>	<b>\$812,217,656</b>	<b>\$916,329,911</b>

## CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015 (UNAUDITED\*)

	Combined Fund Total	
	June 30, 2015	June 30, 2014
<b>REVENUES</b>		
	\$16,063,836	\$21,722,395
<b>EXPENSES</b>		
Interest Expense on Bonds and Notes Payable	5,825,525	6,544,172
Salaries and Employee Benefits	6,795,351	8,246,162
▪ Student Loan Related Costs	5,127,789	5,832,812
▪ Trustee Fees and Debt Issuance Costs	269,694	321,290
▪ Other General and Administrative	2,769,196	3,264,005
Depreciation, Amortization and Provision for Losses	606,625	534,604
▪ Arbitrage Rebate and Excess Earnings	-	-
Total Expenses	21,394,180	24,743,045
Excess of Revenue Over Expenses	(5,330,344)	(3,020,650)
Fund Balances, Beginning of Year	125,208,575	128,229,225
<b>Fund Balances, End of Year</b>	<b>\$119,878,231</b>	<b>\$125,208,575</b>

\* Audited financial statements are available by request or may be viewed at [www.nmstudentloans.org](http://www.nmstudentloans.org)

## BOARD OF DIRECTORS



**PAULINE GARCIA  
(CHAIR)**

Term: 2013-2017  
Board Member  
CNM Community College



**DR. DAN SALZWEDEL  
(VICE CHAIR)**

Term: 2014-2018  
Director  
S and S Enterprises



**EILEEN GIVLER  
(SECRETARY/TREASURER)**

Term: 2015-2019  
VP, Cash Management  
Bank of the West



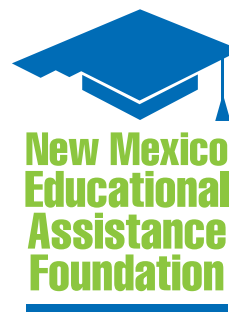
**GAVIN GILLETTE**

Term: 2012-2016  
SVP-Administration  
First Financial Credit Union



**TIM EICHENBERG**

New Mexico State Treasurer



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