

FOCUSED

35 Years Serving New Mexico



**New Mexico
Educational
Assistance
Foundation**

2016 ANNUAL REPORT

EXECUTIVE MESSAGE

Since our founding in 1982, NMEAF has remained true to the mission given us by the New Mexico State Legislature:

“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.]

To accomplish this mission, NMEAF operates or sponsors five programs, one of which is brand new in 2016:

1. New Mexico Student Loans (NMSL), a provider of private student loans, and servicer of a variety of student loan programs for itself and others
2. New Mexico Education Council (NMEC), in partnership with New Mexico’s public colleges and universities, sponsors ‘College Days’ and ‘College Nights’ at New Mexico high schools
3. College Connect NM, a collaborative of 32 state-wide non-profit organizations focused on college access, FAFSA completion, program persistence, and certificate or degree completion
4. Community Outreach, a variety of programs and events assisting New Mexico’s students and their families save, plan, prepare, and pay for post-secondary education
5. **New in 2016**, the Collection Services Group, a provider of accounts receivable management and debt collection services to schools, government entities, and other non-profit organizations

NMEAF receives no state tax appropriations or other state support. We pay for our operations and programs from revenue created from our lending, servicing, and program administration activities. All revenue received above operating expenses is used to promote NMEAF’s public service mission.

“The future welfare and prosperity of New Mexico depends on the level of education attainment of its citizens. For more than 34 years, NMEAF has been singularly focused on that purpose.”



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.



■ GOVERNMENT-GUARANTEED STUDENT LOANS

In 2016, 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 \$59.5 million. Benefit programs are:

- **Instant Savings** – Borrowers receive a .50% interest rate reduction when their loans enter repayment. In FY 2016, 8,455 borrowers qualified for this benefit decreasing their interest due during the year by \$739,125.
- **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 2016, 4,994 borrowers received this benefit, reducing their interest due during the year by \$172,017.
- **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 2016, 113 borrowers qualified for this benefit, reducing the amount they owed on their loans by \$85,587.

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 interest rate reductions of 1.25% on their Federal Consolidation loans held by NMSL.

- **Teachers for Tomorrow** – In FY 2016, 447 participated in this program, saving \$268,977 in interest during the year.
- **Nurses for New Mexico** – In FY 2016, 272 participated in this program, saving \$127,220 in interest during the year.
- **MDs for New Mexico** – In FY 2016, 62, participated in this program, saving \$258,941 in interest during the year.

■ PRIVATE EDUCATION LOANS

In 2016, we helped 58 New Mexico students pay for their high-cost degree programs by providing them with a no-fee, low interest private education loan.



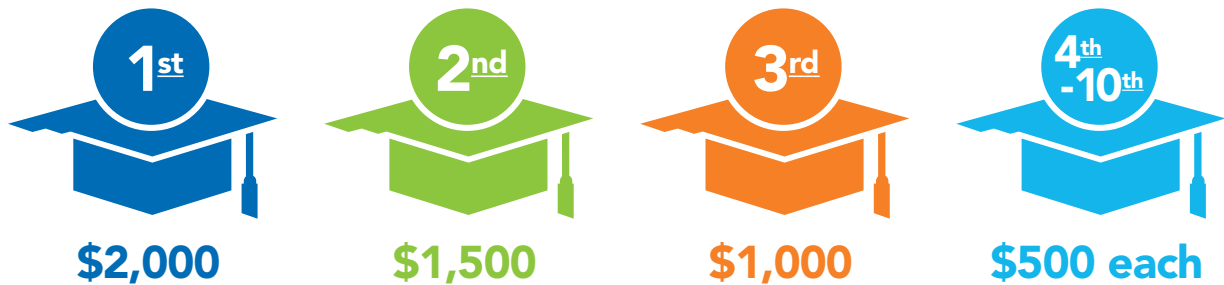
Program Highlights continued...



New Mexico Education Council (NMEC)

In 2016, NMEAF completed its second year of administering NMEC's College Days events. New this year is a scholarship program created under the direction of the NMEC Advisory Committee, which is comprised of representatives from 17 of New Mexico's public colleges and universities. All colleges and universities participating in College Days events pay a modest participation fee. Some of these fees are used to defray venue costs but most of this revenue—more than 90%—will be used to fund scholarships. Beginning in the 2017-2018 academic year, New Mexico high school students can apply for NMEC scholarships.

- **Scholarship funding available for 2017-2018 academic year:**



- **NMEAF provides all marketing materials and promotions for these events!**

■ IN 2016, NMEC ACCOMPLISHMENTS ARE:



Program Highlights continued...



NMEAF and statewide non-profits came together to form a collaborative focused on assisting high school students do two things:

1. Complete the FAFSA
2. Submit a college application.

152

FAFSA EVENTS
ANNUALLY STATEWIDE

11,519

TOTAL REGISTRATIONS/
FAFSA SURVEYS

25

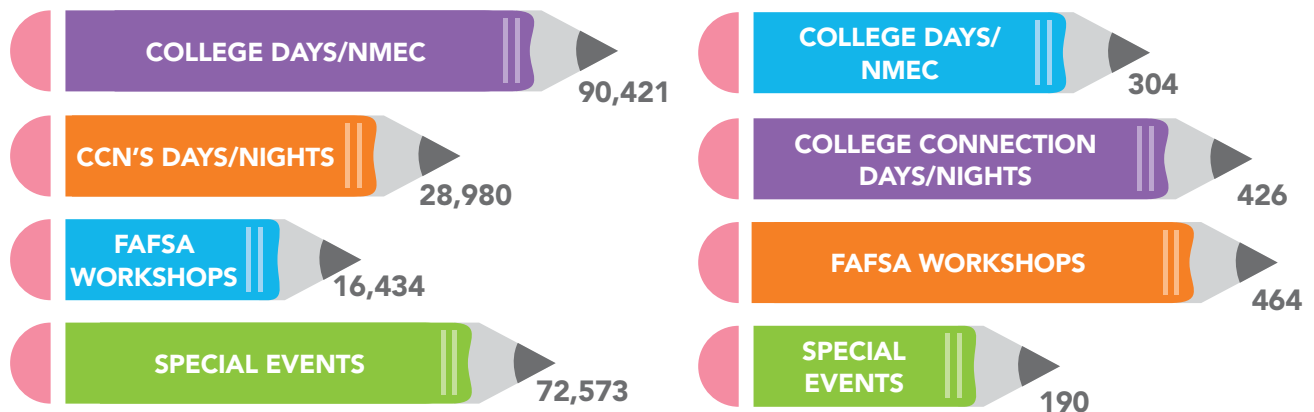
NON-PROFIT COMMUNITY
PARTNERS INVOLVED

- “Train the Trainer” model in place
- Technology Support - NMEAF hosting CollegeConnectNM Events/FAFSA Workshops
- NMKnowledge4college.org - On-line Chat
- Expansion of CollegeConnectNM partners - initially 3, now 25
- NMEAF is serving on NCAN Policy and Regulatory Committee providing feedback to U.S. Department of Education officials on financial aid issues
- Partnership with APS, NCAN, and UNM Unidos Project—College Goal Sunday

Community Outreach Highlights



2011 – 2016 Statistics



TOTAL AUDIENCE: 208,408

TOTAL EVENTS: 1,384

Financial Highlights

CONDENSED BALANCE SHEET (UNAUDITED*) JUNE 30, 2016

	Combined Fund Total	
	June 30, 2016	June 30, 2015
ASSETS		
Cash and Investments	\$121,032,245	\$128,874,874
Student Loans Receivable, net and Accrued Revenue	585,578,834	659,791,930
Derivative Instrument	12,632,213	17,083,913
Property and Equipment, net	5,346,501	5,884,432
Other Assets	493,759	582,507
Total Assets	\$725,083,552	\$812,217,656
LIABILITIES AND FUND BALANCES		
Bonds/Notes Payable and Accrued Expenses	\$604,300,864	\$685,920,970
Deferred Gain on Refunded Bonds	2,724,517	4,210,617
Accounts Payable and Accrued Liabilities	1,500,949	1,888,378
Other Liabilities	673,717	319,460
Total Liabilities	\$609,200,047	\$692,339,425
Fund Balances	115,883,505	119,878,231
Total Liabilities and Fund Balances	\$725,083,552	\$812,217,656

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016 (UNAUDITED*)

	Combined Fund Total	
	June 30, 2016	June 30, 2015
REVENUES	\$18,013,550	\$16,063,836
EXPENSES		
Interest Expense on Bonds and Notes Payable	6,478,531	5,825,525
Salaries and Employee Benefits	6,561,134	6,795,351
▪ Student Loan Related Costs	5,077,375	5,127,789
▪ Trustee Fees and Debt Issuance Costs	281,567	269,694
▪ Other General and Administrative	2,803,520	2,769,196
Depreciation, Amortization and Provision for Losses	806,150	606,625
▪ Arbitrage Rebate and Excess Earnings	-	-
Total Expenses	22,008,277	21,394,180
Excess of Revenue Over Expenses	(3,994,727)	(5,330,344)
Fund Balances, Beginning of Year	119,878,231	125,208,575
Fund Balances, End of Year	\$115,883,504	\$119,878,231

* Audited financial statements are available by request or may be viewed at 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



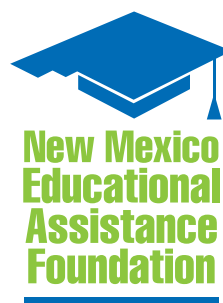
GAVIN GILLETTE

Term: 2016 - 2020
SVP-Administration
First Financial Credit Union



TIM EICHENBERG

New Mexico State Treasurer



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