

**NEW MEXICO EDUCATIONAL ASSISTANCE FOUNDATION (NMEAF) and
NEW MEXICO STUDENT LOAN GUARANTEE CORPORATION (NMSLGC)
JOINT BOARD OF DIRECTORS MEETING
NMSL BOARD ROOM
JULY 22, 2014
ALBUQUERQUE, NEW MEXICO**

PRESENT

Pauline Garcia, Vice-Chair, NMEAF
Eileen Givler, Secretary/Treasurer, NMEAF
Dr. Dan Salzwedel, Board Member, NMEAF
Marilyn Hill, Board Member, NMEAF
Dion Kidd-Johnson, Chair, NMSLGC (By Telephone)

ABSENT

Woody Farber, Vice-Chair, NMSLGC

OFFICERS AND STAFF

Michael Nemelka, President
Brad Allpass, CFO/VP of Finance
Lucas Covington, Director of IT
Carolyn Holder, Director of Compliance
Christy Howard, Director, Operations
Dave Roybal, Director of Facilities Mgmt.
Reginald Storment, Esq.
Deena Pierce, Assistant Controller
Mike Servatt, Project Manager
Oscar Garcia, Director of Marketing
Rebecca Isaacs, Marketing Specialist
Reuben Reyes, Marketing Specialist
Joni Bader, Marketing Specialist

Vice-Chair Garcia called the meeting to order at 1:00 PM

- I. **Roll Call - NMEAF**
The following board members answered "yes" to the reading of the NMEAF roll call: Pauline Garcia, Vice-Chair, Eileen Givler, Secretary/Treasurer, Dr. Dan Salzwedel, Board Member, Marilyn Hill, Board Member. A quorum was confirmed.
- II. **Roll Call - NMSLGC**
The following board members answered "yes" to the reading of the NMSLGC roll call: Dion Kidd-Johnson, Chair, Pauline Garcia, Board Member. A quorum was confirmed.
- III. **NMEAF Approval of the Agenda**
Dan Salzwedel moved to approve the agenda and Marilyn Hill seconded. The motion passed unanimously.
- IV. **NMSLGC Approval of the Agenda**
Pauline Garcia moved to approve the agenda and Dion Kidd-Johnson seconded. The motion passed unanimously.
- V. **Introduction of Visitors**
Michael Nemelka introduced the new Administrative Professional, Patricia Sierra. She will officially take her position on August 1, 2014. Mr. Nemelka also noted that Secretary Jose Garcia of the New Mexico Department of Higher Education, and his deputy, Kevin Dieters, would join the meeting at approximately 1:30 PM.

- VI. **Approval of April 22, 2014 NMEAF Board Meeting Minutes**
Eileen Givler pointed out an error in the April 22, 2014 NMEAF Board Meeting Minutes. Dan Salzwedel moved to approve the minutes as corrected, and the motion was seconded by Eileen Givler. The motion passed unanimously.
- VII. **Approval of June, 24 2014 NMEAF Board Budget Meeting Minutes**
Dan Salzwedel moved to approve the minutes of the June 24, NMEAF Board Budget Meeting, and the motion was seconded by Eileen Givler. The motion passed unanimously.
- VIII. **Approval of April 21, 2014 NMSLGC Board Meeting Minutes**
Pauline Garcia moved to approve the minutes of the April 21, 2014 NMSLGC Board meeting, and the motion was seconded by Dion Kidd-Johnson. The motion passed unanimously.
- IX. **Report of the Audit Committee – Dr. Dan Salzwedel**
Dr. Dan Salzwedel reported to the Board details of the July 16, 2014 meeting of the Joint Audit Committee. The Audit Committee approved use of the firm of Moss Adams for the FY2014 financial audits of both NMEAF and NMSLGC. Dr. Salzwedel also informed the board that management will shortly issue an RFP seeking assistance with the annual financial audits as well as FFEL Program compliance internal audit support.
- X. **President’s Report – Michael Nemelka**
Michael Nemelka updated the Boards on the status of the Credit Card Project. He stated this project was suspended because it is not possible for NMSL to issue credit cards directly, and a joint venture with a financial institution makes the project financial unviable. Capital invested in a credit card joint venture would be better utilized in originating private education loans.

Michael Nemelka introduced Oscar Garcia and the Outreach Team, and the Team provided a 30-minute presentation and overview of the NMSL state-wide outreach programs.

Secretary Jose Garcia and Kevin Dieters then provided an update on the several programs and projects on which NMSL and the New Mexico Higher Education Department collaborate. Secretary Garcia also thanked the Boards for their long-standing support of outreach programs benefitting New Mexico’s students and families as they pursue post-secondary education. He was especially pleased to hear that NMSL has agreed to once again take over the funding and continue the outreach programs created under the College Access Challenge Grant after the August 2014 expiration of the grant.
- XI. **Private Education Loan Project Update – Brad Allpass**
Brad Allpass updated the Boards on the status of re-starting the private education loan program authorized by the NMEAF Board in the April 22, 2014 Board Meeting. He stated NMSL is in discussions with a local Credit Union to create a partnership in which the Credit Union will assist NMSL with short-term financing of new loans until sufficient volume is created to make issuance of Student Loan Revenue Bonds viable. Brad further informed the Board that new, online origination technology must be licensed and committed to bring an acquisition proposal to the Board for approval in a future meeting.
- XII. **Financial Performance Reports – Brad Allpass**
Brad Allpass discussed with the board the most recent Financial Performance Reports. He noted NMEAF is projecting surplus revenue for FY2015, and further stated NMSLGC would

need to look aggressively at boosting revenue and decreasing cost given the reduction in retention earnings on Rehabilitation of defaulted student loans which took effect July 1, 2104.

XIII. Staff reports

Vice-Chair Pauline Garcia requested that management continue to provide detailed narratives along with the charts and graphs in all departmental reports. Michael Nemelka committed to return to that practice as well as provide the Boards with the narratives for the departmental reports provided in this meeting.

XIV. Next Joint Board Meeting Tuesday, October 21, 2014 @1:00 PM(Annual meeting)

The next Joint Board of Directors Meeting is scheduled for October 21, 2014 at 1:00 PM and the NMSLGC Board Budget Meeting will meet Tuesday, September 23 at 4:00 PM

XV. Executive Session (re: Litigation)

A motion was made by Paulina Garcia to go into the Executive Session to discuss legal matters. Dr. Dan Salzwedel seconded the motion. The motion carried unanimously. The NMEAF Board went into Executive Session at 3:41 p.m.

XVI. Adjournment

Vice-Chair Pauline Garcia adjourned the meeting at 3:05 PM.

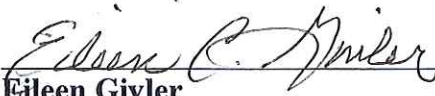
Date: 10/21/14


Pauline Garcia
NMEAF Vice-Chair

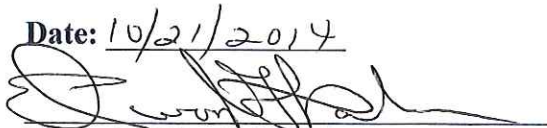
Date: 1/27/15


Dion Kidd-Johnson
NMSLGC Chair

Date: 1-27-15


Eileen Givler
NMEAF Secretary/Treasurer

Date: 10/21/2014


Elwood "Woody" Farber
NMSLGC Vice-Chair