

NEW MEXICO EDUCATIONAL ASSISTANCE FOUNDATION (NMEAF)  
BOARD OF DIRECTORS MEETING  
NMSL BOARD ROOM  
JANUARY 26, 2016  
ALBUQUERQUE, NEW MEXICO

**PRESENT**

Pauline Garcia, Chair  
Eileen Givler, Secretary  
Gavin Gillette, Board Member  
Charles Piechota, Board Counsel

**Absent**

Tim Eichenberg

**Participating by Telephone**

Dr. Dan Salzwedel

**OFFICERS AND STAFF**

Michael Nemelka, President & CEO  
Brad Allpass, CFO/VP of Finance  
Grace Tackman, Assist VP of HR & Admin Svcs  
Lucas Covington, Assist. VP of IT  
Dave Roybal, Director of Facilities Mgmt.  
Melissa Dale, Director of NMSLGC  
Lois Fort, Manager of Operations  
Oscar Garcia, Director of Marketing and Outreach  
Joni Beader, Marketing and Outreach  
Justin Sjoblom, Manager of Collection Services  
Deena Pierce, Assistant Controller  
Debbie Williams, Supervisor of Document Mgmt  
Mike Servatt, Project Manager  
Tracy Rowe, Manager of Internal Audit

*Chair Pauline Garcia called the meeting to order at 1:00 PM*

**I. Introduction of Visitors**

There were no visitors.

**II. Roll Call**

The Following board members answered 'yes' to roll call: Chair Pauline Garcia, Eileen Givler, Gavin Gillette, and Dr. Dan Salzwedel (participating by telephone.)

**III. Approval of Agenda**

Chair Pauline Garcia asked for a motion approving the agenda. Dan Salzwedel moved to approve and Gavin Gillette seconded the motion. The motion carried unanimously.

**IV. Approval of July 21, 2015 Joint Meeting Minutes**

Chair Garcia noted a spelling error in her name in the meeting minutes. She asked for a motion to approve with the correction noted. Dan Salzwedel moved to approve and Gavin Gillette seconded the motion. The motion carried unanimously.

**V. Approval of the September 15, 2015 Special NMEAF Board Meeting Minutes**

Chair Garcia asked for a motion to approve the September 15, 2015 meeting minutes. Dr. Salzwedel moved to approve and Gavin seconded. The motion carried unanimously.

**VI. Approval of the October 20, 2015 Board Meeting Minutes**

Eileen Givler noted an error to Item 10 in the minutes. She said that Clarence Smith, designated representative of State Treasurer Tim Eichenberg, seconded the motion and Dan Salzwedel moved to approve. With those corrections noted, Chair Garcia asked for a motion

and Dr. Salzwedel so moved, with Gavin Gillette offering a second. The motion carried unanimously.

**VII. Ratify Remaining Members of the NMEC Governance Committee**

In the October 2015 board meeting, four of the six NMEC governance committee members were approved by the board. The remaining two members were presented for ratification; they are: David Smith of the New Mexico Military Institute, and Debra Kielytka from UNM. Chair Garcia asked for a motion ratifying selection of both and Dan Salzwedel so moved with Eileen Givler providing a second. The motion passed unanimously.

**VIII. Approval of 2015-2016 NMEAF/NMSLGC Service Agreement**

Michael Nemelka informed the board that because of an Open Meetings Act notice and publication timing issue, the service agreement between NMEAF and NMSLGC could not be ratified by NMEAF's board in the October 2015 Annual Meeting. In the October 2015 meeting, the board requested that ratification be postponed until the January meeting so that proper public notice of the board action could be made.

Brad Allpass briefly reviewed changes to the agreement from the previous year, which consisted primarily of an increase in the payments NMSLGC will make to NMEAF under the agreement. Chair Garcia asked for a motion to approve. Gavin Gillette moved to approve and Dan Salzwedel seconded. The motion carried unanimously.

**IX. Audit Committee Report**

Gavin Gillette provided an update on the Audit Committee meeting held on January 19, 2016. He reported that internal audits are running slightly behind schedule due to staff time constraints.

**X. Presidents Report**

Michael Nemelka provided the board a brief update on recent federal regulatory and legislative action. He noted that recent legislation granted guaranty agencies 100% reinsurance reimbursement on default claims. He stated this would allow NMSLGC to absorb more default claims which will assist NMEAF in reducing late stage delinquency. He also reported that the same legislation offered slight relief from the Telephone Consumer Protection Act (TCPA) restrictions on contacting borrowers on their cell phones, but stated that NMEAF operation's would not change internal procedures until final regulations are released by the FCC and Department of Education.

Mr. Nemelka reported that reauthorization of the HEA will most likely not to happen until after the presidential election. Changes expected are to school accountability for default and repayments rates, and possibly also changes to the federal loan program which might allow private capital to either refinance or purchase federal loans held by the U.S. Treasury

Mr. Nemelka provided an update on the volume of new private loans and noted volume increases are below expectations.

*Dr. Salzwedel left 1:19pm*

Mr. Nemelka then provided updates on the volume of NMSLGC's defaulted student loans placed with NMEAF's Collection Services Group and progress on reducing late-stage

delinquency. He noted that the late-stage delinquency has continued to drop and recognized the staff for their hard work in this area.

**XI. CFO's Report**

Brad Allpass provided a brief updated on the financial performance of NMEAF since the last board meeting.

**XII. Business Unit Presentations**

Each business unit provided an update on operations and performance over the last year.

**XIII. Other Matters**

Michael Nemelka informed the board that NMSLGC increased the size of its board to 5 from 3. He noted that new board members were added in their recent board meeting. New members are: Dave Eppich, VP of Student Services at San Juan College, and Val Alonzo, Economic Development Manager for Los Alamos and Espanola.

The next board meeting will be Tuesday, April 19, 2016, and will be focused on strategic planning.

**XIV. Executive Session**

Chair Pauline Garcia requested that they move into executive session. Eileen Givler moved to approve with a second from Gavin Gillette. The executive session ended at 4:00pm with no decisions made.

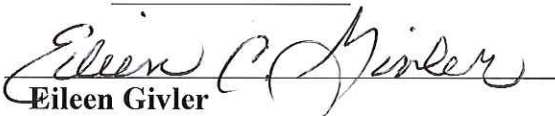
**XV. Adjournment**

The meeting adjourned at 4:02pm.

Date: \_\_\_\_\_

  
Pauline Garcia  
NMEAF Chair

Date: \_\_\_\_\_

  
Eileen Givler  
NMEAF Secretary