REACHING beyond
The New Mexico Educational Assistance Foundation (NMEAF) was created by New Mexico state statute in 1981 to fulfill a 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.]

NMEAF has faithfully fulfilled this mission through performing four functions vital to New Mexico:
1. Sponsoring community outreach programs in partnership with New Mexico’s Public Education and Higher Education professionals promoting financial literacy education;
2. Sponsoring community outreach programs in partnership with New Mexico’s Department of Higher Education promoting post-secondary education success;
3. Issuing student loan revenue bonds to finance government-guaranteed student loans and supplementary education loans; and
4. Performing loan administration and servicing on government-guaranteed and supplementary education loans.

In fiscal year 2014 and continuing the tradition of exceptional performance and service, NMEAF successfully transitioned to a new chief executive, implemented two new service programs for colleges and universities, and implemented completely new call center and information systems technology.

On July 1, 2013, NMEAF’s long-time President, Elwood “Woody” Farber retired and Michael J. Nemelka became the new President & CEO. Building on the historical legacy passed on to us – a legacy of financial strength, commitment to New Mexico, and dedicated and talented staff – NMEAF will continue to reach beyond the expected.

Get to know us…let’s talk about how we can help…we stand ready to serve.

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Fulfilling our mission of serving New Mexico

In supporting the educational initiatives throughout New Mexico, NMEAF reached over 142,064 students, parents and educators through college fairs, workshops, presentations and counselor trainings. The Foundation participated in the following community and college access activities in 2014:

- Albuquerque Hispano Chamber of Commerce
- College Horizons
- Farmington Chamber of Commerce
- Four Corners Community Fair
- Greater Albuquerque Chamber of Commerce
- JumpStart, NM
- Las Cruces Chamber of Commerce
- New Mexico Coalition for Financial Education
- New Mexico Education Council College Days
- New Mexico GEAR-UP
- New Mexico Higher Education Department
- NMHU GEAR-UP
- Pathways to College & Career Day with New Mexico Higher Education Department at New Mexico Expo Fair
- Rocky Mountain Association of College Counselors College Fair
- San Juan College Transfer Fair
- Santa Fe Hispano Chamber of Commerce
- Santo Domingo Pueblo Community & Career Fair
- TRIO
- Upward Bound

The continued partnership with NMHED, has allowed for growth in outreach target areas and new partnerships with community groups. Through the NMknowledge4college website and in person, the outreach materials are distributed in English and Spanish, throughout the State of New Mexico. The outreach programs include NMEAF College Connection Night programs, Free Application for Federal Student Aid (FAFSA) completion workshops, and financial literacy presentations.
Loan Highlights

BORROWER BENEFIT PROGRAMS

- Instant Savings, Easy Pay & Pot of Gold
  The Instant Savings program gives the borrower a .50 percent interest rate reduction when the loan goes into repayment. In 2014, 12,101 borrowers qualified for this benefit, decreasing their loan costs by approximately $894,645. The Easy Pay program gives the borrower a .25 percent interest rate reduction, if their payments are automatically deducted from a savings or checking account. Approximately 5,565 borrowers are participating in this program with a savings to them of $182,293 for the fiscal year 2014.

The Pot of Gold benefit program provides a five-percent reduction in borrowers’ outstanding principal loan balance after they have made their first 48 consecutive, on-time, monthly payments. In 2014, 690 borrowers qualified for this benefit, reducing their loan costs by $318,733.

- Collections
  We serviced 148,760 loans in repayment status, totaling more than $699 million and collected over $112 million in principal, interest, and related fees.

- Teachers for Tomorrow, Nurses for New Mexico & MDs for New Mexico
  The Teachers for Tomorrow, Nurses for New Mexico and MDs for New Mexico programs allow borrowers to work fulltime in New Mexico in their designated professions with an incentive of zero percent interest on their Stafford loans when they reach repayment status and 1.25 percent interest rate on the NMEAF consolidation loan.

In 2014, there were 680 borrowers participating in the Teachers for Tomorrow program, saving our New Mexico teachers $406,356 in interest.

In 2014, there were 459 borrowers participating in the Nurses for New Mexico program, saving our New Mexico Registered and Licensed Practical Nurses approximately $244,263 in interest. The numbers of participants in the MDs for New Mexico program for the 2014 fiscal year were 63, saving our New Mexico doctors $225,099 in interest.

NMSL gave $2.3 million in benefits to our borrowers. The total benefit to students and families since the inception of the benefit programs is approximately $55.9 million. Loans disbursed to our borrowers prior to July 1, 2009 are continuing to reap the rewards of significant savings through Instant Savings, Easy Pay and Pot of Gold programs and the Teachers for Tomorrow, Nurses and MD’s for New Mexico.

Outreach Highlights

COMMUNITY OUTREACH

Fulfilling our mission of serving New Mexico communities, we have been able to reach:

- 143 NEW MEXICO HIGH SCHOOLS
- 32 NEW MEXICO COUNTIES
- 173 NEW MEXICO TOWNS & CITIES

2011 – 2014 STATISTICS

- TOTAL AUDIENCE: 142,064
- TOTAL EVENTS: 1,021

COLLEGE DAYS: 59,721
COLLEGE CONNECTION DAYS/NIGHTS: 22,843
FAFSA WORKSHOPS: 13,940
SPECIAL EVENTS: 5,563
143
32
173
393
116
323
189
NATIVE AMERICANS
HISPANIC ORGANIZATIONS
**Financial Highlights**

**CONDENSED BALANCE SHEET (UNAUDITED*) JUNE 30, 2014**

<table>
<thead>
<tr>
<th>Combined Fund Total</th>
<th>June 30, 2014</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$142,820,730</td>
<td>$117,609,892</td>
</tr>
<tr>
<td>Student Loans Receivable, net and Accrued Revenue</td>
<td>742,951,105</td>
<td>815,745,506</td>
</tr>
<tr>
<td>Derivative Instrument</td>
<td>24,391,947</td>
<td>27,732,951</td>
</tr>
<tr>
<td>Property and Equipment, net</td>
<td>5,702,199</td>
<td>5,784,815</td>
</tr>
<tr>
<td>Other Assets</td>
<td>463,910</td>
<td>275,690</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$916,329,911</strong></td>
<td><strong>$967,148,854</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>LIABILITIES AND FUND BALANCES</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds/Notes Payable and Accrued Expenses</td>
<td>$ 783,362,224</td>
<td>$ 829,732,270</td>
</tr>
<tr>
<td>Deferred Gain on Refunded Bonds</td>
<td>5,696,717</td>
<td>7,182,817</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>1,958,665</td>
<td>2,003,793</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>103,730</td>
<td>749</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$791,812,336</strong></td>
<td><strong>$838,919,629</strong></td>
</tr>
<tr>
<td>Fund Balances</td>
<td>128,229,225</td>
<td>128,229,225</td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td><strong>$916,329,911</strong></td>
<td><strong>$967,148,854</strong></td>
</tr>
</tbody>
</table>

**CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014 (UNAUDITED*)**

<table>
<thead>
<tr>
<th>Combined Fund Total</th>
<th>June 30, 2014</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense on Bonds and Notes Payable</td>
<td>6,544,172</td>
<td>8,027,765</td>
</tr>
<tr>
<td>Salaries and Employee Benefits</td>
<td>8,246,162</td>
<td>7,486,723</td>
</tr>
<tr>
<td>- Student Loan Related Costs</td>
<td>5,832,812</td>
<td>6,217,663</td>
</tr>
<tr>
<td>- Trustee Fees and Debt Issuance Costs</td>
<td>321,290</td>
<td>2,111,210</td>
</tr>
<tr>
<td>- Other General and Administrative</td>
<td>3,264,005</td>
<td>6,260,308</td>
</tr>
<tr>
<td>Depreciation, Amortization and Provision for Losses</td>
<td>534,604</td>
<td>460,353</td>
</tr>
<tr>
<td>- Arbitrage Rebate and Excess Earnings</td>
<td>-</td>
<td>(141,081)</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>24,743,045</td>
<td>30,422,941</td>
</tr>
<tr>
<td>Excess of Revenue Over Expenses</td>
<td>(3,020,650)</td>
<td>(15,407,812)</td>
</tr>
<tr>
<td>Fund Balances, Beginning of Year</td>
<td>128,229,225</td>
<td>143,637,037</td>
</tr>
<tr>
<td><strong>Fund Balances, End of Year</strong></td>
<td><strong>$125,208,575</strong></td>
<td><strong>$128,229,225</strong></td>
</tr>
</tbody>
</table>

* 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: 2011-2015
VP, Cash Management, Bank of the West

**GAVIN GILLETTE**
Term: 2012-2016
SVP-Administration, First Financial Credit Union

**JAMES B. LEWIS**
New Mexico State Treasurer