

**NEW MEXICO EDUCATIONAL ASSISTANCE FOUNDATION (NMEAF)
BOARD OF DIRECTORS MEETING
NMEAF BOARD ROOM
JANUARY 23, 2024
ALBUQUERQUE, NEW MEXICO**

BOARD OF DIRECTORS

Alex Heubeck, Chair
Kevin Powers, Vice Chair
Andrew Jacobson, Secretary/Treasurer
Gavin Gillette, Board Member
Jerri Mares Representing:
Laura M. Montoya, Board Member

OFFICERS AND STAFF

Brad Allpass, President & CEO
Grace Tackman, VP of Administrative Service
Tracy Rowe, Asst. VP of Finance
Estevan Martinez, Asst. VP of IT
Reginald Storment, General Counsel
Lois Fort, Director of Operations
Melissa Dale, Director of GC
Anna Smith, Executive Assistant

Charles J. Piechota, Board Counsel

Chair Mr. Heubeck called the meeting to order at 1:34pm.

- I. Roll Call**
Anna Smith called roll. Alex Heubeck and Jerri Mares representing Laura Montoya were present in person. Attending via Zoom were: Gavin Gillette, Andrew Jacobson and Kevin Powers.
- II. Introduction of Visitors**
Mr. Allpass introduced the board counsel, Charles Piechota and Rosenda Minella a prospective board member.
- III. Approval of the Agenda**
Mr. Powers moved to approve the agenda as submitted and Mr. Gillette seconded the motion. The motion passed 5-0.
- IV. Approval of October 30, 2023 Board Meeting Minutes**
Mr. Jacobson moved to approve the October 30 2023 Board Meeting Minutes as presented and Ms. Mares seconded the motion. The motion passed 5-0.
- V. Reappointment of Alex Heubeck to Board Term through 2027**

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Mr. Allpass recommended to the board that Alex Heubeck's term is extended to 2027. Mr. Powers moved to reappoint Alex Heubeck for a term on the board through 2027 and Mr. Jacobson seconded the motion. The motion passed 5-0.

VI. Appointment of Rosenda Minella to Board Term through 2025

Mr. Jacobson informed the board that he is stepping down and presented Rosenda Minella for consideration as a board member. Mr. Jacobson moved to appoint Rosenda Minella to the board to complete his term through 2025 and Mr. Powers seconded the motion. The motion passed 5-0.

Mr. Heubeck appointed Mr. Allpass as the Interim Secretary. Mr. Allpass stated that Mr. Gillette planned to step down from the board but will remain on as a member through April until such time a replacement will be found. The role of secretary of the board will be determined at that time.

VII. Shareholder's Revision of and Election of Board of Directors of Collection Resources, Inc.

Mr. Allpass stated the two remaining board members have resigned from Collection Resources, Inc. NMEAF, being the sole shareholder, is recommending temporarily appointing a one person board, Reginald Storment, who has agreed to be in consideration. Mr. Storment stated that with the guidance of legal counsel, Charles Piechota, the paperwork will be filed with the Secretary of the State enabling CRI, as a for-profit entity, to move from a minimum of a three person board to a one person board. Mr. Gillette moved to elect Mr. Storment as the temporary Board of Directors for Collection Resources, Inc. and Mr. Powers seconded the motion. The motion passed 5-0.

VIII. Audit Committee Report

Mr. Powers stated the Audit Committee meeting was on January 10th. The presentation comprised of the Exit Conference fiscal year ending September 30, 2023 for NMSLGC and the Audit Committee Charter was reaffirmed for the next year. There were no significant findings in the audit.

IX. President's Report

- a. Washington Update

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Mr. Allpass detailed that the latest loan forgiveness under the higher education act with the Department of Education is going through a process of negotiated rule making. Consensus was not reached on the proposed provisions, which allows the Department of Education to define as they see fit. A financial hardship loan forgiveness may be in the works as well and would require another round of rulemaking. The direction the Department of Education goes will most likely impact NMEAF and NMSLGC. The biggest concern for NMEAF is not the loan forgiveness but how the forgiveness impacts the cash flows and the ability to pay the bonds outstanding. Litigation, similar to the last loan forgiveness effort is likely. It's difficult for the organization to assist the borrowers as information is not forthcoming in a timely manner from the Department of Education.

b. CUBIT Fund Update

Mr. Allpass stated that a new avenue is being explored, creating an endowment with CUBIT funds to support future operations. The Albuquerque Community Foundation has shared information on endowments. A permanent endowment is one where the earnings can be taken out but the original investment always remains in the endowment. A quasi endowment has a term where the earnings can be taken out, up to a certain amount, or all the principal plus earnings can be taken out after a set amount of time. Mr. Allpass stated the more favorable direction seems to be the Quasi Endowment and asked the board for their thoughts. Mr. Allpass stated the goals in having an endowment would be to have a larger investment pool, better advice, a higher rate of return and having a funding source to support future activity. Mr. Allpass stated the discussion will continue in the April meeting with more information to be shared and discussed.

c. Collection Resources, Inc. Update

Mr. Allpass stated the organization is keeping a close eye on the bottom line of Collection Resources and will need to decide if a shutdown is necessary and if so, how the exit strategy will look.

X. CFO's Report

Ms. Rowe stated the organization is looking into alternative credit card systems and may present a proposal in the future. The financials have not changed much since the last board meeting in October, assets are still very strong. Loan consolidations have slowed, which may change if the loan forgiveness plan that the Department of Education is going to propose goes through.

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Mr. Heubeck left the meeting 2:40 pm. Mr. Powers took over conducting the meeting.

XI. Community Outreach Report

Ms. Tackman presented the outreach report. Ms. Tackman stated a new Workforce Program is being developed. The new program, serving as a sort of Temp Agency, would help young adults gain access to training/education in a field of their interest/aptitude. The employer, as a partner with the Workforce Program, would help pay for the education/training.

The first stage would be a pre-hire stage where the young adult discovers their interests and talents through assessments, along with financial literacy and discovering what is viable out in the economic world. The second stage would be college, trade school, apprenticeships and internships. One focus is on implementing, with the help of PED (Public Education Department), a dual credit program so the student can be further along in their career choice once they graduate from high school. The final stage and goal is permanent job placement.

XII. Business Unit Reports

Mr. Allpass stated that Item c. The Wind-Down of the Litigation FFELP Portfolio is being reduced dramatically. Mr. Stormont stated the projected time frame to reach near zero is around April of this year.

XIII. Executive Session

No executive session was needed.

XIV. Other Matters

Next Board Meeting: April 29, 2024 Strategic Planning Meeting

XV. Adjournment

Mr. Gillette moved to adjourn and Ms. Mares seconded the motion.
The motion passed 5-0.

Meeting adjourned 3:16pm.

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JANUARY 23, 2024
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Date 05/07/2024

Date 5/7/24



Alexander Heubeck, Chair



Brad Allpass, Interim Secretary

SIGNATURE CERTIFICATE



REFERENCE NUMBER

4073D672-8403-42B1-8624-5A379D102DED

TRANSACTION DETAILS

Reference Number

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Signature Request

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SIGNER	E-SIGNATURE	EVENTS
<p>Name Alex Heubeck</p> <p>Email alexander.heubeck@bmo.com</p> <p>Components 2</p>	<p>Status signed</p> <p>Multi-factor Digital Fingerprint Checksum 999f59e5c3f19a70bd7f989c527e8615da8a4fa5afe630f82de1156c7ab7d3f</p> <p>IP Address 198.96.178.33</p> <p>Device Microsoft Edge via iOS</p> <p>Drawn Signature </p> <p>Signature Reference ID 2867DA3E</p> <p>Signature Biometric Count 3</p>	<p>Viewed At 05/07/2024 12:41 EDT</p> <p>Identity Authenticated At 05/07/2024 12:41 EDT</p> <p>Signed At 05/07/2024 12:41 EDT</p>

AUDITS

TIMESTAMP	AUDIT
05/07/2024 12:15 EDT	Anna Smith (smitha@nmeaf.org) created document '01232024_NMEAF_Board_Meeting_Minutes_signed.pdf' on Microsoft Edge via Windows from 50.233.246.62.
05/07/2024 12:15 EDT	Alex Heubeck (alexander.heubeck@bmo.com) was emailed a link to sign.
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