



**New Mexico
Educational
Assistance
Foundation**

*Serving New Mexico
for 37 Years*



2018 ANNUAL REPORT

Executive Officers



Michael Nemelka
President,
Chief Executive Officer



Brad Allpass
Vice President, Finance,
Chief Financial Officer



Grace Tackman
Assistant Vice President,
Human Resources



Lucas Covington
Assistant Vice President,
Information Technology



Who We Are

We help New Mexico's students plan, prepare, and pay for college

The New Mexico Educational Assistance Foundation (NMEAF) is a private non-profit 501(c)(3) organization established by the New Mexico State Legislature in 1981.

Our Mission

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.

-NM Statutes Annotated – Article 21A, Educational Assistance Act

We believe the future welfare and prosperity of New Mexico depends on the level of education attainment of its citizens.

Our History

- ◆ We were founded in 1981 by the New Mexico State Legislature to promote and support post-secondary education.
- ◆ We manage the New Mexico Education Council and College Connect NM as partnerships with New Mexico's public colleges and universities and 32 state-wide non-profit organizations to provide educational outreach events and services for FAFSA information, college applications, scholarships, and special events.
- ◆ We've serviced and collected federal student loans for over 37 years providing services to more than 340,000 borrowers with \$2.9 Billion student loans.
- ◆ We provide debt collection services to U.S. Department of Education's Federal Family Education Loan Program (FFELP) Guarantee Agencies.
- ◆ We operate a collection services business, 180 Resolutions, that provides account receivable management and debt collection services to private businesses, schools, medical and dental offices, and healthcare organizations.

Our Expertise

- ◆ We have a seasoned educational outreach team that works with New Mexico's colleges and universities to promote post-secondary education.
- ◆ For more than 37 years we have successfully collected on federal student loans.
- ◆ We specialize in debt collection communication services.
- ◆ We understand the unique life situation of the student borrower and have specialized methods to prevent loan delinquency and default.
- ◆ We have an experienced collections team with average tenure of 9 years.
- ◆ We utilize the latest technology, tools, and communication methods including: customer call center, skip-tracing, emails, postal mail, text-messaging, and websites.
- ◆ Our facilities, team, and systems adhere to the highest security standards in safeguarding the personal information of our clients and borrowers.

Our Funding

NMEAF does not receive 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 our public service mission.

How We Help New Mexico

Serving New Mexico Since 1981



340,000 Student Loan Borrowers Served



\$2.9+ Billion in Student Loans



\$61+ Million in Savings Through our Benefit Programs



\$8.6+ Million in Savings Through NMEAF Loan Forgiveness programs



\$909,000+ Scholarships & Endowments Awarded



Community Outreach to 282,000+ Students with 1,670+ Events



\$1+ Million NMEAF Private Student Loans Since 2015



90+ Employees with an Average Tenure of 13+ Years



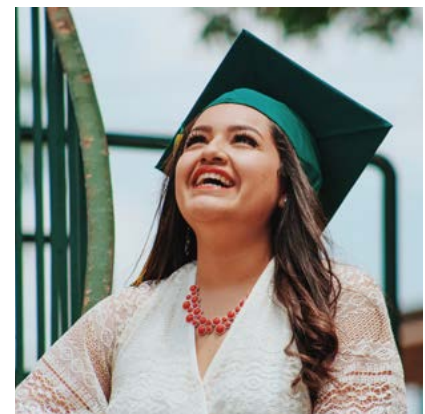
College Connect NM - Community Outreach

We produce various programs and events assisting New Mexico's students and families save, plan, prepare, and pay for post-secondary education through our collaborative with other statewide non-profits.



New Mexico Education Council

This is a partnership with New Mexico's public colleges and universities and produces events promoting higher education at New Mexico high schools and provides scholarships to seniors attending a college in NM.



New Mexico Student Loans

We provide private student loans and service a variety of student loan programs. We sponsor several borrower benefits programs that decrease interest rates which have saved our borrowers millions.

College Connect New Mexico

Promoting Higher Education to New Mexico's High School Students

Studies show that the most important factors in determining if a high school student will pursue a post-secondary academic degree or technical certification are completion of the FAFSA and submission of a college application.

We partner with educational institutions and non-profit organizations across New Mexico in the FAFSA & College Application Completion Process. This collaborative assists high school counselors across New Mexico and particularly focuses on higher education access and funding for first-generation and low-income students and their families.

We organize, facilitate and host FAFSA trainings, workshops and events, and provide educational assistance and materials. NMEAF also serves on the National College Access Network (NCAN) Policy and Regulatory Committee providing feedback to US Department of Education officials on financial aid issues.



30 Community Partners

- ◆ Albuquerque Hispano Chamber of Commerce
- ◆ Albuquerque Public Schools
- ◆ Central New Mexico Community College
- ◆ Clovis Community College
- ◆ College Horizons
- ◆ Eastern New Mexico University
- ◆ Institute of American Indian Arts
- ◆ Jobs for America's Graduates
- ◆ LNEESC - LULAC National Educational Service Centers, Inc.
- ◆ National College Access Network
- ◆ New Mexico Educational Assistance Foundation
- ◆ New Mexico Higher Education Department
- ◆ New Mexico Higher Education Department - Gear Up New Mexico
- ◆ New Mexico Highlands University
- ◆ New Mexico Junior College
- ◆ New Mexico Public Education Department
- ◆ Northern New Mexico College
- ◆ Rising Stars in the Southwest
- ◆ San Juan College
- ◆ Santa Fe Community College
- ◆ Simon Foundation for Education and Housing
- ◆ St. Johns College
- ◆ TRIO Educational Opportunity Centers
- ◆ United Way of Central NM's Mission Graduate
- ◆ University of New Mexico
 - ◆ El Centro De La Raza
 - ◆ Enlace
 - ◆ Men of Color Initiative
 - ◆ The Unidos Project
- ◆ Western New Mexico University
- ◆ Youth Development Inc.

New Mexico Education Council



Partnerships to Promote Higher Education

The New Mexico Education Council (NMEC) is a partnership between NMEAF and 17 NM public colleges and universities to promote higher education in NM.

FY17:

55 Events
Statewide

16,425 Students

College Days & College Nights Events

This annual program hosts events at New Mexico's high schools and colleges. Representatives from NM's public colleges and universities interact and educate students on their schools' programs, applications, admissions and financial aid.



NMEC Scholarships

This program provides scholarship opportunities for students attending a New Mexico post-secondary educational institution. The scholarship program is funded by the participation fees of College Days and College Nights.



New Mexico Education Council



These dedicated members from New Mexico's public higher education institutions are committed to promoting higher educational attainment to New Mexico's high school students.

NMEC Governance Committee

- ◆ **Chair:** Jacque Kennedy
New Mexico State University
- ◆ **Vice Chair:** Hillary Pineda
New Mexico Institute of Mining and Technology
- ◆ **Treasurer:** Brandon Fields
New Mexico State University
- ◆ **Scholarships:** Amanda Martinez
Central New Mexico Community College
- ◆ **Travel:** Judy Ortiz-Aragon
University of New Mexico
- ◆ **Secretary:** Jasmine Small-Armstrong
New Mexico Military Institute
- ◆ **NMEAF Staff:** Joni Beader and Oscar Garcia

NMEC Advisory Council Members

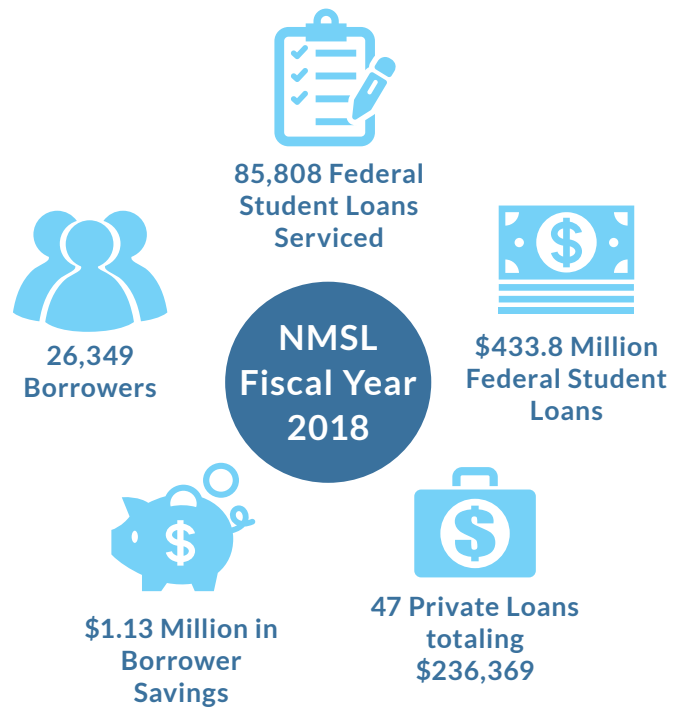
- ◆ Central New Mexico – Amanda Martinez
- ◆ Clovis Community College – Chirs Isham
- ◆ Dona Ana Community College – Gerri Martinez
- ◆ Eastern New Mexico University – Cody Spitz
- ◆ Institute of American Indian Arts – Mary Silentwalker
- ◆ Luna Community College – Moses Marquez
- ◆ Mesalands Community College – Matt Garcia
- ◆ New Mexico Highland University - Jessica Jaramillo
- ◆ New Mexico Institute of Mining & Technology - Tony Ortiz
- ◆ New Mexico Junior College – Taylor Novak
- ◆ New Mexico Military Institute – Jasmine Small-Armstrong
- ◆ New Mexico State University – Seth Miner
- ◆ Northern New Mexico College – Frank Orona
- ◆ San Juan College - Abby Calcote
- ◆ Santa Fe Community College – Marcos Maez
- ◆ University of New Mexico – Matthew Hulett
- ◆ Western New Mexico University – Margaret Perez-Medina



New Mexico Student Loans

Our NMSL program administers student loans, provides low-cost fixed-rate private education loans to undergraduate and graduate students attending school in New Mexico and residents of our state attending school outside NM. We also provide several programs where students save money when they repay their loans and incentivize needed professionals to stay and work in NM.

Our experienced communications center team helps hundreds of thousands of New Mexicans find the best solutions to repay their student loans. Our team counsel's students on the best federal repayment programs for their individual situation and helps students avoid delinquency and default.



Borrower Benefits Programs

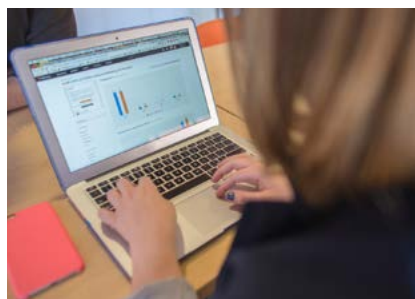
NMSL sponsors Borrower Benefit programs lowering interest rates and reducing the cost of repaying student loans. The total cost savings to New Mexico's student loan borrowers since inception is approximately \$61+ million. The loan reduction programs sponsored by NMEAF through our NMSL program reward students with interest rate and principal balance reductions.



Instant Savings

Borrowers receive a 0.50% interest rate reduction when their loans enter repayment.

7,033 PARTICIPANTS = \$597,265 SAVINGS



Easy Pay

Borrowers who have their monthly payments automatically deducted receive a 0.25% interest rate reduction.

4,987 PARTICIPANTS = \$148,497 SAVINGS



Pot of Gold

Borrowers earn a 5.0% reduction on their principal balance when they make their initial 48 monthly payments on time.

62 PARTICIPANTS = \$24,359 SAVINGS

New Mexico Student Loans

New Mexico Professionals Programs

We recognize New Mexico's shortage of vital professional services. To address this, NMSL sponsors programs rewarding students for working full-time in New Mexico as teachers, nurses, and medical doctors. These essential professionals 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

351
PARTICIPANTS = **\$111,926**
SAVINGS

This program is designed to make teacher education programs more accessible and help recruit and retain quality teachers. Educators employed by the public or nonprofit elementary or secondary schools are eligible for this program.



Nurses for New Mexico

227
PARTICIPANTS = **\$67,596**
SAVINGS

This program is designed to recruit and retain nurses. Licensed Practical Nurses and Registered Nurses qualify for this benefit when they are employed full-time in New Mexico at a public or private facility.



MDs for New Mexico

63
PARTICIPANTS = **\$181,787**
SAVINGS

To address the medical professional shortage in New Mexico, NMSL offers interest rate reduction programs for medical doctors who practice in New Mexico.

Private Student Loans

Since 2015, NMEAF issues no-fee, low, fixed interest rate private student loans to help New Mexico's students fund college degree programs at New Mexico's public and private universities and for residents attending schools out of state. This program only issues loans to students whom we believe will be successful in repayment and we only offer fixed interest rate loans and have several benefits for students including interest rate reductions and multiple repayment options.

FY18
47 Loans =
\$236,369

NMEAF Financial Highlights

CONDENSED BALANCE SHEET (UNAUDITED*) JUNE 30, 2018

	Combined Fund Total	
	June 30, 2018	June 30, 2017
ASSETS		
Cash and Investments	\$ 68,549,649	\$ 87,637,487
Student Loans Receivable, net and Accrued Revenue	455,824,327	519,663,720
Derivative Instrument	1,571,935	5,617,920
Property and Equipment, net	4,865,864	5,073,039
Other Assets	573,294	525,548
Total Assets	\$ 531,385,069	\$ 618,517,714
LIABILITIES AND FUND BALANCES		
Bonds/Notes Payable and Accrued Expenses	\$ 424,743,284	\$ 505,956,680
Deferred Gain on Refunded Bonds	0	1,238,417
Accounts Payable and Accrued Liabilities	1,136,422	1,161,516
Other Liabilities	651,456	786,994
Total Liabilities	426,531,162	509,143,607
Fund Balances	104,853,907	109,374,107
Total Liabilities and Fund Balances	\$ 531,385,069	\$ 618,517,714

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2018 (UNAUDITED*)

	Combined Fund Total	
	June 30, 2018	June 30, 2017
REVENUES	\$ 20,403,649	\$ 16,212,679
EXPENSES		
Interest Expense on Bonds and Notes Payable	11,152,801	8,530,089
Salaries and Employee Benefits	6,735,906	6,404,976
Student Loan Related Costs	3,543,437	4,149,677
Trustee Fees and Debt Issuance Costs	268,016	357,870
Other General and Administrative	2,608,969	2,755,201
Depreciation, Amortization and Provision for Losses	614,720	524,263
Total Expenses	24,923,849	22,722,076
Excess of Revenue Over Expenses	(4,520,200)	(6,509,397)
Fund Balances, Beginning of Year	109,374,107	115,883,504
Fund Balances, End of Year	\$ 104,853,907	\$ 109,374,107

* Audited financial statements are available by request or may be viewed at www.NMEAF.org

*"An investment in
knowledge pays
the best interest."*

-Benjamin Franklin



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7400 Tiburon NE
Albuquerque, NM 87109
www.NMEAF.org



Board of Directors

Some of the best financial and educational professionals in New Mexico serve on our volunteer board of directors to help guide NMEAF's mission and future vision.



Pauline Garcia
Chair
Term: 2017-2021
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
Ex Officio Member
New Mexico State Treasurer

