

**NEW MEXICO EDUCATIONAL ASSISTANCE FOUNDATION (NMEAF)  
BOARD OF DIRECTORS MEETING  
NMSL BOARD ROOM  
JANUARY 29, 2019  
ALBUQUERQUE, NEW MEXICO**

**PRESENT**

Dr. Dan Salzwedel, Chair  
Gavin Gillette, Vice Chair  
Eileen Givler, Secretary/Treasurer  
Julie Filatoff, Board Member Designee  
Charles J. Piechota, Board Counsel

**OFFICERS AND STAFF**

Michael Nemelka, President & CEO  
Grace Tackman, Assistant VP of HR  
Brad Allpass, Vice President & CFO  
Estevan Martinez, Assistant VP of IT  
Reginald Storment, General Counsel  
Lois Fort, Director of Operations  
Tracy Rowe, Director of Internal Audit  
Melissa Dale, Director of Guarantor Operations  
Deena Pierce, Assistant Controller, Finance

**ABSENT**

Pauline Garcia , Board Member

*Chair Dr. Salzwedel called the meeting to order at 3:00 pm.*

**I. Introduction of Visitors**

Michael Nemelka introduced Paul Thomason, Heidi Atencio and Victor Ortiz, former owners of Collection Resources, Inc. of Las Cruces, the organization recently acquired by Silver Mountain, Inc. Mr. Nemelka then introduced Chip Martin and Steven Wagner who, along with Paul Thomason, would comprise the new Silver Mountain, Inc. 3-member board of directors.

**II. Roll Call**

The following were present at the meeting: Dr. Dan Salzwedel, Gavin Gillette, Eileen Givler. Julie Filatoff, participated by conference call.

**III. Approval of the Agenda**

Chair Salzwedel asked for a motion to approve the agenda. Gavin Gillette so moved with a second from Eileen Givler. The motion passed 4-0.

**IV. Approval of October 16, 2018 Board Meeting Minutes.**

Eileen Givler noted an incorrect date in the minutes and Julie Filatoff provided several minor grammar, spelling, and wording changes. Chair Salzwedel asked for a motion to approve the meeting minutes as edited and Gavin Gillette so moved with a second by Eileen Givler. Motion passed 4-0.

**V. Audit Committee Report**

Michael Nemelka advised the Board that in the audit committee meeting held the previous week, the leadership team proposed a change in the way both NMEAF and NMSLGC conduct internal auditing. He stated that the change was necessary for three reasons: the continued paydown of the FFELP loan portfolio has led to a reduced workload for a full-time internal auditor; the majority of the current and future internal audit activities would be in areas

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associated with debt collection which, with the acquisition of an outside collection agency and combined with the imminent move of non-student loan-related debt collections to the new corporation, would result in these audits no longer falling under a full-time NMEAF/NMSLGC auditor's responsibility; and lastly, Tracy Rowe's skills and experience are needed elsewhere within the organizations. Management, therefore, proposed that the position of full-time internal audit director be abolished and replaced by utilizing existing outside auditors to perform all necessary operational and compliance audits.

He further noted that an outside auditing firm, Jaramillo and Associates, is already performing the bulk of federal compliance auditing on the FFELP portfolio. Expanding that firm's scope of duties would preserve a strong internal audit tradition while at the same time reducing expenses and freeing Tracy to serve in other ways. Mr. Nemelka informed the board that Tracy Rowe has accepted a new position as Finance Integration Manager/Business Process Engineer. He further noted that in the July 2019 audit committee meeting, management would present an updated audit plan and more details regarding how the outside auditor would replace the internal auditor role.

Tracy Rowe then provided an overview of the audit committee meeting. She reported that the committee reaffirmed the Whistleblower policy, and approved a resolution permitting the sharing of audit results between NMEAF and NMSLGC. She further informed the board that the committee had approved the 2019 NMSLGC financial audit. She reviewed the results of several completed compliance audits finalized during the quarter, reporting no material issues.

**VI. Ratify Appointment of New NMEC Governance Committee Members**

Michael Nemelka informed the board of the need to ratify a new group of Governance Committee members. The Advisory Council has selected new members since the October 2018 meeting. Chair Salzwedel asked for a motion to approve the ratification of the new NMEC Governance Committee and Julie Filatoff so moved, with a second by Gavin Gillette. The motion carried 4-0.

**VII. Election of New Board Members for Silver Mountain Inc.**

Mr. Nemelka reminded the Board that in August 2018 they approved the appointment of temporary directors for Silver Mountain Inc. He stated that permanent board members are now needed. He introduced Paul Thomason, Chip Martin, and Steven Wagner as the proposed new 3-member board of directors. Chair Salzwedel asked for a motion to approve the three board members as a slate and Gavin Gillette so moved, with a second by Eileen Givler. The motion carried 4-0.

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**VIII. President's Report**

Michael Nemelka then provided the board with an update on the reauthorization of the Higher Education Act. He noted that management continues to watch proposed legislation and assess the impact to NMEAF's FFELP loan portfolio and community outreach programs.

Mr. Nemelka than provided an update on the effort to qualify as a subcontractor for the Department of Education's NextGen loan servicing RFP. He also informed the board that State Senator Bill Tallman has pre-filed a bill establishing a student loan servicing licensing requirement in New Mexico, a trend that has been spreading across the country.

**IX. CFO's Report**

Brad Allpass provided a brief report of the NMEAF financial status.

**X. Community Outreach Report**

Michael Nemelka informed the board that executive responsibility for oversight of community outreach has moved from Brad Allpass to Grace Tackman. Grace Tackman then provided a brief report on Community Outreach efforts.

**XI. Business Unit Reports**

There were no questions from the Board Members about department reports.

**XII. Other Matters**

Michael Nemelka asked the board to consider holding a combined, all-day retreat of members of the NMEAF and NMSLGC boards and leadership for strategic planning. Board members agreed to the change. Instead of the regular afternoon meeting in April, management will organize and all-day meeting to conduct detailed strategic planning.

**XIII. Executive Session**

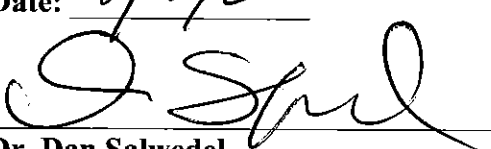
No executive session was needed.

**XIV. Adjournment**

Chair Salzwedel asked for a motion to adjourn and Eileen Givler so moved with a second from Gavin Gillette. The motion carried 4-0 and the meeting adjourned at 4:36 pm.

Date: 8/6/20

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

  
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Dr. Dan Salzwedel  
NMEAF Chair

\_\_\_\_\_  
Eileen Givler  
NMEAF Secretary/Treasurer