



**New Mexico
Educational
Assistance
Foundation**

*Serving New Mexico
for 38 Years*



2019 ANNUAL REPORT

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 NM 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 are a member of College Connect NM which 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 38 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 38 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 12 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.

NMEAF Executive Officers



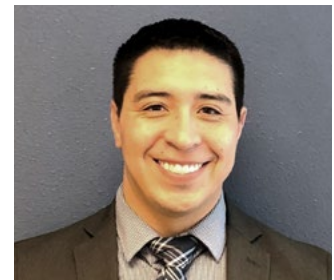
Michael Nemelka
President,
Chief Executive Officer



Brad Allpass
Vice President, Finance,
Chief Financial Officer



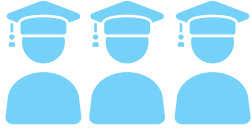
Grace Tackman
Assistant Vice President,
Human Resources



Estevan Martinez
Assistant Vice President,
Information Technology

How We Help New Mexico

Serving New Mexico Since 1981



340,000 Student Loan Borrowers Served



\$2.9+ Billion in Student Loans



\$62+ Million in Savings Through our Benefit Programs



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



\$939,000+ Scholarships & Endowments Awarded



\$1.17+ Million NMEAF Private Student Loans Since 2015



78 Employees with an Average Tenure of 12 Years

Promoting Higher Education to New Mexico's High School Students



Community Outreach

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.



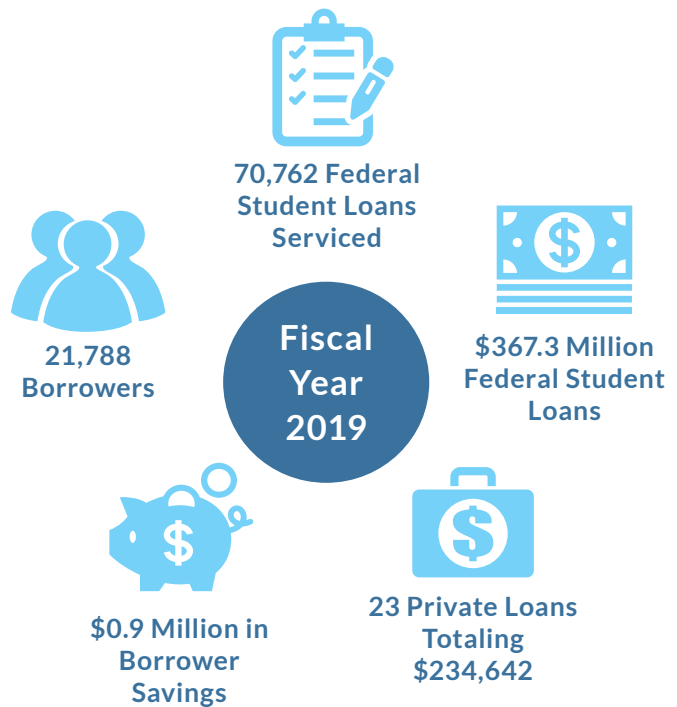
Scholarships

Each year NMEAF funds a variety of scholarships for New Mexico high school seniors pursuing higher education. We funded 29 scholarships totaling \$18,000 in fiscal year 2019. These scholarships were issued through partner programs with College Connect NM for FAFSA completions, the Albuquerque Hispano Chamber of Commerce and the New Mexico Education Council.

New Mexico Student Loan Program

Our 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

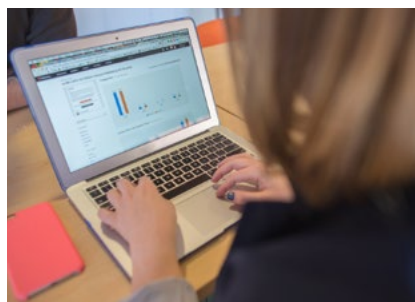
NMEAF sponsors Borrower Benefit programs lowering interest rates and reducing the cost of repaying student loans. The total cost savings to New Mexico's student loan borrowers since inception is approximately \$62+ million. The loan reduction programs reward students with interest rate and principal balance reductions.



Instant Savings

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

4,376 PARTICIPANTS = \$510,719 SAVINGS



Easy Pay

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

3,548 PARTICIPANTS = \$126,640 SAVINGS



Pot of Gold

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

25 PARTICIPANTS = \$13,361 SAVINGS

New Mexico Student Loan Program

New Mexico Professionals Programs

We recognize New Mexico's shortage of vital professional services. To address this, NMEAF 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 NMEAF.



Teachers for Tomorrow

192
PARTICIPANTS = **\$83,760**
SAVINGS

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



Nurses for New Mexico

119
PARTICIPANTS = **\$52,832**
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

51
PARTICIPANTS = **\$121,144**
SAVINGS

To address the medical professional shortage in New Mexico, NMEAF 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 who 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.

FY19
23 Loans =
\$234,642

NMEAF Financial Highlights

CONDENSED BALANCE SHEET (UNAUDITED*) JUNE 30, 2019

	Combined Fund Total	
	June 30, 2019	June 30, 2018
ASSETS		
Cash and Investments	\$ 65,567,057	\$ 68,549,649
Student Loans Receivable, net and Accrued Revenue	390,170,991	455,824,327
Derivative Instrument	1,398,693	1,571,935
Property and Equipment, net	4,695,710	4,865,864
Other Assets	714,547	573,294
Total Assets	\$ 462,546,998	\$ 531,385,069
LIABILITIES AND FUND BALANCES		
Bonds/Notes Payable and Accrued Expenses	\$ 356,238,900	\$ 424,743,284
Accounts Payable and Accrued Liabilities	1,242,700	1,136,422
Other Liabilities	621,526	651,456
Total Liabilities	358,103,126	426,531,162
Fund Balances	104,443,872	104,853,907
Total Liabilities and Fund Balances	\$ 462,546,998	\$ 531,385,069

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019 (UNAUDITED*)

	Combined Fund Total	
	June 30, 2019	June 30, 2018
REVENUES	\$ 24,781,780	\$ 20,403,649
EXPENSES		
Interest Expense on Bonds and Notes Payable	12,827,730	11,152,801
Salaries and Employee Benefits	6,188,275	6,735,906
Student Loan Related Costs	2,794,092	3,543,437
Trustee Fees and Debt Issuance Costs	256,282	268,016
Other General and Administrative	2,482,461	2,608,969
Depreciation, Amortization and Provision for Losses	570,567	614,720
Total Expenses	25,119,407	24,923,849
Excess of Revenue Over Expenses	(337,627)	(4,520,200)
Loss on Equity Method Investment	(72,408)	-
Change in Net Position	(410,035)	(4,520,200)
Net Position, Beginning of Year	104,853,907	109,374,107
Net Position, End of Year	\$ 104,443,872	\$ 104,853,907

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

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.



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

*"An investment in knowledge pays
the best interest." – Benjamin Franklin*



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.



Dr. Dan Salzwedel
Chair
Term: 2018-2022
Director
S and S Enterprises



Gavin Gillette
Vice Chair
Term: 2016-2020
SVP- Administration
First Financial Credit Union



Alexander Heubeck
Term: 2019-2023
Senior Relationship Manager
Bank of the West



Pauline Garcia
Term: 2017-2021
Board Member
CNM Community College



Tim Eichenberg
Ex Officio Member
New Mexico State Treasurer

