

**MINUTES OF THE November 20, 2025 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair, Ms. Ouellette called the November 20, 2025 meeting of the Finance Authority of Maine to order at 9:00 a.m. This meeting was conducted in person at the offices of the Finance Authority of Maine at 5 Community Drive, Augusta, Maine, and virtually through Microsoft Teams. Provisions were made for the public to attend.

Legal Assistant, Elizabeth Polk, noted for the record that the members had received an Agenda and Notice of Meeting and that notices of the meeting had been published in certain newspapers throughout the state (*see Affidavits of Publication attached as Appendix 2*).

A. CALL TO ORDER

Ms. Polk called the roll of the members and noted that there were sufficient members present for the purpose of beginning the meeting.

Those members present (via Teams) were as follows:

Renee Ouellette
William Tracy, Vice Chair
Steve Shannon
Jean Hoffman *entered 9:54 a.m.*
Fritz Onion
Joe Perry
Richard Trafton
Michael Foley
Blue Keim
Michael Duguay
Amanda Beal
Daniel Cummings
Simon Ferland
Andy Mueller

Those members absent:

Dustin Brooks, Treasurer
Michael Duguay

Staff present:

Carlos Mello, Chief Executive Officer
Sarah Nadeau-Balducci, Chief Risk Officer

Martha Johnston, Director of Education
Bert Audette, Chief Information Officer
Lisa Brown, Chief of Human Resources
Elizabeth Polk, Legal/Executive Assistant
Jonathan Poole, Chief Operations Officer
Christopher Roney, General Counsel
Kim Getchell, Senior Loan Officer
Emily Babineau, Business Programs Manager
Karen Kunesh, Senior Workout Officer
Eva Giles, College Savings Program Manger
Elizabeth Vanderweide, Director of Marketing
Meredith Whitfield, Chief Communications Officer
Ellen Curtiss, Senior Credit Officer
Jeff Murch, Credit Officer II

Guests:
None

A: CALL TO ORDER

A1: Ascertainment of Quorum 9:09 a.m.

A2: Accept the August 19, 2025 Advisory Committee on Education Savings Meeting Minutes

A3: Approval of the October 14, 2025 Risk Management and Audit Committee Meeting Minutes

A4: Approval of the October 9, 2025 Executive Committee Meeting Minutes

A5: Approval of the October 10, 2025 Business Committee Meeting Minutes

A6: Approval of the October 16, 2025 Board Meeting Minutes

A7: A motion was made by Mr. Trafton and seconded by Mr. Keim to approve the (1) Accept the August 19, 2025 Advisory Committee on Education Savings Meeting Minutes, (2) Approval of the October 14, 2025 Risk Management and Audit Committee Meeting Minutes, (3) October 9, 2025 Executive Committee Meeting Minutes, (4) October 10, 2025 Business Committee Meeting Minutes, (5) October 16, 2025 Board Meeting Minutes. The motion was approved by a vote of 12 in favor 0 opposed, and 0 abstentions.

B: CHAIR'S REPORT 9:06 a.m.

Ms. Ouellette announced that the current Chair and Vice Chair have been renominated by the Nomination Committee, and that Daniel Cummings is nominated to be the new Board treasurer.

A motion to approve the slate of officers, was made by Mr. Trafton and seconded by Mr. Cummings and was approved by a vote of 13 in favor, 0 opposed, and 0 abstention.

C: ACTION ITEMS

C1: Approval of Rulemaking- Chapter 307 Amendment 10 Maine Seed Capital Tax Credit Program 9:09 a.m.

Mr. Roney explained that the Maine Seed Capital Tax Credit Rule is being amended to add how a Maine business is defined as there was no definition included in the rule previously.

C2. Approval of Rulemaking- Chapter 325 Amendment 4 New Markets Tax Credit Program 9:12 a.m.

Mr. Roney stated that the rule is being amended to include additional funding to replenish the nearly exhausted funding provided when the program was enacted in 2012, as well as to conform to statutory changes. He stated that he received two comments on the rule but these comments did not result in further rule changes needing to be made.

C3: Approval of Rulemaking- Chapter 611 Amendment 19 Education Savings Program 9:18 a.m.

Mr. Roney stated the rule is being amended to reflect changes in the federal financial aid system from "Expected Family Contribution" to "Student Aid Index."

C4: Approval of Rulemaking- Chapter 610 Amendment 6 Educators for Maine 9:19 a.m.

Mr. Roney stated the Educators for Maine is a program that provides forgivable loans for teachers and educators. The statutory changes being made to the rule will allow the program to now include school counselors and change the language from speech pathologists to licensed speech pathologists.

A motion to adopt the four rulemaking changes, was made by Mr. Foley and seconded by Mr. Cummings and was approved by a vote of 12 in favor, 0 opposed, and 0 abstention.

Action items C1 through C4 were collectively approved by a single motion and vote by board members.

C5: Approval of vendor selection and authorization to conduct contract negotiations for Authority IT enterprise architecture design and implementation 9:37 a.m.

Mr. Audette asked the board to go into executive session to discuss matters relating to FAME's IT enterprise architecture design and implementation.

A motion to enter Executive Session No. 1 under 1 MRSA §405(6)(E) was made by Mr. Trafton and seconded by Mr. Tracy and approved by a vote of 7 in favor, 0 opposed, and 0 abstentions.

Start of Executive Session: 9:23 a.m.

End of Executive Session: 9:37 a.m.

A motion to approve the contract negotiations for Authority IT enterprise architecture design and implementation was made by Mr. Trafton and seconded by Mr. Mueller and was approved by a vote of 12 in favor, 0 opposed, and 0 abstention.

C6: Approval of GenAI Policy 9:39 a.m.

Mr. Audette ask the board to approve FAME's newly developed GenAI policy. He stated that it is based on the state of Maine policies and a best practices template. Mr. Onion asked if staff would be trained on the use of AI. Mr. Audette said that there will be a series of trainings throughout December and into January. Mr. Trafton stated he wants to attend these trainings.

A motion to approve the GenAI policy was made by Mr. Trafton and seconded by Mr. Tracy and was approved by a vote of 12 in favor, 0 opposed, and 0 abstention.

Ms. Hoffman entered the meeting at 9:54 a.m.

F. Staff Reports 9:46 a.m.

1. CEO Report

Mr. Mello presented his CEO Report. He discussed the government shutdown loan guarantee program, noting that FAME created a webpage with information and lending application materials for the program. He then stated that participation in the program was limited with only four institutions offering the program. Mr. Mello stated that the annual Showcase Maine event was well attended. He then stated that Maine's NextGen 529® education savings plan continues to be highly ranked, and outreach campaigns and grants are supporting students and families. Financially, FAME's revenues and investments are strong, but smaller businesses and households continue to face challenges in accessing capital.

2. NextGen Maximum Contribution

Ms. Gils presented the changes that were made to NextGen's maximum contributions.

3. First Quarter Fiscal 2025- Financial Results

Ms. Desiderio stated as of September 30, 2025, FAME's finances were strong, with revenues above budget thanks to growth in the NextGen 529® program, good investment returns, and careful cost control—even though there were higher loan loss provisions. She then stated FAME kept a healthy and diverse investment portfolio.

4. Business Update

Ms. Curtiss stated that the Commercial Loan Insurance portfolio balance stands at \$161 million, supporting \$307 million in lender debt, which represents a six percent increase year over year. She then stated that during the quarter, there were 28 commitments totaling \$11 million in lender debt and \$6 million in FAME exposure. The largest commitment was a \$2 million loan for a luxury campground in Orland. Agriculture and food services remain the top sectors, while manufacturing has moved to third place. Key relationships include Go Lab, Springworks, Pennacook Falls, and Saddleback.

Delinquencies have increased to 5.5 percent, and proactive monitoring is underway. Reserves total \$31 million, representing 19 percent of the portfolio. No claims were paid during the quarter. Ms. Curtiss will prepare a geographic loan distribution map for the next meeting.

Ms. Curtiss then stated that the Direct Loan portfolio balance is \$20.3 million, slightly down from \$20.8 million. Two new loans totaling \$1 million were issued, with an exception rate of 100 percent, which is typical for startups. Delinquencies total \$2.2 million, with one large loan delayed due to the reverse participation process. Reserves have increased to \$5.4 million, representing 26 percent of the portfolio. No charge-offs occurred during the quarter.

5. Watchdesk Report

Ms. Kunesh asked to go into executive session to discuss matters relating to the Watchdesk Report.

A motion to enter Executive Session No. 1 under 10 MRSA §975-A(2)(B) and 10 MRSA §975-A(2)(D) was made by Mr. Trafton and seconded by Mr. Tracy and approved by a vote of 13 in favor, 0 opposed, and 0 abstentions.

6. Business Deals Update

Mr. Poole asked to go into executive session to discuss matters relating to Saddleback and Maine Plywood.

7. Federal/State Government Shutdown Loan Guarantee Program Update (Verbal)

Mr. Poole stated that since Mr. Mello already provided an update in his CEO Report, he does not need to provide an update.

8. CEO Review (Executive Session)

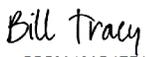
A motion to enter Executive Session No. 2 under 1 MRSA §405(6)(A) was made by Mr. Trafton and seconded by Mr. Tracy and approved by a vote of 13 in favor, 0 opposed, and 0 abstentions.

Entered Executive Session at 11: 39 a.m.

Exited Executive Session at 11:53 a.m.

ADJOURN- 11:53 A.M.

A true copy as adopted,

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Bill Tracy, Vice Chair to the FAME Board of Directors