

**MINUTES OF THE FEBRUARY 19, 2026 MEETING OF THE MEMBERS  
OF THE FINANCE AUTHORITY OF MAINE**

Chair, Ms. Ouellette called the February 19, 2026 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.

Communications Specialist Lisa Gardner 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. Gardner 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 *left at 9:58, returned at 9:59 a.m.*  
Fritz Onion  
Joe Perry *entered at 9:24 a.m.*  
Richard Trafton *entered at 9:18*  
Michael Foley *entered at 9:02*  
Michael Duguay *entered at 9:04, left at 11:04 a.m.*  
Amanda Beal *entered at 9:04 a.m., left at 10:52 a.m.*  
Daniel Cummings  
Blue Keim  
Simon Ferland  
Andy Mueller *entered at 9:03*

Those members absent:

Dustin Brooks, Treasurer  
Jean Hoffman

Staff present:

Carlos Mello, Chief Executive Officer  
Sarah Nadeau-Balducci, Chief Risk Officer  
Martha Johnston, Director of Education  
Bert Audette, Chief Information Officer

Charlotte Mace, Director of Business  
Lisa Brown, Chief of Human Resources  
Lisa Gardner, Communications Specialist  
Jonathan Poole, Chief Operations Officer  
Christopher Roney, General Counsel  
Emily Babineau, Business Programs Manager  
Karen Kunesh, Senior Workout Officer  
Elizabeth Vanderweide, Director of Marketing  
Meredith Whitfield, Chief Communications Officer  
Ellen Curtiss, Senior Credit Officer  
Jay Beck, Commercial Loan Officer  
Donna Crockett, Credit Analyst

Guests:

Fred Horton  
Richard Harrison  
Josh Kaufman  
Brian Wong

**A: CALL TO ORDER**

**A1: Ascertainment of Quorum** 9:00 a.m.

**A2: Approval of the January 9, 2026 Business and Executive Committee Minutes**

**A3: Approval of the January 15, 2026 Board Meeting Minutes**

**A4:** A motion was made by Mr. Tracy and seconded by Mr. Cummings to approve and/or accept the (1) January 9, 2026 Executive Committee and business Committee Meeting Minutes, and the (2) January 15, 2026 Board Meeting Minutes. The motion was approved by a vote of 10 in favor 0 opposed, and 1 abstention.

**B: CHAIR'S REPORT** 9:04 a.m.

Ms. Ouellette stated she had nothing to report and suggested moving on to action items.

**C: ACTION ITEMS**

**C1: Approval of Loan modification Request: Standard BioCarbon** 9:05 a.m.

Ms. Mace gave an overview of the company.

**A motion to enter Executive Session No. 1 under 10 MRSA §975-A(1)(B) and 10 MRSA §975-A(1)(D) was made by Mr. Keim and seconded by Mr. Mueller and approved by a vote of 11 in favor, 0 opposed, and 0 abstentions.**

*Start of Executive Session: 9:10 a.m.*

*End of Executive Session: 9:35 a.m.*

**A motion to accept the staff recommendation to decline the request for payment deferral through December 2026, decline the request to release Mr. Horton as guarantor, decline request to waive corporate guarantor requirement for Khasma for the FAME loan, approve interest only payments on the FAME loan for 12 months, approve consent request for a (up to) \$5.5M equity raise, and approve retroactive consent of \$750,000 in bridge loans from Khasma and Darby Group, was made by Mr. Trafton and seconded by Mr. Duguay and was approved by a vote of 13 in favor, 0 opposed, and 0 abstention.**

**C2: Adoption of Data Retention Policy and Approval of Freedom of Access Act Policy 9:40 a.m.**

Mr. Roney shared that while FAME already has informal Data Retention and FOAA policies, staff was now recommending adoption of express written policies, addressing how much and what kind of information needs to be stored and for how long, as well as how FAME handles requests under the Maine Freedom of Access Act.. .

**A motion to adopt the Data Retention Policy and the FOAA Policy was made by Mr. Cummings and seconded by Mr. Trafton and was approved by a vote of 13 in favor, 0 opposed, and 0 abstentions.**

**C3: Adoption of Resolution to Open Vanguard Brokerage Account 9:48 a.m.**

Ms.Sims presented a resolution to open a Vanguard Brokerage account. She explained that Vanguard has notified FAME that it is retiring its legacy mutual fund only investment platform for institutional direct investors. As part of this transition, all institutional mutual fund accounts—including ours—must be converted into a Vanguard Brokerage Account (VBA).

**A motion to approve the Resolution to open a Vanguard Brokerage account was made by Mr. Trafton and seconded by Mr. Mueller and was approved by a vote of 13 in favor, 0 opposed, and 0 abstentions.**

## **F. Staff Reports 9:55 a.m.**

### **1. CEO Report**

Mr. Mello reported we're seeing all-time market highs. NextGen is growing. He said while the AI boom is strong, it's almost like a black hole pulling technology investments toward it, while also sucking the air out of the room for other businesses, making it hard to raise capital. Mr. Mello said we are seeing this across the state; we're seeing a dramatic increase in bankruptcies, delinquencies and restructurings.

Mr. Mello reported that FAME has expanded the Invest in ME program to grades one through six, with 84,000 books and supports that will be sent home with children. He discussed FAFSA, saying the filing season is well underway with 40% of the class of 2026 having completed a FAFSA as of the end of January. To support borrowers, he said we're hosting a free webinar, *Managing Your Student Loans*.

Mr. Mello stated that over \$7.7M in 2025 Matching Grant Awards are being awarded to nearly 33,000 Maine NextGen accounts in February.

Mr. Mello updated the board on the FAME Modernization project, says it has reached a significant milestone with the formal kickoff of FAME's partnership with IBM.

Mr. Mello stated Excess Revenues over Expenses totaled \$3.9 million for the first half of fiscal year 2026, which are favorable to budget by \$2.3 million. Provisions for insured loan losses were unfavorable to budget by \$3.9 million but were offset by market appreciation and unrealized investment gains, which were favorable to budget by \$3.8 million.

### **2. Financial Report**

Ms. Sims provided highlights stating that revenues are modestly favorable, expenses are largely timing-related, and reserve increases are driving provision variances. Capital appreciation added \$3.0M, and FAME is projecting a \$1.9M year-end surplus, with no net impact from SSBCI offsets.

### **3. Commercial Loan Insurance/Direct Loan Updates**

Ellen Curtiss reported that portfolio geography is based on borrower mailing addresses (not project locations), with lending concentrated in Cumberland County (18%), followed by Penobscot (13%), and Kennebec and Somerset (about 8% each); all counties are represented. Manufacturing moved into the top industry sectors, Golab remains the largest relationship, Farm Credit leads lender activity, and modest lender diversification continued.

She emphasized rising risk across both portfolios: insurance delinquencies increased to 7.4% (the highest since 2012), watchlist exposure and risk ratings climbed, and reserves grew significantly, with claims expected later in the year. The direct loan portfolio remained stable in size, but watch-list exposure increased, some delinquency improvement was driven by payment deferrals, reserves stayed elevated, and additional charge-offs are anticipated.

**4. WatchDesk Report 10:35 a.m.**

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

*Start of Executive Session: 10:37 a.m.*

*End of Executive Session: 11:10 a.m.*

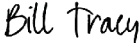
**5. Legislative Update 11:12 a.m.**

Mr. Norbert discussed legislative news including the raising of concerns about removing \$500,000 in placeholder funding for the Maine healthcare provider loan repayment program. The program, launched by the Legislature during the pandemic, has completed three rounds of awards and has been an important tool for supporting healthcare workforce needs statewide. Mr. Norbert said the budget also includes language to extend deadlines for certain energy finance and bonding programs, aimed at maintaining flexibility and preserving bonding capacity for future energy distribution and generation projects.

He discussed unanimous HED Committee support for the bond cap allocation bill, which enables continued use of private activity bonds for economic development, waste management, and affordable student loans.

**ADJOURN- 11:24 A.M.**

A true copy as adopted,

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Bill Tracy, Vice Chair to the FAME Board of Directors