

**MINUTES OF THE January 15, 2026 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 9:25 a.m.*
Fritz Onion *entered at 9:05 a.m.*
Joe Perry *entered at 9:04 a.m.*
Richard Trafton
Michael Foley
Michael Duguay
Amanda Beal *entered at 9:04 a.m. left at 10:52 a.m.*
Daniel Cummings
Andy Mueller *left at 9:25 a.m. returned at 9:35 a.m.*
Michael Duguay *left at 10:52 a.m.*

Those members absent:

Dustin Brooks, Treasurer
Blue Keim
Simon Ferland

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:

Andy Couture
Christian Savage
Joe Christopher
Liz Caruso
Lousie Johnson
Roger Pomerleau
Stephanie Lanman
Dan Walker
Charles Conoley
Charlie Martin

A: CALL TO ORDER

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

A2: Approval of the November 13, 2025 Executive Committee Meeting Minutes

A3: Approval of the November 14, 2025 Business Committee Meeting Minutes

A4: Approval of the November 20, 2025 Board Meeting Minutes

A5: A motion was made by Mr. Trafton and seconded by Mr. Cummings to approve and/or accept the (1) November 13, 2025 Executive Committee Meeting Minutes, (4) November 14, 2025 Business Committee Meeting Minutes, (5) November 20, 2025 Board Meeting Minutes. The motion was approved by a vote of 11 in favor 0 opposed, and 0 abstentions.

B: CHAIR'S REPORT 9:0 a.m.

Ms. Ouellette stated that the list of Board meeting dates for the year is in the January Board Packet. Both the April and June meeting dates have been moved to the last Thursday of both months due to scheduling conflicts. She then stated that Jean Hoffman is now a member of the Risk Management and Audit Committee and Mike Duguay has taken her place on the Business Committee. Then Ms. Ouellette stated that the Code of Ethics is in the packet and stated that Ms. Polk had sent it for signing to the board members earlier in the month. Mr. Roney then provided a high-level overview of the conflict of interest/code of ethics policy.

C: ACTION ITEMS

C1: Approval of TimberHP Commercial Loan Insurance Modifications 9:15 a.m.

Ms. Kunesh asked the committee to go into executive session to discuss matters relating to TimberHP.

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 12 in favor, 0 opposed, and 0 abstentions.

Start of Executive Session: 9:15 a.m.

End of Executive Session: 9:41 a.m.

A motion to approve the modifications described in the recommendation of staff, allowing deferment of partial loan repayment required upon the closing of the current equity raise on the terms and conditions provided in the presentation, and further delegating to the Chief Executive Officer the authority to make such additional modifications to such requirement as he deems in his judgment in the best interest of the Authority, was made by Mr. Trafton and seconded by Mr. Duguay and was approved by a vote of 12 in favor, 0 opposed, and 0 abstention.

C2. Approval if Direct Loan- Maine Plywood (ERLP) 9:48 a.m.

Mr. Poole presented the FAME staff's analysis of Maine Plywood USA's \$1 million loan request, highlighting both the project's public benefits and significant credit concerns, while Charlie Martin and his team, including Roger Pomerleau, Dan Walker, and Liz Caruso, responded to questions from the board regarding financing, project risks, and the feasibility of meeting loan conditions; the board, after extensive discussion, ultimately suggested a vote to table the application to allow the applicant to address outstanding issues

A motion to table the loan deal was made by Ms. Hoffman and seconded by Mr. Tracy and was approved by a vote of 11 in favor, 0 opposed, and 1 abstention

Mr. Mueller abstained from the vote.

**C3: Approval of Temporary Interest Rate Reduction- Economic Recovery Loan Program)
10:46 a.m.**

Ms. Mace asked the board to approve a three-month extension on the interest rate cap and then allow the CEO to approve an additional three months, all as described in the memorandum in the materials. She stated that rates have not substantially changed so there is a perceived need to continue the extension. The Business Committee had agreed to recommend approval of the interest rate reduction.

A motion to approve the Resolution authorizing the interest rate reduction was made by Ms. Trafton and seconded by Mr. Foley and was approved by a vote of 12 in favor, 0 opposed, and 1 abstention

C4: Approval of Contract with IBM for Enterprise Architecture Design and Implementation 10:56 a.m.

Mr. Audette presented the proposed contract with IBM (formerly AST) for FAME's technology modernization, detailing the phased approach to selecting and implementing a loan management system (LMS), including discussing the risks, vendor selection, and board oversight.

A motion to approve the Resolution, authorizing the contract with IBM, was made by Mr. Trafton and seconded by Mr. Onion and was approved by a vote of 11 in favor, 0 opposed, and 0 abstention.

F. Staff Reports 11:15 a.m.

1. CEO Report

Mr. Mello reported that FAME is operating in a highly uneven economic environment characterized by strong demand for its lending programs alongside elevated credit risk and loan loss activity. Insured loan volume is exceeding both budgeted and prior-year levels due to constrained private capital markets, while loan loss provisions have also increased; however, overall financial performance remains favorable as strong investment returns and capital appreciation have more than offset credit losses. Mr. Mello emphasized that balance sheet diversification has been critical in sustaining financial stability and described current conditions as reflective of a broader “K-shaped” economy. He noted that staff continue to manage portfolio growth, heightened credit oversight, organizational restructuring, and enterprise modernization simultaneously, commending their adaptability and resilience. Mr. Mello cautioned that economic volatility is expected to persist through

2026 and beyond and concluded by thanking the board for its guidance and support in balancing economic development objectives with prudent risk management.

2. Education Update

Ms. Johnston presented the education program report, highlighting Maine State Grant administration, financial aid outreach, NextGen milestones, and collaboration with the Alford Scholarship Foundation.

3. Historical Commercial Loan Reserve Trend Analysis


Ms. Desiderio presented a detailed analysis of commercial loan insurance reserves, claim trends, fund balance composition, and historical risk patterns.

4. Legislative Update

Mr. Norbet provided a legislative update, noting the start of the session, committee activity, pending budget discussions, and legislation relevant to FAME, including bond cap allocations, financial education initiatives, and proposed government shutdown loan program changes.

ADJOURN- 11:58 A.M.

A true copy as adopted,

DocuSigned by:

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Bill Tracy, Vice Chair to the FAME Board of Directors