MINUTES OF THE October 16, 2025 MEETING OF THE MEMBERS OF THE FINANCE AUTHORITY OF MAINE

Chair, Ms. Oullette called the October 16, 2025 meeting of the Finance Authority of Maine to order at 9:00 a.m. This meeting was conducted in person at the McGoldrick Center on the Campus of the University of Southern Maine in Portland, 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
Fritz Onion
Joe Perry
Richard Trafton
Michael Foley
Blue Keim *entered 9:45 a.m. and left the meeting at 11:17 a.m.*
Michael Duguay *entered 9:24 a.m. and left the meeting at 11:33 a.m.*
Amanda Beal
Daniel Cummings
Simon Ferland
Andy Mueller

Those members absent:
Dustin Brooks, Treasurer

Staff present:

Carlos Mello, Chief Executive Officer
Sarah Nadeau-Balducci, Deputy General Counsel
Martha Johnston, Director of Education

Bert Audette, Chief Information Officer
Lisa Brown, Director of Human Resources
Elizabeth Polk, Legal/Executive Assistant
Jonathan Poole, Director of Strategic Development
Christopher Roney, General Counsel
Kim Getchell, Senior Loan Officer
Emily Babineau, Business Programs Manager
Karen Kunesh, 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
Mish Sommers, Senior Manager of Strategy and Transformation

Guests:
Jonathan Tower
Wolf Tone
John Wasileski
Katherine Mize Iriarte
Carson Pavelec

A: CALL TO ORDER

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

A2: Accept the September 8, 2025 Education Committee Meeting Minutes

A3: Approval of the September 11, 2025 Executive Committee Meeting Minutes

A4: Approval of the September 12, 2025 Business Committee Meeting Minutes

A5: Approval of the September 18, 2025 Board Meeting Minutes

A motion was made by Mr. Trafton and seconded by Mr. Tracy to approve the (1) September 8, 2025 Education Committee Meeting Mintes, (2) September 11, 2025 Executive Committee Meeting Minutes, (3) September 12, 2025 Business Committee Meeting Minutes, (4) September 18, 2025 Board Meeting Minutes. The motion was approved by a vote of 13 in favor 0 opposed, and 0 abstentions.

B: CHAIR'S REPORT *9:07 a.m.*

Ms. Ouellette announced the formation of the Nominating Committee for the upcoming November meeting. The committee will be chaired by Mr. Trafton, with Amanda and Steve agreeing to serve as members. No vote was required for this item. Ms. Ouellette expressed appreciation for the committee members and noted the committee's role in nominating officers.

C: ACTION ITEMS

C1: Approval of FAME Audit *9:12 a.m.*

C2: Approval of the NextGen Audit *9:20 a.m.*

Ms. Desiderio presented the audit reports. The FAME audit revealed two management notes: one regarding outdated reserve methodology for the student loan insurance portfolio, which was updated and resolved, and another concerning incorrect risk ratings on five loans due to a system default. Both issues were addressed promptly. A $400,000 provision expense was booked, which was not material to FAME overall. The NextGen audit showed improved processes with the Bank of New York and received clean opinions across more than 80 portfolios.

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

Action items C1 and C2 were collectively approved by a single motion and vote by board members.

C4. Approval of Loan Policies and Directives *9:26 a.m.*

Mr. Poole requested the board keep FAME's current lending limit. Ms. Curtiss presented proposed updates to credit policies and directives. These included clarifications to CLI insurance for veterans, streamlined approval levels for loans with policy exceptions. Ms. Curtiss stated that these are aimed to improve turnaround time without increasing risk.

Blue Keim left the meeting at 9:27 a.m.

A motion to approve the updated Loan Policies and Directives as presented, was made by Mr. Trafton and seconded by Mr. Foley and was approved by a vote of 12 in favor, 0 opposed, and 0 abstention.

C3: Approval of Bond Resolution: Saddleback Mountain Foundation/Arctaris Saddleback Holding Company, LLC (Revenue Obligation Securities Program *9:30 a.m.*

Mr. Roney introduced a bond resolution proposal for Saddleback Mountain Foundation. The resolution sought approval for a $30 million tax-exempt bond issuance to support the transfer of assets from the for-profit Saddleback Holdings to the nonprofit Foundation and to fund pre-development work for a future hotel. Mr. Tower shared recent recognition of Saddleback as the top ski mountain on the East Coast by Ski Magazine. Board members raised concerns about the lack of financial data and the precedent of approving a bond without full context. After discussion, the Board agreed to defer the vote until the November meeting, pending a full financial review.

Blue Keim reentered the meeting at 10:00 a.m.

A motion to table consideration of the bond resolution, was made by Mr. Tracy and seconded by Mr. Trafton and was approved by a vote of 10 in favor, 0 opposed, and 3 abstention.

Ms. Beal, Mr. Keim, and Mr. Onion abstained from voting.

Break: 10:31 a.m.
Back: 10:54 a.m.

F. Staff Reports 10:54 *a.m.*

1. **CEO Report**

   Mr. Mello delivered the CEO report, highlighting strong commercial lending activity and challenges in emerging technology sectors. He discussed the government shutdown loan guarantee program, noting three participating institutions and $11,000 in exposure to date. Coordination with legislators and financial institutions is ongoing.

2. **Enterprise Architecture & Design Update**

   Mr. Audette and Ms. McQuilkin presented an update on FAME's technology modernization initiative. AST/IBM was selected as the finalist vendor to lead the design and implementation of a new enterprise system. The project will begin with foundational components such as CRM, workflow integration, and loan management. The estimated cost for phase one is $1.1 million, with a total modernization target of $5–7 million. The team emphasized risk management, staff training, and improved customer experience.

3. **Education Update**

   Ms. Johnston provided an update on education programs. She reported smooth implementation of NextGen changes, cautious optimism regarding Maine State Grant disbursements, and increased demand for the Foreign Credentialing Grant program due to USCIS fee changes. She also discussed the impact of the federal Graduate PLUS loan elimination and ongoing stakeholder meetings. Financial education outreach expanded, including a successful back-to-school campaign. Collaboration with the Alfond Scholarship Foundation continues, with efforts to align messaging and prepare for the first cohort of grantees.

Blue Keim left the meeting at 11:17

Michael Duguay left the meeting at 11:33 a.m.

4. **CEO Review (Executive Session)**

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

Entered Executive Session at 12:17 p.m.
Exited Executive Session at 12:29 p.m.

ADJOURN- 12:29 P.M.

A true copy as adopted,

DocuSigned by:
Bill Tracy
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Bill Tracy, Vice Chair to the FAME Board of Directors