MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE

NEW MEXICO SMALL BUSINESS INVESTMENT CORP.

June 18, 2026

A meeting of the New Mexico Small Business Investment Corporation was called to order on this date at 9:11 a.m. at the Ventana Fund, 715 Tijeras Ave NW, Albuquerque, New Mexico. A quorum was established.

Members Present
Mr. Robert Valdiviez, Secretary/Treasurer & Acting Chair
Mr. Arsenio Garduño, designee of the Hon. Laura M. Montoya, NM State Treasurer
Ms. Anne Beckett (via Zoom)
Ms. Kristina Alley (via Zoom)
Mr. Joshua Grassham (via Zoom)

Members Excused
Mr. Joshua Smith, Chair
Ms. Sayuri Yamada, Vice Chair

Executive Director/Financial Advisor to Board
Mr. Russell Cummins

Board Legal Counsel
Excused

Guests Present:
Mr. Todd Clarke, Board Chair, Ventana Fund
Ms. Holly Bradshaw Eakes, Owner, Holly Company Strategies (via Zoom)
Mr. Justin Schroer, Principal, JJS & Associates
Ms. Jen Schroer, Principal, JJS & Associates (via Zoom)
Mr. Roman Abeyta, CEO, Santa Fe Community Housing Trust
Ms. Dina Gurule, Development Director, Santa Fe Community Housing Trust
Ms. Angela Peinado, Director of Operations, Santa Fe Community Housing Trust
Ms. Jessica Herrera, Director of Assets, Santa Fe Community Housing Trust

REVIEW AND ACCEPTANCE OF AGENDA

Mr. Garduño moved to accept the agenda, as presented. Ms. Beckett seconded the motion. The motion passed unanimously by roll call vote.

BOARD MINUTES FOR APRIL 17, 2026

Mr. Grassham moved to approve the Board Minutes for the April 17, 2026, NMSBIC board meeting, as presented. Ms. Beckett seconded the motion, which passed unanimously by roll call vote.

FINANCIAL REPORTS AS OF MARCH 31, 2026, APRIL 30, 2026, AND MAY 31, 2026

Mr. Cummins provided the following financial statement highlights:

- The decrease in the Local Government Investment Pool (LGIP) with the State Treasurer's Office was primarily due to a $6 million draw from Clearinghouse CDFI.
- Interest income is ahead of budget primarily because loan balances for Homewise and Ventana Fund are ahead of budget.
- Available funds are $39 million.

Mr. Garduño moved to accept NMSBIC's financial reports as of March 31, 2026, April 30, 2026, and May 31, 2026. Ms. Alley seconded the motion, which passed unanimously by roll call vote.

NMSBIC PURPOSE FROM THE SMALL BUSINESS INVESTMENT ACT

Mr. Cummins said NMSBIC's purpose is included for reference only.

TRUSTMARK BANK, CHANGES TO CUSTODIAL ACCOUNT APPROVAL AUTHORITIES

Mr. Cummins noted that in January 2026, NMSBIC changed its custodian for assets managed by RBC Global Asset Management (RBC GAM). We replaced Wells Fargo with Trustmark Bank as custodian to allow for the purchase of SBA and USDA Certificates. Trustmark recommended starting with stricter approval authorities at the outset. Now that we have experience with settlement of SBA and USDA Certificates, Trustmark recommends we change the approval authorities to make processing more efficient. Trustmark recommends that for any new wire instructions, we keep the requirement that transfers be approved by two NMSBIC board members. When there are recurring wires with established brokers, standing wire instructions will be established. For standing wire instructions, Trustmark recommends authorizing Russell Cummins – in addition to authorized board members – to provide same-day verbal confirmation of wire transfers.

Ms. Alley said these appear to be standard controls that she sees in her world and thinks the proposed change makes sense.

Ms. Alley moved that NMSBIC's board of directors approve the following for NMSBIC's custodial account with Trustmark Bank:

- **Two authorized NMSBIC board members are required to provide approval via email for any new wire instructions for settlement of investment purchases with Trustmark Bank, and**
- **Russell Cummins, or one authorized NMSBIC board member, shall provide verbal verification for wire transfers, and**
- **NMSBIC current board chair or current vice chair be authorized to sign any and all documents related to this change, subject to review and approval by NMSBIC's executive director/investment advisor and NMSBIC's legal counsel, and**
- **NMSBIC's executive director/investment advisor shall report back to NMSBIC's board of directors when the change has been completed.**

Mr. Grassham seconded the motion, which passed unanimously by roll call vote.

VENTANA FUND, PROPOSED CHANGE TO LINE OF CREDIT

Mr. Cummins introduced Todd Clarke, Ventana Fund's board chair, and thanked Mr. Clarke for allowing NMSBIC to hold its board meeting at Ventana Fund's facility. Mr. Cummins said Ventana Fund is currently allowed to refinance a loan one time, with the term of the refinanced loans no longer than five years. Ventana Fund has requested a change to also allow a one-time modification of loans, with the term of the modified loan no greater than five years. There is also a proposed clarification to confirm that all loans are eligible for one-time modification or refinance.

Mr. Clarke said he is delighted for NMSBIC to be using Ventana Fund's facility and noted that NMSBIC's logo is displayed on the wall of its meeting room. He appreciates NMSBIC's willingness to be flexible as Ventana Fund continues to grow.

Chair Valdiviez asked about language in the paragraph being modified in the Ventana Fund Loan Agreement that states, "… notwithstanding the foregoing…" Mr. Cummins responded that the beginning of the paragraph refers to modifications for restructuring troubled debt, and the proposed change applies to modification or refinance of performing loans.

Ms. Beckett said she believed the proposed change should state more clearly that modification or refinance can only be done one time. Mr. Cummins agreed to add "one time" to the proposed change.

Chair Valdiviez asked if Ventana Fund's loans are structured with a longer amortization period such as 20 or 25 years, with a 5-year maturity. Mr. Clarke responded that Ventana Fund's Threshold program is more of a construction-bridge loan. There is one year of interest-only, then three years to get the property operating, and an increased interest rate in the 5th year to signal Ventana Fund's intent for the loan to be paid off.

Mr. Cummins added that NMSBIC put the 5-year limit in place because it wanted funds to be turned over in order to create more jobs.

Mr. Garduño moved that NMSBIC's board of directors approve the following, including Ms. Beckett's change, to NMSBIC's line of credit with Ventana Fund:

- **Ventana Fund may modify or refinance any loan included in the NMSBIC Loan Portfolio as of or after November 30, 2023, one time, to extend the maturity date of such loan for up to five (5) years from the date of modification or refinancing.**
- **NMSBIC current board chair or current vice chair be authorized to sign any and all documents related to this change, subject to review and approval by NMSBIC's executive director/investment advisor and NMSBIC's legal counsel, and**
- **NMSBIC's executive director/investment advisor shall report back to NMSBIC's board of directors when the change has been completed.**

Ms. Beckett seconded the motion, which passed unanimously by roll call vote.

NMSBIC INVESTMENT POLICY ANNUAL REVIEW

Mr. Cummins said NMSBIC reviews its investment policy each year and provides a copy to the State Investment Council (SIC) as required by the Joint Powers Agreement between NMSBIC and SIC. Mr. Cummins said there are no proposed changes to the investment policy.

Ms. Alley moved that NMSBIC's board of directors approve NMSBIC's Investment Policy as presented. Ms. Beckett seconded the motion, which passed unanimously by roll call vote.

FINANCE NEW MEXICO ANNUAL REPORT

Mr. Cummins introduced Holly Bradshaw Eakes, owner of Holly Company Strategies, who manages the Finance New Mexico project for NMSBIC. NMSBIC provided funding for Finance New Mexico to promote NMSBIC's lending partners. Ms. Eakes will provide the Finance New Mexico annual report.

Ms. Eakes said the Finance New Mexico project started in 2006, and she is proud of what has been accomplished over the past 20 years. Finance New Mexico includes a website, newsletter, and social media posts.

- Newsletter. Over the years there has been a decline in readership of newspapers. Finance New Mexico has a distribution list with a good base of economic development professionals around the state who value the newsletter content. She noted that increasing newsletter subscribers is an ongoing effort and should be a continued focus going forward.
- Website. The website includes information about NMSBIC lending partners, small business success stories, and an intake portal for referrals to an NMSBIC lending partner.

Ms. Eakes said Finance New Mexico is displayed near the top of search results for small business loans in New Mexico. However, search engines are changing and are now powered by Artificial Intelligence (AI). AI searches results provide more complete answers resulting in fewer click-throughs to referenced websites. Even though we are seeing good search engine results, there is less activity clicking through to the website.

Ms. Eakes said that with a change to a new vendor to manage Finance New Mexico, there is an opportunity to make it more robust.

Ms. Beckett asked about an increase in newsletters opened in October 2025. Ms. Eakes responded there are swings from time to time. The number of emails opened in a month average around 500. The number of opened emails dropped to 268 in March 2025 and increased to 619 in October 2025. She said she did not have an explanation for the up and down changes.

Mr. Cummins noted that Ms. Eakes plans to retire at the end of this calendar year or sooner. He said there is a separate item on the agenda with a proposal from Ms. Eakes to renew her Finance New Mexico support contract for two months, with two, two-month extensions.

Ms. Eakes said this has been a great project for her and her team, which was made possible by the support and confidence from NMSBIC's board. She said thank you to the board members.

Mr. Cummins said Ms. Eakes has done an outstanding job over the years with the Finance New Mexico website and newsletter. She also showed up at legislative meetings and expressed support for NMSBIC. Mr. Cummins expressed his appreciation to Ms. Eakes.

JJS & ASSOCIATES PROPOSED CONTRACT FOR WEBSITE & COMMUNICATIONS

Mr. Cummins introduced Jen and Justin Schroer, principals with JJS & Associates. JJS & Associates has provided a proposal for website redesign, ongoing website maintenance, and NMSBIC communications. The proposed services are for both NMSBIC's website and communications and Finance New Mexico's website and communications, to take over these functions from Holly Bradshaw Eakes, who is retiring. The proposal from JJS & Associates is to take over services from Ms. Eakes and consolidate the NMSBIC and Finance New Mexico websites.

Mr. Cummins said a second proposal was received for website redesign and ongoing maintenance, but the second proposal did not include communications. The second proposal included an option to create an Artificial Intelligence (AI) assistant for the website. Mr. Cummins said an AI assistant is an interesting concept, but he recommends not implementing at this time given (1) there are minimal interactions with small business owners on NMSBIC's website, (2) the purpose of the Finance New Mexico website is to direct small business owners to NMSBIC's lending partners and allow lending partners to engage with the small business owners regarding loan details, and (3) loans originated by NMSBIC's lending partners often require help completing a loan application and preparing the documents needed. He believes an AI assistant, without an option to speak with a live person, could be frustrating for website users. NMSBIC relies on its lending partners to provide loan origination services and is not staffed to provide an option to speak with a live person.

Mr. Cummins said he believes there is a benefit to having the website and communications consolidated as it has been with Ms. Eakes. He recommended moving forward with the proposal from JJS & Associates. The JJS & Associates proposal includes an option for financial analysis and oversight services, provided as a future option and not part of the proposal being considered today.

Mr. Schroer said that as Mr. Cummins noted, a major component will be modernizing and redesigning the website. Mr. Schroer said JJS & Associates has the capability to add an AI assistant if NMSBIC chooses to do that in the future. There is online chat and the ability to call and speak with an AI assistant that can be helpful in providing quick answers, but it is not a live person.

Mr. Cummins said NMSBIC should be open to new technology but does not believe AI is a good solution for this situation. His experience with automated origination of loans is that it might work for very simple loans but does not work well for more complex situations. Loans referred to NMSBIC's lending partners are usually more complex and he does not believe AI would be a good fit.

Mr. Schroer said an option might be to have an AI receptionist designed to collect a person's name and phone number, and then have a real person contact them. JJS & Associates has been doing this for some time and has done it several times over. There are multiple ways to build a website that will capture leads and provide information that people can understand.

Mr. Cummins asked Mr. Schroer how long the implementation would take. Mr. Schroer responded it would probably take three to five months. The timing depends on how long it will take NMSBIC to approve website changes during the process. Mr. Cummins suggested the board include approval for him to approve website changes. He added that Ms. Eakes plans to retire on or before December 31, 2026. He would like to use October 31, 2026, as a target date to make sure everything is done before December 31, 2026.

Mr. Cummins said he made reference calls to two current clients of JJS & Associates. Both clients provided excellent references.

Mr. Garduño moved that NMSBIC's board of directors approve the proposed services from JJS & Associates as follows:

- **Website redesign and development with consolidation of Finance New Mexico website at $20,000 plus GRT (one-time project); and**
- **Website hosting, maintenance, and search engine optimization support at $835 per month plus GRT; and**
- **Content development and digital communications at $3,000 per month plus GRT; and**
- **NMSBIC's executive director/investment advisor is authorized to approve website changes; and**
- **Proposed financial oversight and compliance monitoring services are not approved at this time, and**
- **NMSBIC's current president and board chair, or vice president and vice chair, are authorized to execute any and all documents, subject to review and approval by NMSBIC's legal counsel and NMSBIC's executive director/investment advisor; and**
- **NMSBIC's executive director/investment advisor shall report back to the board when the documents have been executed.**

Mr. Grassham seconded the motion, which passed unanimously by roll call vote.

PROFESSIONAL SERVICE CONTRACT RENEWALS

Mr. Cummins said Randall McDonald and Dee Brescia have indicated interest in renewing professional services contracts with NMSBIC with no changes to pricing or terms. As mentioned earlier, Ms. Eakes has proposed short-term extensions for NMSBIC website maintenance and management of Finance New Mexico. Proposed pricing is unchanged, and prorated for a two-month renewal, with options for two, two-month extensions.

Ms. Beckett asked about adding financial analysis support. Mr. Cummins said he has been working on it. He contacted the Anderson Business School at UNM, which has been renamed as the Ellis School of Management. He inquired about the intern program for business students. He obtained information about how the program works, noting that interns are salaried staff and not independent contractors. NMSBIC does not have any salaried staff. He also concluded that adding one or more interns could initially require a substantial amount of his time, and there would be ongoing turnover. He said he likes the idea of providing training opportunities for interns but does not believe now is the right time.

Mr. Cummins said Ms. Alley referred a possible candidate to provide financial analysis support, and he will follow up on that lead. Mr. Garduño noted that once an additional resource is in place, they could be working with interns.

Ms. Alley moved to approve renewal of the Professional Service Contracts for one year from July 1, 2026, to June 30, 2027, for:

- **Randall McDonald with no changes to terms or pricing, at $235 per hour, plus New Mexico Gross Receipt Tax; and**
- **Brescia Consulting with no changes to terms, at $155 per hour, plus New Mexico Gross Receipt Tax; and**
- **Holly Company Strategies to manage and maintain the Finance New Mexico project, for two months starting July 1, 2026, at $5,333.33 which includes annual hosting and domain expenses, plus New Mexico Gross Receipts Tax; the agreement may be renewed two times at $4,833.33, plus New Mexico Gross Receipts Tax; the contract will terminate on or before December 31, 2026; and**
- **Holly Company Strategies to host and maintain the www.nmsbic.org website for two months starting July 1, 2026, at $416.50 plus New Mexico Gross Receipts Tax; the agreement may be renewed two times at $416.50 plus New Mexico Gross Receipts Tax; the contract will terminate on or before December 31, 2026; and**
- **NMSBIC's president and board chair or vice president and vice chair be authorized to execute any and all documents related to renewal of the contracts, including extension agreements and transfer agreements for Finance New Mexico assets, subject to review and approval by NMSBIC's Executive Director/Investment Advisor and NMSBIC's legal counsel; and**
- **NMSBIC's executive director/investment advisor will report back to the board when the contracts have been executed.**

Mr. Valdiviez seconded the motion, which passed unanimously by roll call vote.

NMSBIC PROPOSED BUDGET FOR YEAR ENDING JUNE 30, 2027

Mr. Cummins referred to the proposed NMSBIC budget for the fiscal year ending June 30, 2027. He provided the following highlights:

- NMSBIC's current assets are $225 million. The projection is for assets to grow over the next year to $265 million.
- The Federal Reserve Bank short-term interest rate forecast was used to project interest rates on NMSBIC's money market accounts. Rates are projected to drop by 0.3% from July 2026 to December 2026 and then remain flat for the first six months of 2027.
- Lending partner loan balances are projected to grow by $33 million.
- Total interest income is projected to increase from $5.0 million in fiscal year (FY) 2026 to $5.7 million in FY 2027.
- Interest income on lending partner loans is projected to increase from $1.9 million to $2.8 million.
- Operating expenses are projected to increase from $444,914 to $548,436. This assumes adding financial analysis support starting in October. There are also a few months of overlapping costs for website and communications related to the planned transition to a new vendor.
- There is a new proposed membership in Opportunity Finance Network (OFN), a national CDFI trade association. Proposed new costs are $75 membership fee, and $1,700 to attend the OFN annual conference.
- For FY 2027, net interest income on loans is projected to be $2.8 million, versus $548,436 in operating expenses. Having net interest income on loans that is greater than operating expenses is a self-sufficiency measure NMSBIC tracks.

Ms. Alley noted that growth since 2012 has been impressive.

Ms. Beckett moved for NMSBIC's board of directors to approve the 2026-2027 budget as presented in the board package, and that renewal of annual dues, subscriptions, and memberships included in the budget be approved, including:

• **New Mexico Impact Investing Collaborative**	**$2,500**
• **Bureau of Business and Economic Research Economic Snapshot**	**$1,000**
• **Independent Community Bankers Association**	**$500**
• **Opportunity Finance Network membership and conference**	**$1,775**

Mr. Valdiviez seconded the motion, which passed unanimously by roll call vote.

<u>DIRECTORS' AND OFFICERS' INSURANCE POLICY RENEWAL</u>

Mr. Cummins said HUB insurance has provided a quote for renewal of NMSBIC's directors' and officers' insurance, provided by Admiral Insurance Company. The proposed premium increased 4.9% over the previous year, whereas NMSBIC's assets grew by 22%. Mr. Cummins recommended renewing the policy.

Mr. Grassham moved for NMSBIC's board of directors to approve renewal of the $1 million directors' and officers' insurance policy with Admiral Insurance Company, from

June 23, 2026, to June 23, 2027, with a deductible of $10,000, and an annual premium of $5,103.80. The executive director/investment advisor will report back to the board after the policy has been issued. Ms. Beckett seconded the motion, which passed unanimously by roll call vote.

SANTA FE COMMUNITY HOUSING TRUST, LAS ESTRELLAS PRESENTAION

Mr. Cummins introduced Roman Abeyta, Dina Gurule, Angela Peinado, and Jessica Herrera, of Santa Fe Community Housing Trust (SFCHT). Mr. Cummins said that he and Chair Smith recently attended a Federal Reserve Bank Investment Connection meeting, where SFCHT made a presentation about a funding need for development of the Las Estrellas subdivision in Santa Fe. He invited Mr. Abeyta and his associates to provide a presentation to NMSBIC's board regarding plans for Las Estrellas.

Mr. Abeyta provided a brief background for himself and his associates. He noted he has served in various positions in Santa Fe, including animal control officer, a city planner, land use director, deputy county manager, and county manager, executive director of the Boys and Girls Club, and CEO of SFCHT.

Mr. Abeyta said SFCHT was formed by the City of Santa Fe in 1992 to help address affordable housing as prices for Santa Fe homes started to increase. SFCHT helps to address affordable housing in Santa Fe with its downpayment assistance program and homebuyer education. SFCHT is a Certified Development Financial Institution (CDFI).

SFCHT also supplies affordable housing, by building homes and subdivisions.

Several years ago, a developer started developing the 228 acre Las Estrellas subdivision in Santa Fe. During the 2008 housing crisis, the developer defaulted and the property went back to the City of Santa Fe. The City of Santa Fe recently decided to sell the property. The State of New Mexico provided $4.4 million to SFCHT to purchase the property, and the sale is scheduled to be completed at the end of June 2026. The subdivision has already been master-planned. SFCHT plans to develop the property include:

- Leasing land for development of a senior living community.
- Developing affordable housing. About 20% of the lots will be used to build affordable homes. SFCHT might build the homes themselves or sell lots to builders. Given the land is located in an area with higher value homes, and based on the approved master plan, only 20% of the lots will be used for affordable housing.
- Developing market-rate housing lots, to be sold to builders to construct market-rate housing. The property is located in an area accessible to Los Alamos and will provide workforce housing for Los Alamos Laboratories employees. Profits from

selling market rate lots will be used to fund SFCHT's down payment assistance program.

- Commercial lots included in the master plan will be sold to developers of commercial properties.
- The State of New Mexico has approved capital outlay funds for development of roads and utilities. $650,000 in capital outlay has been approved. SFCHT hopes to obtain additional capital outlay in future legislative sessions.

Chair Valdiviez asked about the typical size of the lots in Phase 1. Mr. Abeyta said the lots will be around 4,000 square feet, with about 50 feet along the street. Chair Valdiviez said that's practically a townhome but sounds like a good size for affordable housing.

Mr. Cummins noted that NMSBIC does not make direct loans. This is a preliminary discussion, but if we wanted to move forward, we might consider a structure where SFCHT creates a subsidiary, with SFCHT as NMSBIC's lending partner, and the subsidiary as the small business borrower. This is how NMSBIC structured its real estate development funding for Homewise.

Mr. Abeyta said SFCHT has been expanding, and recently established partnerships with Los Alamos County and City of Albuquerque.

Chair Valdiviez said that during his career in banking he financed several residential subdivisions in Albuquerque and Santa Fe. He said he supports doing subdivisions with a mix of affordable and market rate homes.

Ms. Alley asked about the school district for Las Estrellas. Mr. Abeyta responded that he serves on the Santa Fe School Board. He said school children would attend Tesuque Elementary, Gonzales Community or Aspen School for middle school. And of course, Santa Fe High School would be for high school students. He said Santa Fe school enrollment has been declining, and there is room in the schools for more development.

Mr. Cummins thanked Mr. Abeyta and his associates for the presentation. He said it's helpful for NMSBIC board members to learn about projects like this, and he will follow up with Mr. Abeyta to see if there is an opportunity for NMSBIC to partner with SFCHT in the future.

<u>EXECUTIVE DIRECTOR/INVESTMENT ADVISOR REPORT</u>

Mr. Cummins provided the following update:

- Lending partner financial statement recaps have been updated for several lending partners with audited financial statement data as of December 31, 2026.
- Clearinghouse requested a $6 million draw, bringing its outstanding loan

balance to $26 million.

- In April the final Paycheck Protection Program (PPP) loan with DreamSpring was paid off. Most of the loans were forgiven by SBA, but a few loans did not qualify for forgiveness and were making monthly payments. NMSBIC's $30 million in funding to DreamSpring for PPP loan has been repaid in full.
- DreamSpring has hired a new CEO, Charles McElrath. Mr. McElrath lives in Dallas but plans to spend time in Albuquerque.
- Anne Haines, DreamSpring's retired CEO, recently published a book, *Grit and Growth*, with stories about starting and growing a small business. Mr. Cummins said he will provide copies of the book to board members.
- Homewise indicated it plans to start drawing funds in the next six months from the $10 million in funding from NMSBIC for development of real estate lots in Santa Fe.
- Homewise is continuing due diligence for a possible new lending program for childcare centers and will present results to NMSBIC when completed.
- The Loan Fund's loan balance is $30 million. COVID-19 program loans, which were over $16 million, have dropped to $3.3 million. Mr. Cummins said he continues to monitor The Loan Fund's financial results and net assets ratio.
- RBC Global Asset Management (RBC GAM) loans have been growing and are now at $20 million. Mr. Cummins noted that reporting from RBC GAM on newly purchased SBA Certificates is confusing. He has asked RBC GAM to stop delivering new SBA Certificates until the reporting problems can be resolved.
- Rural Community Assistance Corporation (RCAC) requested its first draw from NMSBIC for three loans totaling $440,000. One of the loans is to Tierra del Sol Housing Corporation for development of affordable homes in southern New Mexico. The initial draw for Tierra del Sol was for $18,000, but RCAC plans to disburse a total of about $1.4 million on this loan.
- Ventana Fund has drawn 92% of its $41.5 million NMSBIC commitment. It is working to raise additional net assets through grants, contributions, and equity equivalent (EQ2) loans before requesting additional NMSBIC funding.
- WESST is having strategic discussions about possibly expanding its small business lending program. Mr. Cummins will continue to follow up.
- Mr. Cummins recently attended a shareholder open house hosted by Vibrant Corporation. This is one of the four companies where direct ownership in common stock was distributed to NMSBIC after termination of the Verge I II Combined limited partnership. Mr. Cummins is establishing communications with all four companies.
- New Mexico Climate Investment Center (NMCIC) expects to receive about $10 million in additional funding from the State of New Mexico in June 2026. NMCIC issued its first annual report with highlights of three small business loans recently originated. Mr. Cummins is continuing to have discussions with NMCIC regarding a possible NMSBIC line of credit.

NEW MEXICO COMMUNITY DEVELOPMENT LOAN FUND (THE LOAN FUND) CURRENT EXPECTED CREDIT LOSS

Mr. Cummins referred to information in the board package with a summary of The Loan Fund's current expected credit loss (CECL) information, as requested by Mr. Grassham. Mr. Grassham said the information is good, but he believes the CECL information is calculated quarterly. He would like to see ongoing updates to monitor changes in loan quality. Mr. Cummins said he will continue discussions with The Loan Fund about available CECL data.

NMSBIC BUSINESS CONTINUITY PLAN UPDATE

Mr. Cummins referred to information in the board package with NMSBIC's updated business continuity plan, test results, a list with key contact information, and NMSBIC annual planning checklist. He said he plans to continue performing tests and updates every six months.

BOARD CONTINUING EDUCATION

Mr. Grassham suggested that Mr. Cummins attend an Independent Community Bankers Association (ICBA) webinar on new CECL requirements. Mr. Cummins attended the webinar and provided the presentation and highlights in the board package.

NMSBIC HOLDINGS, LLC UPDATE

Mr. Cummins reported that a subsidiary bank account has been opened with $5,000. Transfer of assets to the subsidiary is in process. When completed, the subsidiary will have roughly $2 million in assets that are direct investments rather than indirect investments made through lending partners.

CHAIR'S COMMENTS

Chair Valdiviez thanked everyone for attending.

ADJOURNMENT

Mr. Garduño moved to adjourn the meeting. Ms. Alley seconded the motion, which passed unanimously by roll call vote.

ADJOURNMENT: 12:15 p.m.

Signed by:

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Robert Valdiviez, Acting Board Chair

9/1/2026 | 5:24 AM PDT

Date