

Meeting Minutes: Credit Committee

Date: 06/11/2025

Minutes prepared by: Parisa Rostamkhani

Location: Closed remote meeting

Attendance:

- The meeting began at approximately 11:00 am
- Present: Nelmark, Teiken, Fowler, Hughes (Proxy for McKinnon), Sultanova
- Absent: Benjamin
- Mills arrived at 11:06 am

Approval of Agenda:

- Motion: Teiken Second: Sultanova
- Unanimous approval - roll call vote.

Approval of Minutes from the May 14th, 2025, Meeting:

- Motion: Fowler, Second: Teiken
- Roll call vote.

Discussion of Revised Loan Terms:

- Kari Groth Swan and Arpita Bhattacharyya, a consultant for MnCIFA, discussed the revision of loan terms. An overview was made of how the risk rating “notching”
- works with a project, as well as the spread based on financial strength and the underwriting process.
 - Core Principles for Interest Rate Methodology:
 - Aligned to our statute and current public documents (Lending Manual, Investment Strategy, Strategic Plan)
 - Easy to understand, with a goal of a high-level public-facing defense
 - Standard process for updates
 - Purpose of each rating:
 - Scoring framework: Scores project against all MnCIFA’s objectives, including non-financial.
 - Risk Rating: Determines MnCIFA Financial Risk
 - Interest Rate: Prices MnCIFA Risks
 - Origination Fees:
 - MnCIFA will start charging origination fees.
 - Waiting for CFO to confirm MnCIFA budget, operating costs, and legal fees moving forward.
 - Starting with a \$10k base for deals under \$1 million
 - Will develop a discount methodology for target communities and projects.

30,000 Feet:

- Peter Klein presented the credit memo for 30,000 feet, which is seeking approval of a \$750,000 loan. This is an organization based in St. Paul. They are looking for some gap financing from MnCIFA that will fill the gap that which will come in two forms. One, the investment tax credit of \$450,000, and the other, a grant from the Minnesota Department of Education for \$300,000.
 - Motion to approve request of \$750,000 loan for board approval:
 - Motion: Fowler, Second: Teiken
 - Roll call vote- Motion passes

Carba, Inc:

- Peter Klein presented the credit memo for Carba, which is seeking approval of a \$500,000 loan for a pilot project regarding new technology for carbon capture and sequestration.
- Motion to approve request of \$500,000 loan for board approval:
 - Motion: Teiken, Second: Nelmark, Second with contingency that staff get back about further information for a PLA: Fowler
 - Roll call vote-
 - Opposed: Mills, Sultanova
 - Motion carries with a majority vote to move forward with the recommendation to the board.

Motion to Adjourn:

- Motion: Fowler, Second: Sultanova
- Unanimous approval – roll call vote
- Meeting ended approximately at 12:16 pm