

Board Approval and Recission Policy

Policy Number: MnCIFA-INV-001

Policy

The purpose of this policy is to establish standards for the MnCIFA Investment and Servicing Teams when seeking approval from the Board of Directors, as well as standards for when approved or closed loans have material changes.

Board Approvals

The MnCIFA Board of Directors will review and approve all deal Credit Approval Memorandums. This Credit Approval Memorandum will present ranges for key loan origination terms. Final terms will be negotiated within these approved ranges.

If approved, the Board of Directors' approval will be documented in a Resolution.

Post Board Approval, Material Changes may occur in the project. Material Changes shall be presented to the Credit Committee and then to Board of Directors for approval by means of resolution at any point after Board Approval.

A single maturity date extension or repayment date deferral of 90 days or less may be approved by the MnCIFA Executive Team in collaboration with internal counsel. The Board of Directors will be informed of the modification.

Expiration and Recission

All loan approvals granted by the Board of Directors shall expire within a maximum of one (1) year from the date of formal approval if the transaction has not closed. The Investment Team must seek Board re-approval for any loan that fails to close within this 12-month period. Exceptions to this policy must be approved by the Board of Directors.

Prior to August 19, 2026, loans were approved by the Board of Directors without an associated expiration date. If a loan was approved without an expiration date, the Board of Directors retain the right to rescind that approval prior to loan closing. That recission will be documented in a Resolution. The proposed borrower(s) will be informed of this intended action prior to executing the Resolution.

New loans subject to this Policy may also be rescinded as approved by the Board of Directors. Factors to consider will be borrower request, material changes to a borrower's ability to repay, economic or market changes, or other reasons as documented by the Executive Team and BOD.

The recission will be documented in a Resolution. The proposed borrower(s) will be informed of this intended action prior to executing the Resolution.

Authority

Minnesota Statute, section 216C.441, Minnesota Climate Innovation Finance Authority

Applicability

MnCIFA-wide

Staff may be subject to disciplinary action, up to and including termination, for failure to comply with policies.

Definitions

Credit Approval Memorandum: A document drafted by the Investment Officer and presented to the Executive Team, Credit Committee, and Board of Directors to seek approval for a loan. This document shall outline the loan terms, borrower and project background, borrower's ability to repay, market and economic conditions, and risk factors/mitigants for each loan.

Executive Team: MnCIFA's Executive Director, Chief Financial Officer, and Chief Investment Officer.

Investment Team: MnCIFA's Chief Investment Officer, Director of Investments, and Investment Officer(s).

Material Change: a change that will require bringing an updated Credit Approval Memorandum to the Credit Committee and Board of Directors for approval. These include but are not limited to:

- Collateral Type Change
- Interest Rate Range Change
- Lien Position Change
- Loan Term Range Change
- Maximum MnCIFA Loan Amount
- Project Location
- Use of proceeds
- Counterparty Risk

Resolution: A document memorializing a decision made by the Board of Directors, including but not limited to a loan approval, loan rescission, loan modification. All resolutions will be signed by the President of the Board of Directors and by MnCIFA's Executive Director. All draft resolutions will be sent to the Staff Attorney to be finalized and include:

- Date
- Item activity (Approve, Information, etc.)
- Meeting (full Board meeting, Credit Committee meeting, special session, etc.)
- Prepared by (MnCIFA staff member who drafted the Resolution)
- Item Type (Report & Recommendation, Information, etc.)
- Title
- Action Requested

- Information/Background
- Resources/Financial Impacts
- Any Supporting Documentation

Servicing Team: MnCIFA's Chief Financial Officer and Loan Portfolio Manager.

Procedures

Credit Approval Memorandum Template

Credit Modification Memorandum Template

Review and Approval

This policy will be reviewed at least annually by MnCIFA and the Credit Committee, or upon significant changes in strategy, market conditions or regulatory requirements, and recommended for approval by the Board of Directors.

References

None

Attachments

None

Effect on Prior Policies

MnCIFA "Board Approval and Recission Policy" effective upon the initial adoption date and all policies, memos or other communications whether verbal, written, or transmitted by electronic means regarding this topic are superseded with this version, if any.

History and Updates

Initial adoption date: Upon completion of the procedures, or December 31, 2026, whichever occurs first.