



Board of Directors Meeting: September 16, 2026

AGENDA

- Welcome
 - Approval of Agenda and August 19, 2026, Meeting Minutes
- Financial Update
 - Vote to Approve: FY 2028-29 MnCIFA Budget
- Investment Team
 - Vote to Approve: Loan Loss Reserve
 - Vote to Approve: Community Loan Fund
- Executive Director Report
 - CFO Hiring Update
 - Executive Director Hiring Update
- Other business and discussion for the board
- Adjourn



Financial Update

Margaret Kelly | Financial Consultant

Biennial Budget Submission

- Biennial Budget Base Budget Document
 - Part 1: Budget Narrative. Approved by the Board in August. Published by Minnesota Management and Budget (MMB) to their website on Oct. 1, 2026
 - Part 2: Base Budget (fiscal information). Draft before the Board. Due to MMB on 10/15/2026. Published by MMB to their website on November 30, 2026.
- Biennial Budget Changes.
 - No recommendations from MnCIFA.
 - Any requests due to MMB on 10/15/2026 and considered by the new Governor in December/January.

MnCIFA FY2028-29 budget submission

MnCIFA's FY 2028-29 Biennial Budget Submission

Budgetary estimates, September 2026

	FY26	FY27	FY28	FY29	FY30
Balance forward in	90,321,000	81,474,738	58,412,069	37,946,695	19,681,033
Revenues	3,585,357	4,021,616	4,054,422	4,094,134	3,379,236
<i>ITC revenue</i>	3,263,431	2,011,616	1,288,422	647,734	76,476
<i>loan interest</i>	301,926	1,890,000	2,646,000	3,326,400	3,182,760
<i>fees</i>	20,000	120,000	120,000	120,000	120,000
Loans	(9,250,260)	(24,000,000)	(21,600,000)	(19,440,000)	(17,496,000)
<i>loan activity In</i>	3,208,740	6,000,000	8,400,000	10,560,000	12,504,000
<i>loan activity out</i>	12,459,000	30,000,000	30,000,000	30,000,000	30,000,000
Expenditures	3,181,359	3,084,284	2,919,797	2,919,797	2,919,797
<i>salaries and fringe</i>	1,184,845	1,534,409	1,650,737	1,650,737	1,650,737
<i>leases</i>	125,611	137,533	153,972	153,972	153,972
<i>contracts</i>	867,594	749,400	426,979	426,979	426,979
<i>MNIT</i>	497,158	421,340	442,407	442,407	442,407
<i>AGO</i>	40,949	100,000	100,000	100,000	100,000
<i>engagement/outreach</i>	6,930	60,000	60,000	60,000	60,000
<i>other operating costs</i>	458,273	81,602	85,702	85,702	85,702
Balance Forward Out	81,474,738	58,412,069	37,946,695	19,681,033	2,644,472

Biennial Budget Assumptions

- FY2026 actuals as of close—reflect actual spending
- FY2027-28 estimates based on FY2026 and adjusted
 - Current staffing complement with salary and benefits increasing by 3% in FY28
 - Review of all contracts and other spending to reflect reasonable estimate of uses
 - \$30 million of loan activity each year
 - 10% of outstanding principal repaid each year
 - interest at 3.5% for unpaid balances and cash
- FY2029-30 based on FY27-28 with no changes

- FY2026 audit in process
- Estimate of financial statement for awareness

Estimated Financial Statement

Estimated Statement of Revenues, Expenses, and Changes in Net Position

Based on Biennial Budget estimates, September 2026

	Estimated Actual FY26	Estimated Budget FY27
Operating Expenses		
Salaries and fringe \$	1,184,845	\$ 1,534,409
Purchased services \$	1,531,312	\$ 1,408,273
Supplies and materials \$	373,312	\$ 27,155
other expenses	91,890	114,447
Total Operating Expenses	3,181,359	3,084,284
Operating Losses	(3,181,359)	(3,084,284)
Non-operating revenues		
interest earnings	3,565,357	3,763,313
accrued interest	646,241	0
fees	20,000	120,000
Allowance for Loan Loss	(612,000)	(612,000)
Total non-operating revenues	3,619,598	3,271,313
Net increase in net position	438,239	187,029
Net position, beginning of year	107,084,996	107,523,235
Net Position, ending of year	107,523,235	107,710,264



Investment Team Updates

Arpita Bhattacharyya | Chief Investment Officer

Peter Greenwood | Director of Investments

Delphine Ntegeye | Investment Officer

Marissa Deml | Finance Administrative Assistant

Product Approvals for Next Call for Applications

Loan Loss Reserve

- Presented during June Board of Directors Meeting
- Negotiations for first LLR project currently underway

Community Loan Fund

- Presented during August Board of Directors Meeting
- Neighborhood Development Center Green Loan Fund serves as a template

Fall Call for Applications Launches September 30th, with two new products

- MnCIFA will host the first webinar at our MnCIFA Quarterly Public Meeting on September 30th
- Partner organizations Clean Energy Resource Teams, TA Collaborative, and Great Plains Institute will host two more webinars on October 13th and 15th

Request for Approval: Loan Loss Reserve Product

Statutory Authority

MnCIFA's loan loss reserve product is a credit enhancement tool, which is defined by MnCIFA's statute as *"...a pool of capital set aside to cover potential losses on loans and other investments made by financing entities..."* that *"...reduce[s] the financial risk for financing entities by providing assurance that a limited portion of a loan or other financial instrument is assumed by the MnCIFA via a loan loss reserve, loan guarantee, or other mechanism."*

LLR Rationale

- Reduces risk for financial institutions (FIs) that are seeking to underwrite loans to Qualified Projects that they would typically not otherwise underwrite
- Provides access and/or increased exposure to new and potentially higher risk borrower profiles, geographies, business models, and technologies that otherwise may not be bankable
- Leverages private investment and increases volume of high impact loans while minimizing risk
- Builds a community of lenders

Loan Loss Reserve: Overview

Eligible Counterparties:	Financial institutions (FIs) with federal or state charter (or evidence of charter exception, including non-bank FIs with relevant licenses) with proven lending track record or organizations with a formalized partnership with a FI for the purpose of underwriting loans to Qualified Projects as part of the proposed LLR facility
LLR Facility Size:	No less than \$250,000 and no more than 10% of the value of the proposed FI loan portfolio
LLR Facility Term:	Up to 10 years
LLR Facility Origination Fee:	A one-time fee of 1.0% on loan loss reserve amounts up to \$2 million, plus 0.5% on any amount exceeding \$2 million

Terms are subject to change based on project underwriting and MnCIFA Board approval

Loan Loss Reserve: Overview continued

FI Loan Fees	Negotiated nominal fee, payable to MnCIFA on a per loan basis
FI Loan Parameters:	No greater than 5.00% interest rate No more than \$50,000 per loan “Qualified Projects” per MnCIFA statute Prevailing Wage Requirements for any project equal to or over \$100,000 Located in Minnesota
FI Loan Default Reimbursement:	Up to 95% of the principal value of each written-off loan
Maximum Funds for Pilot:	Up to \$5,000,000

Terms are subject to change based on project underwriting and MnCIFA Board approval

Request for Approval: Community Loan Fund Product

Statutory Authority

MnCIFA's Community Loan Fund product is a financing tool that uses loans to expand access to capital for qualified projects. MnCIFA's statute authorizes the Authority to *“enter into agreements with qualified lenders or others insuring or guaranteeing to the state the payment of qualified loans or other financing instruments.”* The statute also supports financing approaches that *“incentivize financing entities to increase activity in underserved markets”* and allows MnCIFA to *“aggregate small and geographically dispersed qualified projects in order to diversify risk.”*

CLF Rationale

- Expand access to capital through trusted community lenders
- Reach smaller, local, and geographically dispersed Qualified Projects
- Support clean energy, energy efficiency, electrification, and decarbonization lending
- Strengthen access to capital in underserved, rural, Tribal, Environmental Justice, nonprofit, small business, and affordable housing markets

Community Loan Fund: Overview

Eligible Borrowers: Financial Institutions (FIs) include Certified CDFIs, Community Banks, Credit Unions, Housing Finance Organizations, Nonprofit Lenders, Tribal Lenders, Local and Regional Loan Funds, and Foundations.

Loan Size: \$1M – \$10M, based on lender capacity and available program funding.

Term: Maximum of 10 years

FI Loan Parameters: "Qualified Projects" per MnCIFA statute Prevailing Wage Requirements for any project equal to or over \$100,000 Located in Minnesota

FI Interest Rate: Priced at a fixed rate of no less than 3.00%. (A lower rate may be considered for lending strategies that primarily serve Environmental Justice, disadvantaged, Tribal, rural, or other priority communities, subject to underwriting and final approval.)

Community Loan Fund: Overview continued

FI Origination Fee:	A one-time fee to be paid at the time of first disbursement. (1.0% on loan amounts up to \$2,000,000, plus 0.5% on any amount exceeding \$2,000,000.)
FI Deployment Period:	Community Loan Fund funds must be deployed into eligible end loans within 18 to 24 months of first disbursement, subject to MnCIFA monitoring, reporting, and approval of any extension.
Recourse:	Full credit to borrowing institution.
FI Project Count:	Loan must support multiple projects, with a minimum number determined based on MnCIFA's underwriting and understanding of the lender's mission.
Maximum Funds for Pilot:	Up to \$10,000,000

Terms are subject to change based on project underwriting and MnCIFA Board approval

Thank You!

The MnCIFA Team