CLIMATE INNOVATION FINANCE AUTHORITY

Meeting Minutes: MnCIFA Credit Committee Meeting

Date: 08/12/2026
Minutes prepared by: Parisa Rostamkhani
Minutes approved on: 10/14/2026
Location: Closed Remote Meeting

Attendance:

- The meeting began at approximately 11:03 a.m.
    - Present: Nelmark, Hughes, Fowler
- Mills joined at 11:20 a.m.
- Absent: Benjamin, Teiken

Approval of Agenda & Minutes of July 8 and June 10, 2026:

- Motion to approve agenda: Nelmark, Second: Hughes
    - Unanimous approval – roll call vote.
- Motion to approve July 8 and June 10, 2026, meeting minutes: Nelmark, Second: Hughes
    - Unanimous approval – roll call vote.

Investment Team Updates:

- September Call for Applications Launch Preview will have a tentative launch date of September 30, 2026. There will be collaborative webinars with Clean Energy Resource Teams (CERTs) and Great Plains Institute (GPI). The focuses and products will be Loan Loss Reserve Product, Intermediary Lender Network / Decarbonization Loan Fund and Continuing Greater MN focus.
- In July and August, the investment team received 4 new preliminary applications through our rolling application process.
    - 2 have since been invited to complete a full application
    - The 4 projects cover a range of technologies and join our Call for Applications pipeline:
        - Solar and storage
        - Electric vehicle chargers
        - Geothermal and HVAC / multi-family housing efficiencies
        - Anaerobic digester
    - Outreach and due diligence continuing for Loan Loss Reserve and Community Decarbonization Loan Fund products, including meetings with:
        - Public Sector Consultants
        - CalCAP/CPCFA
        - Michigan Saves
        - New York Green Bank

        - Minnesota CDFI Coalition
        - Metropolitan Economic Development Association (MEDA)
- Arpita went over the Board Approval and Recission Policy. The policy purpose: *"The purpose of this policy is to communicate a set of standards for the MnCIFA Investment and Servicing Teams when seeking approval from the Credit Committee and/or the Board of Directors, as well as standards for when approved or closed loans have material changes.*
    - Highlights for post-approval pre-closing:
        - Board Approvals will have expiration dates (maximum of one year).
        - Credit Approval memos will contain ranges of key loan terms (rate, term, etc.)
        - Highlights for post-closing:
            - Borrower-requested modifications within the original Credit Approval Memo ranges may be approved by MnCIFA Executive Team
            - Material changes or changes outside ranges require approval by the CC and BOD.
    - Material changes include:
        - Collateral type change
        - Interest rate range change
        - Lien position change
        - Loan term range change
        - Maximum MnCIFA loan amount
        - Project location
        - Use of proceeds
- The Investment Team has been working with MMB on other policies, with the Counterparty Risk Due Diligence (CRDD) as priority. This is to develop specific loan origination policies and procedures that describe core processes outlined in lending manual.
    - Policies include:
        - Counterparty Risk Due Diligence (CRDD)
            - This defines the counterparty risk factors that MnCIFA assess as a part of its underwriting of new loans and monitoring of its outstanding loan portfolio.
        - Project Risk Spread Pricing Policy
        - Capital Structure Policy
        - Loan Amortization and Repayment
        - Collateral Policy
    - Motion to bring recommendation of approval to the board for the rescission policy subject to any comments discussed to be addressed prior to bringing them to board: Fowler, Second: Hughes
        - Unanimous approval – roll call vote.
    - Motion to bring recommendation of approval of Counterparty Risk Due Diligence Policy: Hughes, Second: Fowler
        - Unanimous approval – roll call vote.

- Recissions:
    - **NDC-Innovation Center**
        - Recommended to rescind March 19, 2025, MnCIFA approval for $3M loan to the Neighborhood Development Center to finance the solar installation and geothermal HVAC system components of its to-be-constructed Lake and Chicago Innovation Center (the "Project")
        - The project is at the site of two buildings that were destroyed during the civil unrest of 2020 and was intended to provide a location for assisting BIPOC-owned businesses in scaling their business models.
        - MnCIFA recommends rescinding loan approval and performing a new underwriting when the Project is ready to move forward.
        - NDC's current target for full finance closing is March 2027 with a construction start of April 2027 and 13-14 months of construction.
        - The MnCIFA loan closing could happen on or before March 2027
    - Motion to approve recommendation to rescinding the MnCIFA approval for $3 loan to NDC for solar installation on Lake and Chicago Innovation Center with reviewal of loan consideration: Fowler, Second: Hughes
        - Unanimous approval – roll call vote.
    - **Winegar:**
        - Recommend rescinding May 21, 2025, approval loan to Winegar, Inc. for a $1.8M loan to Winegar for the purchase and installation of a 600-kW (AC) solar energy system at its manufacturing facility in Waseca, MN
        - Winegar has attempted to secure an interconnection agreement with Xcel Energy but has been unsuccessful
        - MnCIFA cannot close without a signed interconnection agreement
        - On June 8, 2026, Winegar informed MnCIFA that the project has not moved forward and understand that the approval will be rescinded.
    - Motion to approve recommending to the board a recission on the $1.8M loan for Winegar: Fowler, Second: Mills
        - Unanimous approval – roll call vote.

Finance Team Updates:

- Rachel Lauer, MnCIFA's new portfolio manager, discussed Loan Modification Requests regarding Lake Street Solar, LLC
    - Due to utility connection and application processing delays, Lake Street Solar has requested a repayment deferral.
    - Following analysis of interim financials, the MnCIFA finance team recommends the following:
        - Risk Rating downgrade from 3 (Moderate/Low Risk) to a 4 (Moderate/High Risk)
        - Extend date of first repayment to 2/1/2027
        - Re-amortize loan balance over remaining 78-month term
        - Accrued interest to be capitalized at the end of deferment period and amortized with remaining loan balance
        - Require monthly construction and utility connection updates from the borrower until date of first payment.

    - Motion to approve recommendation of bringing Lake Street Solar loan modification request to the board: Fowler, Second: Hughes
        - Unanimous approval – roll call vote.
- Portfolio dashboard summary:
    - 12 loans are in servicing
    - MnCIFA's committed loan balance is $29,858,700
    - Private funding leveraged is $94,270,581
    - MnCIFA's share of project total is 24.2%
- FY26 Summary as of 7/31/2026:
    - Revenue billed - $3,612,987
    - Amount received (total) - $3,596 955 which is 99.56% of revenue billed
    - Amount outstanding at year end - $16, 032 with 1 invoice not yet past due
    - Origination fees collection: $57,500 with 100% of fees billed.

Other Discussion:

- No other discussion was given by the committee.

Adjourn:

- Motion: Hughes, Second: Mills
    - Unanimous approval – roll call vote
- Meeting ended at approximately 12:05 p.m.