



Memorandum

June 24, 2026

To: Board of Trustees

From: Monté Haynes, Controller James Neal, Senior Program Manager for Finance Initiatives

Re: Approving Write-Off of Bad Debt – May 2026

Proposed Motion

Move to authorize the Trust to write-off as bad debt a total of \$80,291.74 in accounts receivable according to Appendix A that is described in this memorandum.

Background

The Efficiency Maine Trust (Trust) Loan Accounting Policy establishes the procedures to be followed for the collection of loan accounts owed to the Trust under its financing programs. The procedures also cover identifying, processing and accounting for loan accounts that cannot be collected upon or that require a commitment of resources likely to exceed the benefits. Per the policy, the Program Loan Review Committee meets periodically to determine which, if any, loan accounts referred to the committee are uncollectable and recommended for write-off. Such loans must meet two or more specific criteria established in the policy. The two relevant criteria for the loans subject to write-off in this memo are as follows:

- a. The applicable Billing Procedure has been followed with respect to the Loan Account (or for one or more enumerated reasons the applicable Billing Procedure cannot or should not be followed) and the Loan Account remains unpaid.
- b. The obligor(s) on the Loan Account no longer exists, cannot be located, or has been discharged in bankruptcy, and there are no available assets securing the Loan Account as collateral.

This is the fourth time the Trust has formally written off bad debt since the 2011 inception of its loan programs.

In accordance with the Loan Accounting Policy, the Staff requests approval to write-off 25 loans in the amount of \$80,291.74 in bad debt. These loans meet the criteria for write-offs in the Loan Accounting Policy. They represent non-performing loans for customers who have been awarded a bankruptcy or are deceased, not responsive, or whom we are unable to contact (See Appendix A). The non-responsive loans are more than 120 days in arrears. This proposal will reduce our Allowance for Doubtful Accounts, where the Trust has previously recognized pending Bad Debt Expense in prior fiscal years. Moreover, periodically writing off stale balances from accounts receivable follows prudent accounting practices.

The total amount of the bad debt write-off over ten fiscal years across the Trust's entire residential loan portfolio is 0.91%. This compares favorably to the historical rates of between 2.27% and 2.90% as reported by the Board of Governors of the Federal Reserve System from 2011 through 2025.¹

Staff Recommendation

Staff recommends approval to write-off 25 loans in the amount of \$80,291.74 in bad debt.

¹ <https://www.federalreserve.gov/releases/chargeoff/delallsa.htm>

Appendix A

Fiscal Year Loan Issued	Date Last Payment	Original Balance	Current Balance Outstanding	Notes
2023	7/24/2025	\$ 6,799.16	\$ 5,414.66	Chapter 7 Bankruptcy
2022	8/20/2025	\$ 4,000.00	\$ 2,684.45	Chapter 7 Bankruptcy
2022	4/18/2025	\$ 7,500.00	\$ 5,620.47	Deceased
2023	11/5/2025	\$ 4,964.85	\$ 3,522.98	Deceased
2020	12/4/2025	\$ 4,000.00	\$ 1,322.37	Deceased
2022	12/13/2024	\$ 2,857.15	\$ 1,472.61	Deemed uncollectible per Loan Accounting Policy
2020	1/8/2025	\$ 1,700.00	\$ 805.67	Deemed uncollectible per Loan Accounting Policy
2023	2/12/2025	\$ 3,934.25	\$ 1,511.19	Deemed uncollectible per Loan Accounting Policy
2024	2/14/2025	\$ 7,500.00	\$ 6,986.91	Deemed uncollectible per Loan Accounting Policy
2024	3/1/2025	\$ 2,500.00	\$ 2,380.00	Deemed uncollectible per Loan Accounting Policy
2024	3/1/2025	\$ 2,000.00	\$ 1,768.82	Deemed uncollectible per Loan Accounting Policy
2022	3/11/2025	\$ 4,317.00	\$ 2,377.49	Deemed uncollectible per Loan Accounting Policy
2022	4/25/2025	\$ 4,361.26	\$ 2,234.54	Deemed uncollectible per Loan Accounting Policy
2022	5/28/2025	\$ 4,000.00	\$ 3,228.01	Deemed uncollectible per Loan Accounting Policy
2025	6/9/2025	\$ 2,000.00	\$ 1,925.63	Deemed uncollectible per Loan Accounting Policy
2023	7/25/2025	\$ 3,675.00	\$ 421.23	Deemed uncollectible per Loan Accounting Policy
2024	8/3/2025	\$ 2,500.00	\$ 2,050.00	Deemed uncollectible per Loan Accounting Policy
2025	8/27/2025	\$ 1,844.66	\$ 1,682.56	Deemed uncollectible per Loan Accounting Policy
2024	10/1/2025	\$ 5,800.00	\$ 3,011.32	Deemed uncollectible per Loan Accounting Policy
2022	10/5/2025	\$ 7,500.00	\$ 5,088.18	Deemed uncollectible per Loan Accounting Policy
2019	10/6/2025	\$ 15,000.00	\$ 4,371.10	Deemed uncollectible per Loan Accounting Policy
2023	11/13/2025	\$ 11,700.62	\$ 8,858.64	Deemed uncollectible per Loan Accounting Policy
2022	1/7/2026	\$ 7,500.00	\$ 4,522.34	Deemed uncollectible per Loan Accounting Policy
2022	1/8/2026	\$ 4,266.00	\$ 855.96	Deemed uncollectible per Loan Accounting Policy
2021	3/22/2026	\$ 7,500.00	\$ 6,174.61	Deemed uncollectible per Loan Accounting Policy
		\$ 129,719.95	\$ 80,291.74	