MINUTES OF THE
87TH DIRECTORS MEETING OF THE
STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY
HELD ON JANUARY 29, 2013 AT 8:45 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022

DIRECTORS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Kenneth M. Bialo	Vice Chairman
Naomi Bayer	Director
Andrew A. SanFilippo	Director
Renee Nowicki	Division of the Budget, representing Robert Megna, Director (via video conference)
Susan L. Watson	Secretary of State, representing Cesar A. Perales, Director
Elaine McCann	Division of the Budget, representing Robert Megan, Director (joined the meeting at 9:00 a.m. via video Conference)

Chairman William J. Mulrow, opened and chaired the meetings.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and noted that Renee Nowicki was participating in the meetings by video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131 in Albany. A public notice was given of the time and location of that venue.

Aida Brewer, Deputy Commissioner and Treasurer, New York State Department of Taxation and Finance; Thomas Mattox, HFA/AHC Member; Anthony Bergamo, Don Lebowitz. and Marge Rogatz, Directors of SONYMA attended this meeting as guests.

Mr. Valella asked for motions and seconds to call to order the January 29, 2013 Members and Directors meetings of the New York State Housing Finance Agency ("HFA"), State of New York Mortgage Agency ("SONYMA"), New York State Affordable Housing Corporation ("AHC"), State of New York Municipal Bond Bank Agency ("MBBA"), and Tobacco

Settlement Financing Corporation ("TSFC"). Vice Chairman Steven Weiss moved to call the HFA meeting to order; Mr. Thomas Mattox seconded the motion. Vice Chairman Steven Weiss moved to call the AHC meeting to order; Mr. Thomas Mattox seconded the motion. Ms. Marge Rogatz moved to call the SONYMA meeting to order; Mr. Anthony Bergamo seconded the motion. Mr. Andrew SanFilippo moved to call the MBBA meeting to order; Mr. Kenneth Bialo seconded the motion. Mr. Andrew SanFilippo moved to call the TSFC meeting to order; Mr. Kenneth Bialo seconded the motion.

Mr. Valella stated that as items are presented to each Board throughout the meetings, these motions and seconds would be used, unless specific items called for a different vote, or unless any Board Member wished to record his or her vote differently.

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The first item on the agenda was the President's Report. Chairman Mulrow requested that Darryl C. Towns, President and CEO of the Agencies present his report. President Towns stated that Governor Cuomo presented his State of the State and Budget addresses, and housing was featured prominently in both. He stated that Governor Cuomo has proposed a one billion dollar housing program called House New York which will be implemented over a five year period. He stated that the bulk of this proposed plan will be the transfer and preservation of New York State Economic Development's Mitchell-Lama portfolio to HCR. This portfolio consists of 44 projects representing over 10,000 units of affordable housing located across the State. President Towns stated that the proposed plan for the funding of this multi-year project totals $706 million which comprises $531 million from HFA tax exempt bonds and tax credit equity along with a proposed $175 million Mitchell-Lama subsidy which will come from the reinvestment of Mortgage Insurance Fund proceeds. President Towns stated that the remainder of the proposed funding would come from housing programs through the Division of Housing and Community Renewal, such as the Homes for Working Families and the Homeless Housing Assistance Program. He stated that there will also be funding through two new initiatives, the Urban Neighborhoods Fund with $60 million and the Rural Communities Fund with $35 million. He noted that projects funding through these programs will target urban and rural communities.

President Towns stated that the United States Senate approved and the President is expected to sign a $50.4 billion bill authorizing supplemental disaster spending which will include $16 billion in CDBG funding to be directed through the Agencies. He stated that HUD Secretary, Shaun Donovan would begin allocating these funds immediately. President Towns noted that these funds were in addition to the $9.7 billion in FEMA Federal Emergency Flood Insurance funding. He stated that the Agencies are working with the Governor's Washington DC office on a proposed federal tax bill which will provide additional tax credits, additional tax-exempt bond cap and possibly create a bond program similar to the Liberty Bond program created after 9-11. He further stated that FEMA extended the time to file claims for Super Storm Sandy damage by 30 days and this will result in the Agencies' continued staffing of DRC sites mostly in Nassau and Suffolk counties.

President Towns stated that the Board will be asked to approve a number of administrative items, including the Agencies' revised Mission Statements, the 2011-2012 Financial Statements (except for AHC), the Board's Self-Evaluation and the approval of a

resolution authorizing grants for various AHC awards. He thanked Chairman Mulrow, Board Members, and Staff for all their hard work in 2012. He stated that 2012 was a tremendous year and it was reflected in the 2012 highlights presented to the Board at the previous Audit Committee meeting. He stated that the Agencies' staff was able to achieve more with less and they will continue to work in 2013 to achieve even more, with additional staff. President Towns closed his remarks by congratulating everyone stating that for the sixth year in a row, the Agencies were the Nation's largest housing tax-exempt bond issuer, and said he looks forward to continuing this trend for a 7th year, with everyone's help.

Chairman Mulrow thanked President Towns for his report and added that he has listened to or read about 30 State of the State and Budget addresses. He said that this is the first time that he remembers an address that is so heavily housing focused and he credits the hard work of the Agencies for that fact. Chairman Mulrow stated that the fact that the Agencies will be assuming the State's Mitchell-Lama portfolio, which has been discussed for over a decade, is a positive move. He said that the additional federal monies that President Towns referred to will come through the Agencies and provide a lot of support along with the Empire State Relief Fund's private effort and the Mortgage Insurance Fund. He further said that there has been approximately $25 million support and aid already dispersed. Chairman Mulrow referenced the Agencies' 2012 Highlights, specifically being the largest issuer of bonds for the 6th consecutive year. He said that this meant that the Agencies were meeting their mission to provide a source of affordable housing. He further said that the Agencies funded over 4,300 units, and noted that from an affordable standpoint, this was an outstanding achievement. Chairman Mulrow, in closing, stated that the Agencies accomplished a lot in 2012 and said that 2013 looks like a very busy and active year for the Agencies as well.

At the conclusion of the President's Report and Chairman Mulrow's comments, SONYMA Director Naomi Bayer asked about the reinvestment of the Mortgage Insurance Fund. Marian Zucker, President of Finance and Development, explained to the Board that there is a plan to release certain excess reserves over the course of a five year period and that some of that reserve, beginning with this fiscal year, is proposed to fund NPP/RPP programs. She stated that a small amount of the reserve is being set aside to help fund the Mitchell-Lama portfolio this year and over the remainder of the years and that it will also fund the new programs mentioned in the President's Report and continue to provide subsidy support for Mitchell-Lama. Chairman Mulrow stated that there is a very large reserve in the Mortgage Insurance Fund and the monies are being reinvested back into housing. SONYMA Director, Don Lebowitz, asked if the monies are going to supplement monies for new programs. Ms. Zucker clarified that 90% is for new investments in housing as opposed to substituting funds for General Fund programs. Chairman Mulrow stated that the Agencies worked with the Governor's office and the Budget office for months regarding all the details and he is confident that all the monies are going to be recycled back into housing.

Chairman Mulrow commented on the time commitment and effort that goes into the various committee meetings and he wanted to recognize the work that has been done to make the Board meetings run more efficiently.

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At this point, 9:00 a.m., Elaine McCann joined the meeting where she participated by video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131, in Albany

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The next item was the report of the Audit Committees. Mr. Valella reported that the Audit Committees held meetings on January 28, 2013 and approved the minutes of the December 11, 2012 meeting; adopted a resolution approving the Agency's Financial Statements for Fiscal Year 2011-2012; a presentation was made by Ernst & Young LLP, the Agencies' External Auditor, as requested by the Committee and all members were present; adopted a resolution approving the Information Technology Disaster Recovery Audit Report; adopted a resolution approving the Treasury Audit Report; the Committee received materials regarding the 7th annual committee evaluation; and the Committee received a report of no "Whistle-Blower" activity during the previous month.

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The next item was the report of the Governance Committees. Mr. Valella reported that the Governance Committees held meetings on January 29, 2013 and approved the minutes of the December 11, 2012 meeting; adopted a resolution recommending the Agency's Mission Statement with a suggested change; adopted a resolution recommending the Board's Self-Evaluation; adopted a resolution recommending the Acquisition/Disposition Guidelines and Reports; and adopted a resolution approving initial legal services contacts with firms on the Agencies' non-bond counsel panel; and reviewed the seventh Annual Evaluation.

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The next item on the agenda was the adoption of the minutes of the 86th MBBA Directors meeting held on December 13, 2012. Absent comments or corrections from the Directors, Mr. Valella reported that the minutes were deemed approved.

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The next item on the agenda was a resolution approving the Agency's Mission Statement. Mr. Valella stated that the Agencies were required under the Public Authorities Law to review their missions annually. He noted that last year the Agency reviewed its Mission and added MWBE accomplishments to its overall mission. Mr. Valella stated that this year the Agency's Mission Statement was reviewed by the Governance Committee and that committee members had made suggestions for the Board's consideration.

Mr. Andrew SanFilippo moved to adopt the resolution as amended and in accordance with the comments of the Board Members; Vice Chairman Bialo seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY AND THE STATE OF

NEW YORK MUNICIPAL BOND BANK AGENCY REVIEWING THE AGENCY MISSION STATEMENTS

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The next item on the agenda was a resolution adopting the Board's Self-Evaluations. Chairman Mulrow stated that this item before the Board was to review and approve the Board's self-evaluation. Chairman Mulrow stated that the Board will be in Executive Session to discuss its self-evaluation. He stated that according to the Public Authorities Law Board discussion of its performance can constitute a matter that can be discussed confidentially.

Mr. SanFilippo moved to enter into Executive Session to discuss the Board's self-evaluation; Vice-Chairman Bialo seconded the motion and the Board entered into Executive Session at 9:16 a.m.

Mr. Valella requested a motion from the Board to reconvene into formal session and he noted that no votes were taken in Executive Session. Mr. SanFilippo moved to resume the meeting; Vice-Chairman Bialo seconded the motion and the meeting resumed at 9:40 a.m.

Mr. SanFilippo moved to adopt the resolution; Vice-Chairman Bialo seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND THE TOBACCO SETTLEMENT FINANCING CORPORATION CONCERNING BOARD SELF-EVALUATIONS

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The next item on the agenda was a resolution approving the Audited Financial Statements for Fiscal Year 2011-2012. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

Mr. SanFilippo moved to adopt the resolution; Vice-Chairman Bialo seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2012

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The next item on the agenda was a resolution approving the Annual Investment Reports and Quarterly Investment Report. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

Mr. SanFilippo moved to adopt the resolution; Vice-Chairman Weiss seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, THE TOBACCO SETTLEMENT FINANCING CORPORATION, THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION APPROVING ANNUAL AND QUARTERLY REPORTS OF INVESTMENTS.

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The next item on the agenda was a resolution adopting the Program Budgets for Fiscal Year November 1, 2012 to October 31, 2013. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. Kenneth Bialo asked if there were any MBBA issuances this year and Ms. Zucker responded in the negative. Mr. Bialo also asked whether TSFC was considering refunding opportunities, given the low interest rate environment. Ms. Zucker responded that refunding opportunities are being considered.

Mr. SanFilippo moved to adopt the resolution; Vice-Chairman Bialo seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MUNICIPAL BOND BANKING AGENCY ADOPTING THE PROGRAM BUDGETS FOR FISCAL YEAR NOVEMBER 1, 2012 TO OCTOBER 31, 2013

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The next item on the agenda was a resolution approving the Public Authorities Reporting Information Systems (PARIS) Annual Filing Report. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

Mr. SanFilippo moved to adopt the resolution; Vice-Chairman Bialo seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND THE TOBACCO

SETTLEMENT FINANCING CORPORATION ACCEPTING A FILING UNDER THE PUBLIC AUTHORITIES REPORTING INFORMATION SYSTEM

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The next item on the agenda was a resolution approving the Annual Procurement Report for Fiscal Year November 1, 2011 – October 31, 2012 and review of the 4th Quarter Procurement Report. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

Mr. SanFilippo moved to adopt the resolution; Vice-Chairman Bialo seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE ANNUAL PROCUREMENT REPORT

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The next item on the agenda was a resolution approving the Property Disposition Guidelines and adoption of the Agencies' consolidated Annual Inventory and Property Disposition Report. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

Mr. SanFilippo moved to adopt the resolution; Vice-Chairman Bialo seconded the motion and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY AND STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY CONCERNING THE PROPERTY DISPOSITION GUIDELINES AND THE INVENTORY AND PROPERTY DISPOSITION REPORT

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The next item on the agenda was an information item regarding budget and financial plan results for the fiscal year ended October 31, 2012. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

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Chairman Mulrow asked for a motion and a second to adjourn the MBBA meeting. There being no unfinished business, Mr. SanFilippo moved to adjourn; Vice-Chairman Bialo seconded the motion, and the meeting was adjourned at 9:47 a.m.

Alejandro J. Valella, Acting Secretary