MINUTES OF THE 28TH MEETING OF THE AFFORDABLE HOUSING CORPORATION AUDIT COMMITTEE MEETING HELD ON JUNE 12, 2012 AT 9:45 A.M. AT ITS OFFICES AT 641 LEXINGTON AVENUE NEW YORK, NEW YORK 10022

MEMBERS AND DESIGNEES

PRESENT:

Royce Mulholland	Chairman
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via Video Conference)

ABSENT:

Thomas H. Mattox	Member

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and asked for motions and seconds to call the meetings to order of the Audit Committees of the New York State Housing Finance Agency ("HFA"), the State of New York Mortgage Agency (SONYMA), the New York State Affordable Housing Corporation ("AHC"), the State of New York Municipal Bond Bank Agency ("MBBA") and the Tobacco Settlement Financing Corporation ("TSFC").

Elaine McCann made a motion to call the AHC and HFA meetings to order; Committee Chairman Mulholland seconded the motion. Elaine McCann made made a motion to call the SONYMA meeting to order; Mr. Bergamo seconded the motion; Elaine McCann made a motion to call the MBBA meeting to order; Mr. SanFilippo seconded the motion. Elaine McCann made a motion to call the TSFC meeting to order; Mr. SanFilippo seconded the motion.

Mr. Valella noted that as items are presented to each Committee throughout the meetings, these motions and seconds will be used, unless specific items call for a different vote, or unless any Committee member wishes to record his or her vote differently.

The meetings of the Audit Committees were opened in joint session for the consideration of various matters of shared importance. These minutes reflect only those items being considered by the Members of the State of New York Affordable Housing Corporation Audit Committee. A record of items considered by the other Agencies' Audit Committees is contained in the minutes of each Committee respectively.

Mr. Valella noted that Elaine McCann was participating in the meeting by video conference from the New York State Division of Budget conference center at the Capital Building, Room 143, in Albany and that Mr. SanFilippo was participating via video conference from the Agency's offices in Buffalo, New York. A public notice was given of the time and locations of both venues.

The first item on the agenda was the approval of the minutes of the New York State Affordable Housing Corporation 34th Audit Committee Directors' meeting held on April 4th, 2012.

The next item on the agenda was a report on Whistleblower Policy. Members were referred to a discussion of this item that had occurred earlier in the day at a meeting of the Governance Committee that had been attended by the Members of the AHC Audit Committee and asked that presentation of this item be waived.

Elaine McCann moved to adopt the following resolution; Royce Mulholland seconded the motion and the following resolution was unanimously adopted.

A RESOLUTION OF THE AUDIT COMMITTEES 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 THE TOBACCO SETTLEMENT FINANCING CORPORATION AUDIT COMMITTEES REVIEWING AMENDMENTS TO THE AGENCIES' PRACTICES AND PROCEDURES FOR REPORTING AND INVESTIGATION OF ILLEAL OR UNETHICAL ACTIVITIES.

The next item on the agenda was a resolution authorizing the approval of the Internal Audits follow-up of 2010 Audit Report the Audit Committee. Stephen Chopey, Vice President- Internal Audit Group, presented on this item and explained that the Audit Committee charter requires that the Audit Committee approve internal audit follow-up audit report of 2010. Mr. Chopey further highlighted certain information contained in the materials provided to the Members in connection with this item, which are incorporated herein by reference.

Elaine McCann moved to adopt the resolution; Royce Mulholland seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE AUDIT COMMITTEES 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 THE TOBACCO SETTLEMENT FINANCING CORPORATION AUDIT COMMITTEES REVIEWING AND

APPROVING INTERNAL AUDITS FOLLOW-UP OF 2010 AUDIT REPORTS.

The next item on the agenda was a resolution authorizing the approval of Internal Audit's Information Technology Audit – Disaster Recovery Report. Committee. Information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference.

Elaine McCann moved to adopt the resolution; Royce Mulholland seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE AUDIT COMMITTEES 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 THE TOBACCO SETTLEMENT FINANCING CORPORATION AUDIT COMMITTEES REVIEWING AND APPROVING INTERNAL AUDIT'S INFORMATION TECHNOLOGY AUDIT – DISASTER RECOVERY REPORT.

The next item on the Agenda was a resolution authorizing the approval of Internal Audit's Human Resources Audit Report together with Management's response. Information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference.

Elaine McCann moved to adopt the resolution; Royce Mulholland seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE AUDIT COMMITTEES 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 THE TOBACCO SETTLEMENT FINANCING CORPORATION AUDIT COMMITTEES REVIEWING AND APPROVING INTERNAL AUDIT'S HUMAN RESOURCES AUDIT REPORT.

The next item on the agenda was a resolution authorizing the approval of the Independent Audit Report relating to the Audits Work Plan for Fiscal year 2013 by the Audit Committee. Information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference.

Elaine McCann moved to adopt the resolution; Royce Mulholland seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE AUDIT COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY, AND THE STATE OF NEW YORK MORTGAGE AGENCY AUDIT COMMITTEES REVIEWING AND APPROVING AUDITED SCHEDULE OF EXPENDITURES AND FFEDERAL AWARDS – SINGLE AUDIT REPORT FOR FISCAL YEAR ENDED OCTOBER 31, 2011.

The next item on the agenda was a resolution approving the Corporation's March 31, 2012 Financial Statements. Information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference.

Elaine McCann moved to adopt the resolution; Royce Mulholland seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE STATE OF NEW YORK AFFORDABLE HOUSING CORPORATION AUDIT COMMITTEE REVIEWING AND APPROVING AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2011-2012

The next item on the agenda was an information item regarding the Financial State Update 2st Quarter Fiscal 2012 (3rd Quarter Fiscal 2012 for AHC) information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

The next item on the Agenda was the Treasurer and Comptroller's Report. Information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

There being no unfinished business, Elaine McCann moved to adjourn the meeting; Royce Mulholland seconded the motion; and the meeting was adjourned at 10:41 a.m.

Secretary