

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD JULY 11, 2013 AT 8:00 AM
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Don Lebowitz	Director
Marge Rogatz	Director (via video conference)
Darryl C. Towns	Director

ABSENT:

Naomi Bayer	Director
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William J. Mulrow opened and chaired the meeting of the Mortgage Insurance Committee of the State of New York Mortgage Agency ("SONYMA").

M. Lauren McGill, Vice President and Counsel to the Mortgage Insurance Fund (MIF) acted as Secretary and asked for a motion and second to call the meeting to order. Mr. Lebowitz moved to call the meeting to order; Chairman Mulrow seconded the motion.

Ms. Rogatz participated in the meeting via video conference from the office of Expedia at 325 Duffy Avenue in Hicksville, New York. A public notice was given of the time and location of this venue.

Mr. Bergamo, SONYMA Director, attended the meeting as a guest.

Ms. McGill stated that as items were presented before the Committee throughout the meeting, the previous motion and second would be used unless specific items called for a different vote or unless any Director wished to record his or her vote differently.

The first item on the agenda was the adoption of the minutes of the meeting of the Mortgage Insurance Committee (MIC) held on June 13, 2013. There being no objections or corrections from the Directors, Ms. McGill reported that the minutes were deemed approved.

The next item on the Agenda was a resolution recommending approval of 100% mortgage insurance on a \$12,000,000 Housing Finance Agency ("HFA") permanent mortgage loan for 100 Greece Center Drive, Town of Greece, Monroe County. Michael A. Friedman, Senior Vice President and Director of the MIF, highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman reported that the project is comprised of the construction of a two-to three-story building with 175 units for seniors, 123 units of which are federal low income housing tax credit ("LIHTC") units reserved for households with incomes up to sixty percent (60%) of the Area Medium Income ("AMI"). Forty four units will receive SLIHTC credits and will be reserved for households with incomes at or below 80% of AMI; eight units will be under a project based Section 8 HAP contract and will be reserved for households with incomes up to fifty percent (50%) of AMI. He further reported that the project would benefit from a PILOT from the Town of Greece or shelter rent real estate tax benefits and would have a \$1.8 million HFA second mortgage loan and a \$200,000 Monroe County grant.

Mr. Friedman stated that SONYMA insured project with Housing Leasing, LLC, an affiliate of Home Properties which owns and operates 50,000 units of housing.

Mr. Lebowitz moved to adopt the resolution, Chairman Mulrow seconded the motion and the resolution was adopted unanimously.

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$2,620,000 HFA permanent first mortgage loan for Amsterdam Senior Housing, 35 Wall Street, Amsterdam, Montgomery County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman reported that the project is comprised of the acquisition and rehabilitation of 68-unit low-income housing tax credit project for seniors with a Section 8 HAP contract covering all units. He stated that the project further benefits from a \$1.3 million dollar HFA subsidy loan and a PILOT from the City of Amsterdam.

Mr. Friedman stated that the project is the eleventh project insured by the MIF with Liberty Affordable Housing and directed attention to the list of prior projects on Exhibit F in the materials. He noted that the developer is a highly regarded upstate developer. Mr. Bergamo asked if there was a cap on the total insurance risk for any one developer. Mr. Friedman responded that while there is no formal cap, the question had been addressed previously and the

operating principle was that the total risk for any one developer should not exceed approximately 5% of the MIF's total risk in force of approximately \$2.3 billion dollars.

Mr. Lebowitz asked if there was an appraisal supporting the acquisition cost. Mr. Friedman confirmed that there was an appraisal on the value in its "as is" condition and the value upon completion.

Mr. Lebowitz moved to adopt the resolution, Chairman Mulrow seconded the motion and the resolution was adopted unanimously.

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$2,500,000 HFA permanent first mortgage loan for The Enclave Apartments, 15 South 5th Avenue, Mount Vernon, Westchester County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that the project which comprised the acquisition and re-adaptation of an existing, vacant, three-story commercial building into a mixed use project with a residential condominium including forty units of low-income housing for seniors on the top two floors with limited street level retail and a commercial condominium on the ground floor which will house an auxiliary campus of Westchester Community College. He directed the Directors attention to Exhibit E which contained a photograph of the building. He further reported that the project will receive a City of Yonkers HOME loan, BID grant and 10-year PILOT agreement. He noted that the loan amount is \$62,500 per unit. In response to a question from Chairman Mulrow, Mr. Friedman confirmed that HFA is financing only the residential portion of the project.

Mr. Friedman stated that the developer, Enclave on 5th Residential, LLC, is new to the SONYMA but noted that they own approximately 5,000 units of housing in the New York City metropolitan area. He stated that HFA had conducted necessary due diligence.

Ms. Rogatz commented that the project was good model for a mixed-use project and Mr. Lebowitz commented on the re-use of vacant property.

Mr. Lebowitz moved to adopt the resolution, Chairman Mulrow seconded the motion and the resolution was adopted unanimously.

The next action item on the Agenda was a resolution recommending the approval of 100% mortgage insurance on a \$3,000,000 CPC permanent mortgage loan for 244-248 South Broadway, Yonkers, Westchester County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that the project

constituted the acquisition and rehabilitation of a building with twenty-six units in Yonkers. He stated that forty percent of the units are restricted to low and moderate income households with incomes up to 50% or 60% of AMI and all rents are affordable.

Chairman Mulrow asked about the Borrower, R&M Realty Enterprises LLC. Mr. Friedman stated that it is a partnership of two individuals which owns one other building on South Broadway in Yonkers that it has owned and operated for the past 15 years. Mr. Friedman stated that there is \$500,000 in developer equity in the project. He noted that CPC had done background due diligence and SONYMA had run a Lex/Nex search. He confirmed that the transaction is supported by an appraisal of the present value of the property.

Mr. Friedman reported that the managing partners have a term loan with rigid requirements and a line of credit with Citibank for \$5 Million Dollars; there is no developer fee but approximately \$500,000 in developer equity. He reported that CPC has done background due diligence and SONYMA had run a Lex/Nex search. He confirmed that the transaction is supported by an appraisal of the present value of the property.

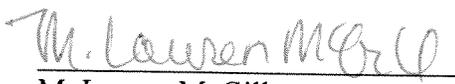
Mr. Lebowitz asked for an update on CPC. Mr. Friedman reported that CPC has a term loan with fixed repayment requirements and a \$50 million line of credit with Citibank. He stated that CPC had resumed hiring and was in better financial shape. He reported that NYCERS was purchasing loans in the Hudson Valley and that CPC was delivering loans to NYCERS that had been targeted for the Common Retirement Fund, thereby freeing up capacity.

Mr. Bergamo noted that all of the interest rates are about 6 to 6-1/2 percent. Mr. Friedman acknowledged that there has been a substantial increase in municipal bond and conventional interest rates. He noted that if rates go down, the financing terms of a deal would change; for example, HFA might re-underwrite at a lower rate to increase the first mortgage and reduce the subsidy.

Mr. Lebowitz moved to adopt the resolution, Chairman Mulrow seconded the motion and the resolution was adopted unanimously.

The next item on the Agenda was an information item. Mr. Friedman reported that the mortgage recording surtax receipts remained around \$10 million through May.

Chairman Mulrow called for a motion to adjourn. There being no unfinished business, Mr. Lebowitz moved to adjourn; Chairman Mulrow seconded the motion; and the meeting was adjourned at 8:25 a.m.



M. Lauren McGill
Secretary