

**MINUTES OF THE  
REGULAR MEETING OF THE  
MORTGAGE INSURANCE COMMITTEE  
OF THE STATE OF NEW YORK MORTGAGE AGENCY  
HELD ON SEPTEMBER 12, 2013 AT 8:33 A.M.  
AT ITS OFFICES AT 641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Naomi Bayer	Director
Marge Rogatz	Director
Darryl C. Towns	Director

ABSENT:

Don Lebowitz	Director
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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. Ms. Bayer moved to call the meeting to order; Ms. Rogatz seconded the motion.

Kenneth M. Bialo and Linda M. Baldwin, MBBA/TSFC Members/Directors; HFA Vice Chairman Steven Weiss, Nestor Davidson, Joyce L. Miller, Thomas H. Mattox, Renee Nowicki, New York State Division of the Budget, representing Robert Megna, Aida Brewer, HFA Members, attended this meeting as guests.

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.

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**The first item on the agenda was the adoption of the minutes of the meeting of the Mortgage Insurance Committee (MIC) held on August 14, 2013.** There being no objections or corrections from the Directors, Ms. McGill reported that the minutes were deemed approved.

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**The next item on the agenda was a resolution approving 100% mortgage insurance on a \$4,750,000 HFA permanent mortgage loan for Los Sures Housing for the Elderly, 197-201 Roebling Street, Kings 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 100% insurance of a \$4,750,000 Housing Finance Agency (HFA) permanent mortgage loan for the acquisition and rehabilitation of an occupied six-story building with fifth-six (56) low-income units built in 1910. He noted that this project has a 20-year, project-based Section 8 Housing Assistance Program contract covering all the units, \$4 million in federal low income tax credits and shelter rent tax benefits with no additional HFA subsidy required. Mr. Friedman further reported that the project has been operated by the same not-for-profit for the last thirty years.

Mr. Friedman stated that the insured loan amount is about \$85,000 per unit which equals only 37% of the project's total development costs of \$228,000 per unit; the project will break even with a pro forma 11% vacancy rate or a 12% increase in operating expenses.

Considering the first and second motions previously entered, the motions were carried, and the resolution was adopted unanimously.

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**The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$6,657,995 CPC permanent first mortgage loan for 1991 Bathgate Avenue, 442 & 446 E. 176<sup>th</sup> St.; 4196 Park Avenue, 1824 & 2028 Washington Avenue, Bronx 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 six (6) buildings with 114 units. He stated that there will be a regulatory agreement with New York City Housing Preservation Development ("HPD") which restricts tenant income to not greater than 120% of area medium income ("AMI") but the units are affordable at 73% of the AMI. Mr. Friedman noted that in addition to the \$6.7 million CPC first mortgage, there will be a \$5 million HPD subordinate loan. Additionally, there will be an Article 11 Real Estate tax abatement for 40 years.

Mr. Friedman noted that the borrower, in this case, is controlled by Exact Capital and Erin Construction & Development Co., Inc. which are new to the agency but have been vetted by HPD and have completed over 6,000 residential units since they began business. The insured loan amount is \$58,000 per unit which equals only 51% of the project's total development cost \$115,000 per unit.

Considering the first and second motions previously entered, the motions were carried, and the resolution was adopted unanimously.

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**The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$2,200,000 CPC mortgage loan for Rochester View Apartments, 4365 West Henrietta Road, Henrietta, Monroe 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 noted that the project is comprised of the construction of sixty-one (61) low income units of which thirty-three (33) units will be supportive units reserved for clients of New York State Office of Mental Health ("OMH"). He stated that this project is highly subsidized. In addition to the \$2.2 million insured CPC first mortgage loan, there will be a \$4.9 million subordinate Housing Trust Fund loan, a \$3.2 million Homeless Housing Assistance program subordinate loan and \$6.2 million in federal low-income housing tax credits. Mr. Friedman stated that OMH will pay all of the debt service for the full 30 years of the mortgage pursuant to a contract with the Borrower. He further reported that in the event of default by the operator, OMH will pay debt service to CPC. Mr. Friedman stated that the project will be operated by DePaul Group, an experienced and highly regarded operator of supportive in the Rochester area. He reported that this would be the MIF's fifth loan with DePaul, however, the MIF's aggregate exposure is less than \$20 million.

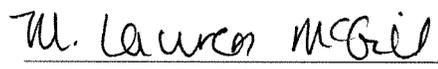
Considering the first and second motions previously entered, the motions were carried, and the resolution was adopted unanimously.

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**The next item on the Agenda was an information item.** Mr. Friedman reported that the mortgage recording surtax receipts for the last month was down to \$9 million in July making that the lowest month in the last three months.

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There being no unfinished business, Chairman Mulrow called for a motion to adjourn the meeting. Ms. Bayer moved to adjourn; Ms. Rogatz seconded the motion and the meeting was adjourned at 8:40 a.m.

  
M. Lauren McGill  
Secretary