

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON JUNE 12, 2014 AT 8:30 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Anthony Bergamo	Director
Moses Krausz	Director
Marge Rogatz	Director
Darryl C. Towns	Director
Renee Nowicki	New York State Division of the Budget, Representing Robert Megna, Director (via video conference)

ABSENT:

William J. Mulrow	Chairman
Naomi Bayer	Vice Chairperson

In the absence of the Agencies' Chairman, William J. Mulrow, Commissioner Darryl C. Towns presided over the meeting and welcomed everyone.

Mr. C. Jason Kim, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Commissioner Thomas H. Mattox and Ms. Aida Brewer from the New York State Department of Taxation and Finance; Ms. Renee Nowicki from the New York State Division of the Budget, representing Robert Megna, was participating in the meeting via 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 the venue in accordance with the New York State Open Meetings Law.

Mr. Kim asked for motions and seconds to call to order the Members and Directors meetings of the New York State Housing Finance Agency (“HFA”), the Affordable Housing Corporation (“AHC”) and the State of New York Mortgage Agency (“SONYMA”); Ms. Miller moved to call the HFA and AHC meetings to order; Mr. Davidson seconded the motion. Ms. Rogatz moved to call the SONYMA meeting to order; Commissioner Towns seconded the motion.

Mr. Kim stated that as items were 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. He noted that in the absence of Chairman, William Mulrow, Commissioner Towns will serve as Acting Chairman.

The meetings of the affiliated Agencies were opened in joint session for the President’s report, the recital of the Committee reports, the adoption of the minutes of previous meetings and consideration of various matters of shared importance. These minutes reflect only those items being considered by the Members of the New York State of New York Mortgage Agency. A record of items considered by the other Agencies is contained in the minutes of each of the Agencies.

The first item on the agenda was the President’s Report. Commissioner Towns began his report by noting that housing initiatives continue to dominate the conversation in the political and business communities in both New York State as well as New York City: from New York City’s ambitious housing plan (outlined last month) to possible new housing initiatives addressing supportive, homeless and middle income housing.

Commissioner Towns noted that at the Agencies, historically, the second half of the year sees a significant increase of activity and this year is notably “no exception.” He referred to the “very large amount of deals in the pipeline” and noted that it is expected that a significant amount of these deals will close by year-end. He added that the Board will be kept abreast of updates on the New York City housing front.

Commissioner Towns next reported that, earlier in the day, the Mortgage Insurance Committee (“MIC”) approved insurance for four (4) projects representing 978 affordable units located in eight counties including Erie, Saratoga, Clinton, Oswego, Washington, Delaware, Kings and Bronx. He added that at the upcoming Affordable Housing Corporation meeting, the Board will be asked to approve over \$6 Million in funding for 261 units; of these, 57 are projects located inside New York City and the remaining 204 are units located in the 15 counties outside of New York City including Nassau, Suffolk, Cattaraugus, Wyoming, Portland, Jefferson and Westchester. He spoke favorably about the grants associated with these projects as they include money to be invested in projects in counties that the business community does business with. He reported that on the multifamily side, today, HFA will be seeking your approval for three (3) projects including nearly \$12 Million in financing for a scattered site project upstate, a nearly \$28 Million project in Buffalo and a \$5 Million financing in Elmira; these projects represent 579 units of affordable housing across the state.

Commissioner Towns reported that staff continues to monitor HCR's extended bills pending in the legislature in the regular session which ends next week (June 19). He said that the Agencies continue to work with Governor Andrew M. Cuomo's District of Columbia staff on federal issues including the Government-Sponsored Enterprises ("GSE") Reform bill and changes with regard to the U.S. Department of Housing and Urban Development's ("HUD") fair housing rules.

Finally, Commissioner Towns reported that HCR staff has participated in a number of recent industry conferences. He reported that the Board tour of HCR-financed projects took place last month and "was a success." He said that he is hopeful that another tour will be scheduled in the near future as the first one was a "really valuable experience." Additionally, the Board is looking forward to its offsite retreat scheduled for Thursday, July 10, 2014, where there will be an opportunity to have some informal conversations; staff and Mr. Nester Davidson will be hosting the event at Fordham Law School.

The next agenda item was the report of the Mortgage Insurance Committee. Mr. Kim reported that the Mortgage Insurance Committee (MIC) held a meeting earlier that day and adopted the minutes of the May 8, 2014 meeting. He next reported that the MIC adopted the following resolutions:

- Recommended for approval 100% mortgage insurance for Linwood-Allentown Preservation, Buffalo Erie County.
- Approved 100% mortgage insurance for New York Rural Preservation in Saratoga, Worthington, Washington, Clinton, Oswego and Delaware Counties.
- Recommended for approval 50% mortgage insurance for PRC Monterey Avenue, 555 and 547 East 178th Street et al, Bronx County.
- Approved 50% mortgage insurance for The Henry Apartments, Kings County.

The next item on the agenda was the report of the Governance Committee. Mr. Kim reported that the Governance Committee held a meeting earlier that day and adopted the minutes of the June 10, 2014 meeting. He next reported that the Governance Committee adopted the following resolutions:

- Adopted a resolution reviewing and approving various contracts monitored by the Accounting Department relating to Payroll Processing Services, Independent Auditor Services, GASB 45 Consultant Services and Administration Services for the Agencies' Qualified Transportation Expense Benefit Plan.
- Adopted a resolution approving expenditures with Temporary Staffing by Suzanne Ltd.
- An information session was given to HFA, AHC and SONYMA in connection with governance issues, particularly relating to the impact of Dodd Frank and other federal legislation on agency affairs.

The next item on the agenda was the report of the Audit Committee. Mr. Kim reported that the Audit Committee held a meeting earlier that day and adopted the minutes of the June 10, 2014 meeting. He next reported that the Audit Committee adopted the following resolutions:

- All five Committees adopted a resolution approving Internal Audit's Procurement Audit report.
- SONYMA adopted a resolution approving Internal Audit's Servicer Audit of CitiMortgage, Inc.
- HFA and SONYMA adopted a resolution reviewing and approving Independent Auditor's Report relating to the audit of the audit of the Schedule of Expenditures of Federal Awards (Single Audit).

The next item on the Agenda was the review of HFA and SONYMA Quarterly Investment Reports. Commissioner Towns said that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion on this item.

Mr. Desmond Gooding provided a response to a question posed by the New York State Department of Taxation and Finance. Mr. Gooding provided a clarification to the footnotes listed in the Investment Report. He stated the Department of Taxation and Finance "does not act as fiscal agent to SONYMA;" he reported that SONYMA purchases Certificates of Deposits through the linked deposit program which is a very limited involvement.

The next item on the agenda was a resolution reviewing and approving Independent Auditor's Report relating to the audit of the audit of the Schedule of Expenditures of Federal Awards (Single Audit).

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY REVIEWING AND APPROVING AUDITED SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS – SINGLE AUDIT REPORT FOR FISCAL YEAR ENDED OCTOBER 31, 2103.

Commissioner Towns noted that items 6 and 7 on the SONYMA Agenda were discussed and voted on earlier at the Mortgage Insurance Committee earlier in the day and are now up for vote by the SONYMA Board. He also noted that there will be no discussion on these items unless the Directors so request.

Commissioner Towns moved to adopt the following resolutions which were duly seconded, and the following resolutions were adopted unanimously:

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A

COMMITMENT FOR THE PROVISION THEREOF FOR LINWOOD-ALLENTOWN PRESERVATION, 279 NIAGARA STREET ET AL, BUFFALO, ERIE COUNTY.

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR PRC MONTEREY, 555 AND 547 EAST 178TH STREET ET AL, BRONX COUNTY.

Mr. Kim noted that further information regarding the upcoming retreat for the Board Members to be held at Fordham University will be furnished to members and that travel will be provided.

There being no unfinished business, Commissioner Towns asked for a motion to adjourn the meeting. Ms. Rogatz moved to adjourn; Commissioner Towns seconded the motion, and the meeting was adjourned at 8:46 a.m.

The next Board meeting is scheduled for Thursday, July 10, 2014 at 8:00 a.m.



C. Jason Kim, Secretary