

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON APRIL 9, 2015 AT 8:50 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William C. Thompson	Chairman
Anthony Bergamo	Director
Marge Rogatz	Director
Darryl C. Towns	Director
Elaine McCann	New York State Division of the Budget, representing Mary Beth Labate, Member (via video conference)

ABSENT:

Moses Krausz	Director
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Chairman William Thompson presided over the meeting and extended greetings. Mr. Thompson introduced himself, noting that he was honored to have been confirmed as Chairman of the Agencies. He noted that he was particularly proud of this new challenge, noting that affordable housing is at the top of everybody's agenda and is a priority. He complimented the Agencies and the Board on their work "which helps to enable families to live and stay in this State."

Mr. C. Jason Kim, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Ms. Elaine McCann from the New York State Division of the Budget, representing Budget Director, Mary Beth Labate, participated in the meetings via video conference from the New York State Division of Budget conference center at the Capitol Building Room 131 in Albany.

Ms. Joyce Miller, Nestor M. Davidson and Christopher Curtis, Members of the New York State Housing Finance Agency, attended this meeting as guests.

Mr. Kim asked for motions and seconds to call to order the April 9, 2015 Members and Directors meetings of the New York State Housing Finance Agency ("HFA"), the New York State Affordable Housing Corporation ("AHC"), the State of New York Mortgage Agency ("SONYMA"), the Municipal Bond Bank Agency ("MBBA") and the Tobacco Settlement Financing Corporation ("TSFC").

Ms. Miller moved to call the HFA and AHC meetings to order; Mr. Curtis seconded the motion; Ms. Rogatz moved to call the SONYMA meeting to order, Mr. Bergamo seconded the motion. Mr. Bialo moved to call the MBBA/TSFC meetings to order, Mr. SanFilippo 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.

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 Directors of the 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 noted that the new Chairman brings a distinguished history of experience, having served in both the private and public sector. He noted that Chairman Thompson has served as the New York City Comptroller and Chairman of the Battery Park City Authority and currently is the Chief Administrative Officer and Senior Managing Director of the nation's largest minority-owned and women-owned firm in the field of municipal bonds, Siebert Brandford Shank and Co. LLC. Commissioner Towns extended words of welcome to Chairman Thompson and stated that Chairman Thompson is very familiar with affordable housing.

Commissioner Towns reported that the recently enacted 2015/2016 budget continues to demonstrate Governor Andrew M. Cuomo's commitment to affordable housing for all New Yorkers. He said this historic investment in home ownership and community revitalization will provide \$900 million in services for the low and middle-income household, special needs populations like veterans, seniors, homeless families, at-risk youth, and persons living with HIV/AIDS. He stated that, as a result, the New York State Division of Housing & Community Renewal ("HCR") will be responsible for the administration and distribution of over \$414 million that expands opportunities for affordable housing at HCR's base level and continues the 5-year, HOUSE NY initiative estimated to create and preserve 14,300 housing units statewide. He reported that Agency officials look forward to continuing its mission to provide safe and decent housing across New York State under this new leadership.

Commissioner Towns reported that several administrative matters will be presented that were approved at Tuesday's Audit and Governance Committee meetings.

He reported that earlier, in the morning, the Mortgage Insurance Committee ("MIC") approved permanent mortgage insurance for six (6) projects located in four counties across New York State.

He reported that on the multifamily side, today, HFA will be seeking approval for the financing of a 974-unit building in Queens County, a 95-unit building in the City of Fulton, Oswego County, a revised resolution for a 199-unit building located 330 West 39th Street project located here in Manhattan, all representing over 421 units of affordable housing. He also noted that the AHC Board will be asked to approve funding in the amount of \$2.6 million resulting in 129 units of affordable housing.

The next item on the agenda was the report of the MIC. Mr. Kim reported that the MIC held a meeting earlier that day and adopted the minutes of the March 12, 2015 meeting. He next reported that the MIC adopted the following resolutions:

- The committee adopted the minutes of the March 12, 2015 meeting.
- Approved 50% mortgage insurance for the Elderly, 2164 78th Street, Brooklyn, Kings County.
- Recommended 100% for Buffalo Foundry Lofts, 1738 Elmwood Avenue, Buffalo, Erie County.
- Approved 100% mortgage insurance for ARCO Lofts, 1807 Elmwood Avenue, Buffalo, Erie County.
- Approved 100% mortgage insurance for Creek Wood II Apartments, 950-980 Rear Mill Street, Watertown, Jefferson County.
- Approved 100% mortgage insurance for 1129 Morris Avenue, 1171, 1183 and 1202 Clay Avenue, 384 Grand Concourse, 1038 Rogers Place, Bronx County.
- Approved 100% mortgage insurance for Marcy Sheridan Apartments, 201 Marcy Place, Bronx County.

The next item on the agenda was the report of the Audit Committee. Mr. Kim reported that the Audit Committee held a meeting on Tuesday, April 7, 2015 and took the following actions.

- All five Committees adopted minutes.
- All five Committees adopted a resolution approving internal audit's information technology disaster recovery audit report.
- All five Committees adopted a resolution approving internal audit's work plan for fiscal year 2016.
- All five Committees adopted a resolution recommending the acceptance of the 9th Audit Committees' Self-Evaluation.
- HFA and SONYMA adopted a resolution approving the extension of the HFA/SONYMA Independent Audit contracts with Ernst & Young LLP.
- All five Committees received a presentation on Internal Controls.
- All five Committees reviewed the Financial Statement Update – 1st Quarter Fiscal 2015 (3rd Quarter Fiscal 2015 for AHC).

The next item on the agenda was the report of the Governance Committee. Mr. Kim reported that the Governance Committee held a meeting on Tuesday, April 7, 2015 and took the following actions.

- All five Committees adopted minutes.
- HFA and SONYMA adopted a resolution approving the Agencies' information technology contract with Application Oriented Designs, Inc. and review of contracts

with Housing and Development Software, LLC, Real Page Inc., Xand Corporation together with other IT related expenditures paid with purchase orders.

- SONYMA adopted a resolution approving contract with NY Press and Annual review of marketing related contacts for SONYMA mortgage products.
- All five Committees adopted a resolution recommending the acceptance of the 9th Governance Committees' Self-Evaluation.

The next item on the agenda was the adoption of the minutes of the SONYMA Directors' meeting held on March 12, 2015. Absent comments or corrections from the Directors, Mr. Kim reported that the minutes were deemed approved.

Chairman Thompson then directed the Directors' attention to the Shared Consent Items 3, 4, 5, 6 and 7 on the agenda and stated that information regarding these items was contained in the meeting materials provided to the Members which are incorporated herein by reference. There were no discussions on these items.

Considering the first and second motions previously entered, the motions were carried, and the following resolutions were unanimously adopted:

Resolution reviewing and approving Disaster Recovery/Business Continuity Test Results.

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 REVIEWING AND APPROVING THE AGENCIES' DISASTER RECOVERY TESTING PROCESS

Resolution accepting the 9th Audit Committees' Self-Evaluation.

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 CONCERNING SELF-EVALUATION OF THE AUDIT COMMITTEES

Resolution accepting the 9th Governance Committees' Self-Evaluation.

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 CONCERNING SELF-EVALUATION

Resolution approving 1st Quarter Bond Sale Reports

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE AGENCIES' 1ST QUARTER BOND SALE REPORTS.

Resolution approving the extension of the HFA/SONYMA Independent Audit contracts with Ernst & Young LLP.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY EXTENDING THE AUDIT SERVICES AGREEMENTS WITH ERNST & YOUNG LLP

Chairman Thompson stated that the next four (4) items on the agenda are information items concerning:

- a) **Review of the Agencies' 1st Quarterly Procurement Report for the period commencing November 1, 2014 and ending January 31, 2015**
- b) **Financial Statement Update – 1st Quarter Fiscal 2015 (3rd Quarter Fiscal 2015) for AHC**
- c) **Administrative Budget Report as of January 31, 2015**
- d) **Quarterly Investment Report**

Chairman Thompson stated that information regarding these items were contained in the meeting materials provided to the Directors which are incorporated herein by reference. There were no discussions regarding these items.

The Directors then directed their attention to a shared action item.

The shared action item on the agenda was a resolution extending the term of the Agencies' Bond Underwriter Panel. Chairman Thompson announced that pertaining to issues concerning bond underwriters, he will recuse himself at all times. He then recused himself from voting on this item and exited the meeting room; MBBA/TSFC Vice Chairman, Mr. Kenneth Bialo also recused himself.

Ms. Zucker explained that this matter concerns a Request for Proposal ("RFP") which was issued in January 2012 for underwriters. She reported that at the May 2012 meeting for HFA and SONYMA, and at the June 2012 meeting for MBBA and TSFC, the various Boards approved new Senior Manager and Co-Manager panels. She reported that the panels were amended to include MWBEs, Drexel Hamilton, LLC and Academy Securities. Ms. Zucker noted that the memorandum included in the Directors' materials inadvertently omitted this amendment. She said management is seeking authority to extend the panel and will issue another RFP early in the next calendar year, i.e. January 2016.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted with the recusal of Chairman Thompson:

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY
STATE OF NEW YORK MORTGAGE AGENCY STATE OF NEW YORK
MUNICIPAL BOND BANK AGENCY, TOBACCO SETTLEMENT FINANCING
CORPORATION EXTENDING THE PERIOD FOR THE USE OF A PANEL OF
UNDERWRITING FIRMS**

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$7,350,000 CPC permanent first mortgage loan for Buffalo Foundry Lofts, 1738 Elmwood Avenue, Buffalo, Erie County.

Chairman Thompson noted that this item was discussed and voted on earlier in the day at the MIC meeting and is now up for vote by the SONYMA Board. He also noted that there will be no discussion on this item unless the Directors so request.

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

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY
APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE
PROVISION THEREOF FOR BUFFALO FOUNDRY LOFTS, 1738 ELMWOOD
AVENUE, BUFFALO, ERIE COUNTY.**

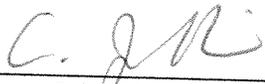
Chairman Thompson stated that the next two (2) items on the agenda are information items concerning:

- a) **Review of First Quarterly (20154) Report on the Financial Status of Existing Hedges and**
- b) **ALCO Policy Report.**

Chairman Thompson stated that information regarding the above two items were contained in the meeting materials provided to the Directors which are incorporated herein by reference. There were no discussions regarding these items.

There being no unfinished business, Mr. Kim asked for a motion and a second to adjourn the meeting. Ms. Rogatz moved to adjourn the meeting which was duly seconded by Mr. Bergamo, and the meeting adjourned at 9:11 a.m.

Mr. Kim informed the Members that the next Board meeting is scheduled for Thursday, May 14, 2015, at 8:30 a.m.



C. Jason Kim, Secretary