

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON JULY 7, 2015 AT 8:33 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
Bethaida Gonzalez	Director (via video conference)
Marge Rogatz	Director
James S. Rubin	Director
Elaine McCann	New York State Division of the Budget, representing Mary Beth Labate, Director (via video conference)

Chairman William C. Thompson 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 Ms. Elaine McCann, representing Budget Director, Ms. Mary Beth Labate, from the New York State Division of the Budget was participating in the meeting via video conference from the NYS Division of the Budget conference center at the Capitol Building, Room 131, in Albany; Mr. Steven Weiss, HFA/AHC Member participated in the meetings from the Agencies' Buffalo Regional Office at Electric Tower, 535 Washington Street, Suite 105 via video conference and Ms. Bethaida Gonzalez participated in the meeting via video conference from the Syracuse Regional Office, 620 Erie Boulevard, Suite 312.

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 New York State Affordable Housing Corporation ("AHC") and the State of New York Mortgage Agency ("SONYMA"), respectively. Mr. Weiss moved to call the HFA and AHC meetings to order; Ms. McCann seconded the motion. Mr. Bergamo moved to call the SONYMA meeting to order, Ms. Rogatz 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 Director 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 next item on the agenda was a report of the Mortgage Insurance Committee. Mr. Kim reported that the MIC held a meeting earlier that day and adopted the minutes of the June 11, 2015 meeting. He next reported that the MIC adopted the following resolutions:

- Recommended for approval 100% mortgage insurance for a CPC permanent first mortgage loan for 312-344 South Warren Street, Syracuse, Onondaga County.
- Approved 75% mortgage insurance for a CPC permanent first mortgage loan for Indian Trails Apartments, Franklin County.
- Approved 75% mortgage insurance for a CPC permanent first mortgage loan for Concern for Independent Living Community Residence, 260 West Main Street, Suffolk County.
- Approved 75% mortgage insurance for a CPC permanent first mortgage loan for Concern for Independent Living Community Residence, 270 Patchogue-Yaphank Road, East Patchogue, Suffolk County.
- Approved 75% mortgage insurance for a CPC permanent first mortgage loan for Concern for Independent Living Community Residence, 191 Main Street, West Sayville, Suffolk County.
- Approved 100% mortgage insurance on a Citibank, N.A. permanent first mortgage loan for The Meekerman Apartments, Brooklyn, Kings County
- Approved resolution recommending the approval of an authorization of an amendment to the Credit Support Agreement by and between SONYMA and the New York Convention Center Development Corporation.

The next item on the agenda was the adoption of the minutes of the SONYMA Directors' meeting held on June 11, 2015. Absent comments or corrections from the Directors, Mr. Kim reported that the minutes were deemed approved.

Chairman Thompson apologized for the cancellation and subsequent rescheduling of the meeting. He stated that he thought the new Commissioner should be present at this month's meeting as he would otherwise have been out of town. He then welcomed both Ms. Gonzalez and Commissioner Rubin to the meeting.

Chairman Thompson stated that the next item on the agenda was a resolution appointing James S. Rubin as President and Chief Executive Officer to the Agencies. Chairman Thompson spoke favorably about former New York State Division of Housing & Community Renewal's Commissioner, Darryl C. Towns. He stated that former Commissioner Towns

performed admirably in his role as Commissioner for well over four (4) years. He described him as smart, focused and “a friend.” He welcomed Mr. Rubin, noting his reputation as an intense and focused leader. He noted that he was confident that Commissioner Rubin would continue the great work that has been done at HCR.

Chairman Thompson stated that he looks forward towards the years that both he and Mr. Rubin will be working together and is proud to present the resolution for his appointment and approval.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY THE AFFORDABLE HOUSING CORPORATION THE STATE OF NEW YORK MORTGAGE AGENCY APPOINTING JAMES S. RUBIN AS EXECUTIVE DIRECTOR WITH THE TITLE OF PRESIDENT AND CHIEF EXECUTIVE OFFICER

President Rubin thanked Chairman Thompson for his kind words. He summarized his past recent experience, noting that he had worked at HCR for two years, running the Governor’s Office of Storm Recovery. He reported that he was in attendance at a press conference last week with Attorney General, Eric T. Schneiderman, who stood with representatives from the Citigroup and Bank of America to announce their commitment to create and preserve nearly 4,000 units of affordable housing across the State. The announcement, he noted, was made in front of the Sunset Park Library in Brooklyn, NY. He noted that the project was made possible in part through low-interest loans from Citi, funding from New York City, the Brooklyn Borough President’s office, and a recent Low Income Housing Tax Credit allocation from New York State. He said, the library site will soon be transformed into an eight-story, mixed-use building, developed by the Brooklyn Public Library and the Fifth Avenue Committee, a nonprofit developer. He said a dramatically expanded library will occupy part of the second floor, the first floor and basement and the remainder of the building will feature 49 affordable units. He said that HCR will help to finance this project, which exemplifies what housing means to New York State.

President Rubin stated that he will be taking credit for the work that was already done at the Agencies as he recognizes that he stands on the shoulders of others who came before him, and thanked the Board for the appointment and their confidence.

The next item on the Agenda was a resolution appointing Senior Vice President and Counsel to the Agencies. Chairman Thompson noted that materials in connection with this item were sent to the Board Directors and Members under separate cover.

Chairman Thompson said that the current General Counsel, C. Jason Kim, Esq., served the Agencies for approximately two (2) years and has helped to guide him, in particular, since his appointment as Chair. He referred to Mr. Kim as someone who is “a pleasure to work with.” He noted that although, being Chairman is part-time, he thanked Mr. Kim for making his life easier and for making the learning curve less steep. President Rubin echoed Chairman Thompson’s remarks and noted that Mr. Kim is a colleague of his, “is very capable and has done a great job over the last couple of years.” He said “we look forward to see what he does next.”

President Rubin reported that Mr. Kim’s successor will be Adam S. Schuman and that he had a very successful private practice and ushered Standard & Poor’s Rating Services’ legal department through the really difficult times of the post mortgage crash. He noted that he has already hit the ground running and that it is really important that Agencies such as these keep infusing talent at every level.

President Rubin also noted that in Mr. Schuman’s role as a Federal Prosecutor and Assistant U.S. Attorney at the U.S. Attorney’s Office of the Eastern District of New York, he was hired by Loretta Elizabeth Lynch, 82nd and current Attorney General of the United States.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY THE AFFORDABLE HOUSING CORPORATION AND THE
STATE OF NEW YORK MORTGAGE AGENCY APPOINTING ADAM
SCHUMAN AS SENIOR VICE PRESIDENT AND COUNSEL.**

The next item on the agenda was a resolution appointing Senior Vice President and Executive Deputy Commissioner of Housing Development. President Rubin reported that RuthAnne Visnauskas could not be present at today’s meeting because she was on a family vacation which she had scheduled a long time before this appointment.

President Rubin reported that Ms. Visnauskas has held several key positions working for eight (8) years at the New York City Housing, Preservation and Development (“HPD”) through the Bloomberg Administration up to current Mayor de Blasio’s Administration -- most notably, as Commissioner of HPD. He reported that she then went on to head the Robin Hood Foundation where she was the Managing Director and that at our Agencies she will oversee all of the Agency’s development efforts. He noted that Ms. Visnauskas is very fortunate to have Ms. Zucker, and together, he believes, they will make an “all-star” team in this area.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY THE AFFORDABLE HOUSING CORPORATION THE STATE OF
NEW YORK MORTGAGE AGENCY APPOINTING RUTHANNE**

**MICHALENA VISNAUSKAS AS SENIOR VICE PRESIDENT AND
EXECUTIVE DEPUTY COMMISSIONER OF HOUSING DEVELOPMENT**

The next item on the agenda was a resolution approving the 2nd Quarter Bond Sale Report for the quarter ending April 30, 2015.

Chairman Thompson stated that there will be no discussion on this consent item unless the Directors so request. It was noted that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY
APPROVING THE AGENCIES' BOND SALE REPORTS**

The next item on the agenda was a presentation by Ms. Lorraine Collings about Fair Housing. Commissioner Rubin noted that he and Ms. Lorraine Collins, Assistant Commissioner/Director of the Fair and Equitable Housing Office ("FEHO"), have met a number of times. He also noted that she has already accomplished a tremendous amount and appears to be everywhere throughout New York State discussing fair housing.

Ms. Collins greeted everyone and introduced herself as Director and provided a brief overview of why the new office was created and highlighted some of its recent accomplishments and activities:

She started by summarizing for the Board the history of Fair Housing. After summarizing that history, she noted that unfortunately, nearly fifty (50) years later, our nation is still racially, ethnically and economically segregated.

She noted that in recent years, there have been several high-profile housing discrimination cases throughout the nation, and summarized them for the Board. She added that as time passed, it became more evident that a more proactive approach to removing regulatory barriers and to AFFH as the state level was needed; hence, HCRs FEHO was created to focus on the development and oversight of such activities. FEHO staff look at how the agencies' public investments affect the larger housing market, as well as research best practices and make policy recommendations to HCR's Executive Team regarding various fair and equitable housing issues and laws. Since January, FEHO staff has been working in concert with various HCR units to assess the agency's AFFH efforts. She said we are currently considering policies related to community preferences, affirmative fair housing marketing plans and tenant selection processes. She said we have also

implemented an internal education tool by publishing a monthly newsletter on our intranet site. Each issue highlights a different fair and equitable housing topic.

Ms. Collins said building and strengthening relationships with our partners has been a priority for FEHO. We have begun to work collaboratively with the New York State Division of Human Rights; focusing on how the two agencies can better complement one another in fair housing-related activities. We have also held several met and greets with fair housing advocates across the State. These sessions not only served as an opportunity to introduce the Office to those on the front-line, but were also a time for the Agency to learn about the issues that advocates are encountering as they try to eliminate housing and lending discrimination.

Ms. Collins said over the next several months, the Office will be dedicated to working with a contractor on the preparation of the State's Analysis of Impediments to Fair Housing Choice (AI). At the May 2015, Housing Trust Fund Corporation's Board meeting, the Board approved a contract with Mullin & Longergan Associates for the preparation of the state's AI. The three-part AI will include an analysis of the state's non-entitlement jurisdictions and jurisdictions receiving federal Community Development Block Grant funds (not including New York City). It will also include a compilation of the analyses found in AIs submitted to HUD by local entitlement jurisdictions. The successful completion of this effort will require the active participation and cooperation of staff across all of HCRs entities.

In closing, Ms. Collins noted that HUD has made it clear that fairness and equality in housing is a priority. A Final Rule to improve compliance with the statutory obligation to AFFH is expected any day now. Under this rule, AFFH would mean "taking proactive steps beyond simply combating discrimination to foster more inclusive communities and access to community assets for all persons protected by the Fair Housing Act." Among other things, the final rule will replace the AI with a more data-driven Assessment of Fair Housing ("AFH"). The AFH will address significant disparities in access to community assets, segregated living patterns, racial and ethnic concentrated area of poverty and compliance with civil rights and fair housing laws. Since the State will still operate under the current AI requirements, we have asked the Contractor to incorporate components of the final rule into the document that will be submitted to HUD this fall.

Ms/ Collins said the June 25th decision by the Supreme Court in the "disparate impact" Texas Department of Housing and Community Affairs v. Inclusive Communities Project further illustrates the importance of fair housing in the post-civil rights era. In upholding the Fair Housing Act, the court said plaintiffs can base their suits on evidence that a disputed policy has a "disparate impact" on a protected class (the basis of this case was the use of Low Income Housing Tax Credits in developments in the Dallas Metro area).

Ms. Collins expressed her hope that Commissioner Rubin and his Executive Team will have the support of the Board in activities related to fair and equitable housing that the agencies undertakes. She welcomed their thoughts and recommendations, and said it will take a collective effort to put the Empire State at the forefront of this issue to ensure that safe, affordable and fair housing is available in all areas of the State.

President Rubin reported that the United States Department of Housing & Urban Development

("HUD") is very focused on the issue of fair housing and that the State has an obligation to fulfill and will rely on Ms. Collins and her staff for advisement. He stated that she has his full commitment as Agency head and know that she will have the full commitment of all Agency staff, as well.

HFA/AHC Vice-Chairman, Mr. Weiss suggested that the upcoming Board retreat would be a good opportunity to discuss the topic of fair housing. He advised that it would be helpful to get a summary of the Supreme Court decision, obtain guidance from the Governor's Administration for funding future projects.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$15,000,000 permanent first mortgage loan for 312-344 South Warren Street, Syracuse, Onondaga County. Chairman Thompson noted that this item was discussed and voted on earlier in the day at the Mortgage Insurance Committee 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 312-344 SOUTH WARREN STREET, SYRACUSE, ONONDAGA COUNTY

The next item on the agenda was a resolution authorizing the amendment to the Convention Center Development Corporation Credit support Agreement. Chairman Thompson noted that this item was discussed and voted on earlier in the day at the Mortgage Insurance Committee 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.

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY AUTHORIZING THE AMENDMENT TO THE CONVENTION CENTER DEVELOPMENT CORPORATION CREDIT SUPPORT AGREEMENT

The next action item on the agenda was a resolution approving Post-Issuance Tax Compliance Procedures. Mr. Valella stated that over the last year, Senior Management has presented to the Board resolutions adopting tax compliance monitoring procedures for the period following the issuance of our bonds for the Housing Finance Agency, the Tobacco Settlement

Financing Corp. and the Municipal Bond Banking Agency. He said this authorization for SONYMA will finish the process and put all of the Agencies in compliance with the Internal Revenue Service requirement that issuers have written guidelines that are codified in one place.

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 POST ISSUANCE TAX COMPLIANCE
PROCEDURES**

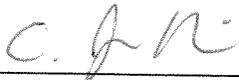
The next item on the Agenda was the ALCO Quarterly Report. Chairman Thompson noted that this was an information item; there would be no discussion on this item unless Board Directors so request. It was noted that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference.

The next item was an Executive Session. Mr. Kim announced that the Directors would be going into Executive Session and called for a motion to adjourn the meeting for Executive Session. Ms. Rogatz moved to adjourn, Mr. Bergamo seconded the motion, and the SONYMA Board entered into Executive Session at 9:03 a.m. pursuant to Section 105(f) of New York State Open Meetings Law, to discuss the credit history of a corporation.

Mr. Kim called for a motion to reconvene from the Executive Session. Ms. Rogatz moved to reconvene, Mr. Bergamo seconded the motion, and the public Board meeting reconvened at 9:25 a.m. Mr. Kim announced that no votes were taken in Executive Session.

There being no unfinished business, Mr. Kim asked for a motion to adjourn the meeting. Mr. Bergamo moved to adjourn; Ms. Rogatz seconded the motion, and the meeting was adjourned at 9:26 a.m.

Mr. Kim informed the Directors that the next Board meeting is scheduled for Thursday, September 10, 2015, at 8:30 a.m.



C. Jason Kim, Secretary