

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON MAY 9, 2012 AT 8:40 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Naomi Bayer	Vice Chairperson (via telephone)
Anthony Bergamo	Director
Don Lebowitz	Director
Marge Rogatz	Director
Darryl C. Towns	Director (via telephone)
Elaine McCann	Division of the Budget, representing Robert Megna, Director SONYMA (via video conference)

Chairman William J. Mulrow, opened and chaired the the meetings. He noted that Darryl C. Towns, President and CEO of the Agencies, and Naomi Bayer, Vice Chairperson and Director of the State of New York Mortgage Agency (“SONYMA”), were participating in the meetings by telephone, and that neither would be counted for quorum purposes or would be voting at these meetings. He also noted that Elaine McCann was participating in the meetings by video conference from the New York State Division of Budget conference center at the Capital Building, Room 143, in Albany, and that a public notice was given of the time and location of that venue.

Aida Brewer, Taxation and Finance, representing Thomas H. Mattox, Acting Commissioner, Member of the New York State Housing Finance Agency (“HFA”) and the New York State Affordable Housing Corporation (“AHC”); and Steven J. Weiss, Member of HFA and AHC, attended the meetings as guests.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and stated that Joseph R. Palozzola, an attorney in the Legal Department of the Agencies and the Agencies’ Intergovernmental Representative, would assist him at today’s meetings.

Mr. Palozzola asked for motions and seconds to call the meetings to order of the New York State Housing Finance Agency (“HFA”), the State of New York Mortgage Agency (“SONYMA”) and the New York State Affordable Housing Corporation (“AHC”). Mr. Mulrow made a motion to call the HFA meeting to order; Ms. McCann seconded the motion.

Mr. Mulrow made a motion to call the AHC meeting to order; Ms McCann seconded the motion. Mr. Lebowitz made a motion to call the SONYMA meeting to order; Mr. Bergamo seconded the motion.

Mr. Palozzola stated that as items are presented to each Board throughout the meetings, these motions and seconds will be used, unless specific items call for a different vote, or unless any Board member wishes 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 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 Agency respectively.

The first item on the agenda was the President's Report. Chairman Mulrow requested that Darryl C. Towns, President and CEO of the Agencies, present his report via telephone. Mr. Towns explained that he was required to attend an emergency cabinet meeting in Albany. He thanked the staff for making adjustments and utilizing technology to achieve greater efficiency in the Board meetings, and invited staff feedback and comments to ensure that the process is headed in the right direction.

Chairman Mulrow thanked Mr. Towns, and acknowledged that the Board meetings have moved to a paperless format and are becoming more efficient, thereby, saving money. Chairman Mulrow next requested that Mr. Palozzola recite the report of the Committee.

The next item was the report of the Mortgage Insurance Committee. Mr. Palozzola reported that the Mortgage Insurance Committee held a meeting earlier that day and adopted the minutes of the April 4, 2012 meeting. He next reported that the Mortgage Insurance Committee approved a resolution recommending approval of 100% mortgage insurance for Diego Beekman Apartments in Bronx County; approved a resolution recommending approval of 100% mortgage insurance on Six Scattered Site Buildings at West 116th and West 137th Streets in New York County; approved a resolution recommending approval of 100% mortgage insurance for Beaver Meadow Apartments - Phase 1 in Jefferson County; approved a resolution authorizing 100% mortgage insurance for 24 West 117th Street in New York County; approved a resolution authorizing approval of 75% mortgage insurance for 346 Connecticut Street in Erie County; deferred a resolution which authorized 50% mortgage insurance for St. Lucy's Apartments at 315 East 103rd Street and 330 East 104th Street in New York County; and approved a resolution authorizing the modification of 50% mortgage insurance from \$5,155,000 to \$5,830,000 for Crotona V Apartments at 1712 and 1715 Longfellow Avenue in Bronx County.

The next item on the agenda was the adoption of the minutes of the SONYMA Directors meeting held on April 4, 2012. Absent comments or corrections from the Directors, Mr. Palozzola reported that the minutes were deemed approved.

The next item on the agenda was a resolution authorizing the approval of a **Panel of Underwriting Firms**. Chairman Mulrow stated that the Agencies were the largest issuers of housing bonds in the country, and requested that Marian A. Zucker, President for the Office of Finance and Development, update the Agencies on the process of the approval of underwriters. Ms. Zucker stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. To summarize, she stated that the current panel of underwriters before the Boards for approval was being recommended for two years plus an optional one-year extension. She stated that the selection process included posting a Request For Proposals (RFPs) on the Agency website, placing a notice in The Bond Buyer periodical and sending emails to firms, which included minority and women-owned business enterprises (MWBES). She stated that 17 of 42 responding firms were invited to interview with the Agencies' review committee, which then established two panels that consisted of a senior manager panel and co-manager panel.

Ms. Rogatz praised the increased presence of MWBES and the amount of work executed by Agency staff for exceeding its goals toward this endeavor. Mr. Towns thanked Ms. Zucker and the Agency staff for its outreach efforts to MWBES.

Mr. Weiss asked what firms were on the current list and how the Agencies selected investment banking firms for their bonds transactions. Ms. Zucker stated that the Debt Issuance department submitted quarterly reports to the Board as to which firms were used to lead each Agency transaction. She then presented a summary of certain information contained in the memorandum in today's Board Meetings book. She stated that selection on particular transactions is based on the overall strengths and experience of each firm, relative to the type and size of the Agency transaction involved. Chairman Mulrow stated that a balance is sought in weighing which firm is selected for the underwriting panel and which firm will thereafter senior-manage a deal, which engenders competition and the contribution of good ideas. Mr. Weiss asked if the Agencies keep a record of how MWBE firms are used. Ms. Zucker replied that the Agencies maintain MWBE goal reporting requirements and records.

Mr. Lebowitz moved to adopt the resolution; Mr. Bergamo seconded the motion, and the following resolution was adopted:

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY
APPROVING A PANEL OF UNDERWRITING FIRMS.**

At 8:56 A.M., Mr. Valella announced that the Board meeting would enter into Executive Session to discuss the financial or employment history of a particular corporation, pursuant to Section 105(f) of New York State Open Meetings Law. The public Board

meeting reconvened at 9:17 A.M., and Mr. Valella announced that no votes were taken in Executive Session.

The next item on the agenda was a resolution authorizing the transfer of excess reserves from the Mortgage Insurance Fund's Project Pool Insurance Account to the General Fund of the New York State Treasury. Mr. Palozzola noted that there was a revised resolution in the Directors' folders. There was no discussion regarding this item.

Mr. Lebowitz moved to adopt the resolution; Mr. Bergamo seconded the motion, and the following resolution, as revised and as included in the Directors' folders, was adopted:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY
AUTHORIZING THE TRANSFER OF EXCESS RESERVES FROM THE
PROJECT POOL INSURANCE ACCOUNT OF THE MORTGAGE
INSURANCE FUND.**

The next item on the agenda was a resolution approving 100% mortgage insurance of the Bank of America, N.A. permanent first mortgage loan in the approximate amount of \$19,024,070 for Diego Beekman Apartments in Bronx County. Chairman Mulrow stated that this item was discussed earlier at the Mortgage Insurance Committee meeting, and that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no further discussion regarding this item.

Mr. Lebowitz moved to adopt the resolution; Mr. Bergamo seconded the motion, and the following resolution was adopted:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY
APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE
PROVISION THEREOF FOR DIEGO BEEKMAN APARTMENTS, 38
SCATTERED SITE BUILDINGS, BRONX COUNTY.**

The next item on the agenda was a resolution approving 100% mortgage insurance of the Bank of America, N.A. permanent first mortgage loan in the approximate amount of \$12,000,000 for Six Scattered Buildings at 116th Street and West 137th Street in New York County. Chairman Mulrow stated that this item was discussed earlier at the Mortgage Insurance Committee meeting, and that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no further discussion regarding this item.

Mr. Lebowitz moved to adopt the resolution; Mr. Bergamo seconded the motion, and the following resolution was adopted:

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR SIX SCATTERED SITE BUILDINGS LOCATED BETWEEN WEST 116TH STREET AND WEST 137TH STREET, NEW YORK COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance of the Community Preservation Corporation permanent first mortgage loan in the approximate amount of \$15,000,000 for Beaver Meadow Apartments in Jefferson County. Chairman Mulrow stated that this item was discussed earlier at the Mortgage Insurance Committee meeting, and that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no further discussion regarding this item.

Mr. Lebowitz moved to adopt the resolution; Mr. Bergamo seconded the motion, and the following resolution was adopted:

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR BEAVER MEADOW APARTMENTS, ARSENAL STREET, WATERTOWN, JEFFERSON COUNTY.

Chairman Mulrow asked for a motion and a second to adjourn the SONYMA meeting. There being no unfinished business, Mr. Lebowitz moved to adjourn; Mr. Bergamo seconded the motion, and the meeting was adjourned at 9:20 A.M.



Secretary