

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON JUNE 13, 2013 AT 8:31 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

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| William J. Mulrow | Chairman |
| Anthony Bergamo | Director |
| Marge Rogatz | Director (via video conference) |
| Darryl C. Towns | Director |
| Elaine McCann | Elaine McCann Division of the Budget, representing Robert Megna, Member (via video conference) |

ABSENT:

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| Naomi Bayer | Vice Chairperson |
| Don Lebowitz | Director |

Chairman William J. Mulrow opened and chaired the meetings.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary. He noted that Elaine McCann was participating in the meetings by video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131, in Albany; and that Marge Rogatz was participating in the meetings by video conference from the office of Expedia at 325 Duffy Avenue in Hicksville, New York. A public notice was given of the time and location of both venues.

Mr. Steven Weiss and Mr. Thomas Mattox, HFA Members attended this meeting as guests.

Mr. Valella asked for motions and seconds to call to order the Members and Directors meetings 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"). Vice Chairman Steven J. Weiss moved to call the HFA meeting to order; Commissioner Thomas H. Mattox seconded the motion. Vice Chairman Weiss moved to call the AHC meeting to order; Commissioner Thomas H. Mattox seconded the motion. Anthony Bergamo moved to call the SONYMA meeting to order; Marge Rogatz seconded the motion.

Mr. Valella 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 Agency respectively.

The first item on the agenda was the President's Report. Chairman Mulrow requested that Darryl C. Towns, Commissioner/CEO of the Agencies, present his report. Commissioner Towns reported that the Agencies had been very busy since the last Board meeting in May. He stated that the Agencies completed the acquisition of the state's ESDC portfolio with the closing of over \$45 million in bonds the previous week. He further stated that, as they have discussed over the past seven months, these projects represent over 10,000 units of affordable housing located throughout the state with concentration in New York City, mid Hudson, west New York and the Finger Lakes. He stated that he is particularly proud that the Board and staff have been able to take this important first step to implement Governor Cuomo's plan to rehabilitate projects and keep them affordable into future. Commissioner Towns stated that he would like to thank Marian Zucker and the Agencies' staff for the yeoman's effort they put in to complete the task.

Commissioner Towns stated that, although the agenda included various administrative items, the Board would also hear the actions of the Governance and Audit Committees which met on Tuesday, June 9, and that HFA will be asked to consider for approval two projects, the first for the acquisition of a 198-unit senior project on Staten Island seeking approximately \$30 million in bonds, and the second for construction of an 86-unit senior project in the Riverdale section of the Bronx seeking approximately \$14 million in bond financing.

Commissioner Towns reported that SONYMA had loan reservations of \$39 million, averaging \$1.8 million per day, with June averaging \$2.6 million per day, with a ten-year June average of \$2.4 million per day, showing a slight increase. He further reported that SONYMA delinquencies as of April 30 were at 3.6%, comparing very favorably to the New York State rate of 10.78% and the national rate of 7.43%. He reported that earlier in the day the Mortgage Insurance Committee sought to approve 12 projects seeking mortgage insurance on well over \$90 million in financing and that these projects are scattered throughout New York City with one project in Dutchess County.

Commissioner Towns reported that AHC would be asking the Board to approve approximately \$3 million in funding for 101 units of housing. He stated that the Agency continues to work on issues related to Superstorm Sandy and that Matthew Nelson and his staff continue to implement the Agency's action plan for the initial \$1.7 billion in federal CDBG ER funding and are making tremendous progress. He noted that Mr. Nelson will be joined on Monday by Seth Diamond, who will be taking a state-wide position as director of storm recovery. He stated that Mr. Diamond had most recently been the Commissioner of the New

York City Department of Homeless Services and would oversee the State's storm recovery initiatives for Sandy, Irene and Lee, including the housing business, transportation, coastal and inland infrastructure, and local planning programs. He stated that Mr. Diamond as well as several other regional storm personnel would be on board shortly.

Commissioner Towns then reported that in Albany, the Agencies' extender bills passed both houses of the legislature and would soon be signed by Governor Cuomo and that the SONYMA bill seeking a technical change allowing SONYMA to better take advantage of several federal single family programs is on track for passage as well. He stated that the Agencies were continuing to work with the governor's Washington, DC staff and other governmental partners on the tax bill related to Superstorm Sandy that will allow for additional allocation of tax-exempt bonds as well as 9% tax credits, and that he was very hopeful that this would come about sometime before the end of the year.

Commissioner Towns further reported that staff participated last week in the SHNNY conference in New York City. He reported that the conference was attended by over 1,200 of the Agencies' partners in housing and that HCR staff was very prominent in serving on a number of panels and workshops. Commissioner Towns further stated that on May 18 in Buffalo the Agencies had a "Welcome Home New York" event for SONYMA took place which was very successful. He reported that 300 potential first-time home buyers had a chance to meet face to face with lenders, realtors, counselors and other industry professionals and that Vice Chairman Weiss was able to stop by and see the festivities and saw the excitement generated by the event. Commissioner Towns thanked Vice Chairman Weiss for stopping by and supporting the Agencies in that effort.

Commissioner Towns reported that staff continues to support the governor's regional economic development councils in their important goal to bring economic revitalization to every region of the state. He stated that the HFA pipeline for the second half of the year is expected to be quite strong and very busy but that with that said, the Agencies are also excited and that the Agencies feel that the cavalry is on its way, and that the Agencies look forward to making some announcements about some additional staff and officers to the Board, which will help the Agencies to prepare for what they think is going to be a busy closing part to the year.

The next item was the report of the Audit Committees. Mr. Valella reported that the Audit Committees held meetings on June 11, 2013 and approved the minutes of the April 9, 2013 meetings. The HFA and SONYMA Audit Committees adopted a resolution recommending approval of the Independent Auditor's Report relating to the audit of the Schedule of Expenditures of Federal Awards. The HFA Audit Committee adopted a resolution approving HCR Subordinate Mortgage Loan Program Audit. The AHC Audit Committee adopted a resolution recommending the approval of AHC's Audited Financial Statements for the fiscal year ending March 31, 2013.

The next item was the report of the Governance Committees. Mr. Valella reported that the Governance Committees held meetings on June 11, 2013 and approved the minutes of the April 9, 2013 meetings and approved and reviewed 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. The HFA and SONYMA Governance Committees approved and reviewed of various contracts monitored by the Facilities and Administration Department; approved a contract with CQ Roll, Inc. and reviewed annual contracts with the New York State Legislative Bill Drafting Commission, Reed Elsevier, Inc., West Publishing (West Group), and Seisinit Inc. (Accurint); and reviewed purchase orders with National Urban Fellows and Temporary Staffing by Suzanne Ltd. The SONYMA Governance Committee approved a contract with Radian Guaranty for mortgage servicing and reinsurance services and reviewed annual marketing related contracts for SONYMA mortgage products.

The next item was the report of the Mortgage Insurance Committee. Mr. Valella reported that the Mortgage Insurance Committee held a meeting earlier that day and adopted the minutes of the May 9, 2013 meeting. He next reported that the Mortgage Insurance Committee adopted resolutions approving 100% mortgage insurance for 6469 Broadway, Bronx County; recommending the approval of 50% mortgage insurance for PRC Shakespeare Avenue, 1541 Shakespeare Avenue, et al, Bronx County; recommending the approval of 100% mortgage insurance for High Ridge Gardens – Phase II, Dutchess County; recommending the approval of 100% mortgage insurance 360 Preservation Project, Manhattan, Kings, Bronx, and New York Counties; recommending the approval of 100% mortgage insurance for 19-80 Steinway Street, Queens County; recommending the approval of 100% mortgage insurance for Bridge 145 Cluster, New York County; approving 100% mortgage insurance for 1259, 1265, and 1269 College Avenue, Bronx County; approving 100% mortgage insurance for 1682-1700 Sterling Place, 1493 Park Avenue, 518 Decatur Street, 184 & 759 Monroe Street, Kings County; approving 100% mortgage for Nite Homes TPT Cluster, 70 E. 127 St., 152 W. 124 St., 158 W. 122 St., 2353 2nd Avenue, New York County; approving 100% mortgage insurance for Atlantic Commons Phase II, 1969 Bergen St., 404, 414 Howard Avenue, and 1459 St. Marks Avenue, Kings County; approving 100% mortgage insurance for White Star Apartments, New York County; and approving 100% mortgage insurance for Academy Row, New York County.

The next item on the agenda was the adoption of the minutes of the SONYMA Directors meeting held on May 9, 2013. Absent comments or corrections from the Directors, Mr. Valella reported that the minutes were deemed approved.

The next item on the agenda was a resolution approving the Independent Auditor's Report relating to the Audit of the Schedule of Expenditures of Federal Awards. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY REVIEWING AND APPROVING AUDITED SCHEDULE OF EXPENDITURES - SINGLE AUDIT REPORT FOR FISCAL YEAR ENDED OCTOBER 31, 2012.

The next item on the agenda was a resolution approving AHC's Annual Investment Report and an annual review of Quarterly Investment Reports for the period ending April 30, 2013. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION APPROVING REPORTS OF INVESTMENTS.

The next item on the agenda was an information item concerning a review of the Agencies' Quarterly Procurement Report for the period ending April 30, 2013. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. Chairman Mulrow stated that one thing of importance is that MWBE participation is at a relatively high number, close to 40% across HFA and SONYMA.

Chairman Mulrow stated that the next five items on the SONYMA Agenda were discussed and voted on earlier at today's Mortgage Insurance Committee meeting and that they were now up for votes by the SONYMA Board.

The next item on the agenda was a resolution approving 50% mortgage insurance on a \$26,270,000 HDC permanent first mortgage loan for PRC Shakespeare Avenue, 1541 Shakespeare Avenue, et al, Bronx County. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

Mr. Bergamo moved to adopt the following resolution; Ms. Rogatz seconded the motion, 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 PRC SHAKESPEARE AVENUE, BRONX COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$21,340,000 CPC permanent first mortgage loan for 360 Preservation Project, three buildings in Brooklyn, four buildings in the Bronx, nine buildings in Manhattan, Kings, Bronx, and New York Counties. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

Mr. Bergamo moved to adopt the following resolution; Ms. Rogatz seconded the motion, 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 360 PRESERVATION PROJECT, MANHATTAN, NEW YORK COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$15,500,000 CPC permanent first mortgage loan for 19-80 Steinway Street, Astoria, Queens County. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

Mr. Bergamo moved to adopt the following resolution; Ms. Rogatz seconded the motion, 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 19-80 STEINWAY STREET, QUEENS COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$8,960,000 CPC permanent first mortgage loan for High Ridge Gardens – Phase II, Hudson Avenue, Poughkeepsie, Dutchess County. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

Mr. Bergamo moved to adopt the following resolution; Ms. Rogatz seconded the motion, 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 HIGH RIDGE GARDENS, HUDSON AVENUE, POUGHKEEPSIE, DUTCHESS COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$7,010,000 CPC permanent first mortgage loan for Bridge 145 Cluster, 151-153 West 145th Street, 155-157 West 145th Street, 2468-2470 Adam Clayton Powell, Jr. Boulevard, New York County. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

Mr. Bergamo moved to adopt the following resolution; Ms. Rogatz seconded the motion, 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 BRIDGE 145 CLUSTER HARLEM, NEW YORK COUNTY.

The next item on the agenda was a resolution authorizing the issuance of Homeowner Mortgage Revenue Bonds and Mortgage Revenue Bonds. Marian Zucker, President, Finance and Development, stated that SONMYA is seeking the Board's approval to issue up to \$577 million and change of new bonds to finance the acquisition of new loans and take advantage of certain refunding opportunities that exist throughout the portfolio. She stated that unlike HFA where HFA seeks authorization to issue bonds on a per project and per loan basis, SONYMA has historically sought the Board's approval for broader authority to enter the market as SONYMA acquires loans and also to take advantage of market opportunities in terms of refunding. She stated that this will probably take the Agency through the first quarter of 2013.

Mr. Valella noted that Ms. Elaine McCann joined the meeting at 8:35 a.m.

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

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY ADOPTING SERIES RESOLUTIONS AND APPROVING THE ISSUANCE OF BONDS.

The next item on the agenda was an information item concerning the Agency's Quarterly SWAP Report for the period ending April 30, 2013. Chairman Mulrow stated that

information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

The next item on the Agenda was a new information item concerning the single family department. Chairman Mulrow noted that the Directors' folders contained a report from the single family department detailing recent activity and breaking down the activity by program. He stated that this was the second report the Board had received in response to the Board Members' request for this type of information, which was made as part of the Board's most recent annual self-evaluation.

Chairman Mulrow asked for a motion and a second to adjourn the SONYMA meeting. There being no unfinished business, Mr. Bergamo moved to adjourn; Ms. Rogatz seconded the motion, and the meeting was adjourned at 8:46 A.M.

Mr. Valella noted that the next SONYMA Board meeting was scheduled for Thursday, July 11, 2013.



Alejandro J. Valella, Acting Secretary