

**MINUTES OF THE  
MEETING OF THE BOARD OF DIRECTORS OF THE  
STATE OF NEW YORK MORTGAGE AGENCY  
HELD ON JUNE 14 AT 8:32 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
Anthony Bergamo	Director
Marge Rogatz	Director
Darryl C. Towns	Director
Elaine McCann	Division of the Budget, representing Robert Megna, Director (via video conference)

ABSENT

Don Lebowitz	Director
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Chairman William J. Mulrow, opened and chaired the the meetings. 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 Capital Building, Room 143, in Albany; and that Andrew A. SanFilippo was participating in the meetings by video conference from the Buffalo Regional Office at Electric Tower, 535 Washington Street, Suite 105, in Buffalo. A public notice was given of the time and locations of both venues. Chairman Mulrow thanked Mr. SanFilippo for chairing the meeting of MBBA and TSFC in the absence of Kenneth M. Bialo, Vice Chairman of MBBA and TSFC.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and asked for motions and seconds to call the meetings to order of the New York State Housing Finance Agency ("HFA"), State of New York Mortgage Agency ("SONYMA"), New York State Affordable Housing Corporation ("AHC"), State of New York Municipal Bond Bank Agency ("MBBA") and Tobacco Settlement Financing Corporation ("TSFC"). Vice Chairman Weiss made a motion to call the HFA meeting to order; Mr. Mattox seconded the motion. Mr. Mulholland made a motion to call the AHC meeting to order; Vice Chairman Weiss seconded the motion. Vice Chairperson Bayer made a motion to call the SONYMA meeting to order; Mr. Bergamo seconded the motion. Ms. McCann made a motion to call the MBBA meeting to order; Mr. SanFilippo seconded the

motion. Mr. SanFilippo made a motion to call the TSFC meeting to order; Ms. McCann seconded the motion.

Mr. Valella 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 the 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.

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**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. Mr. Towns reported that the Agencies were approaching a busy season, as reflected in the SONYMA Mortgage Insurance Committee meeting held earlier that day. He reported that this year, decisions regarding projects of the Agencies will be made exclusively by the respective Boards, and not made jointly with the regional councils as in the last year. He reported that new hires would be forthcoming to join experienced staff of the Agencies, and that many projects are lined up for the coming year.

Chairman Mulrow thanked Mr. Towns, and next requested that Mr. Valella recite the reports of the Committees.

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**The next item was the report of the Audit Committees.** Mr. Valella reported that the Audit Committee held a meeting on June 12th and approved the minutes of the April 4, 2012 meeting; adopted a resolution authorizing the approval of Internal Audit's follow-up of 2010 Audit Reports, together with Management's response thereto; adopted a resolution authorizing approval of Whistleblower Policy and Procedures, as amended; adopted a resolution authorizing approval of Internal Audit's Information Technology Audit - Disaster Recover Report; adopted a resolution authorizing approval of Internal Audit's Human Resources Audit Report, together with Management's response; authorized a resolution recommending approval of Independent Auditor's Report regarding the audited Schedule of Expenditures and Federal Awards - the Single Audit Report for Fiscal Year ended October 31, 2011; and adopted a resolution authorizing the approval of Internal Audit's Servicer Audit Report of HSBC Mortgage Corporation, together with Management's response thereto.

Chairman Mulrow thanked the Committee Chair and asked if there were any comments. Mr. Bergamo stated that the Committee meetings held on June 12 were productive.

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**The next item was the report of the Governance Committees.** Mr. Valella reported that the Governance Committee held a meeting on June 12th and approved the minutes of the April 4, 2012 meeting; adopted a resolution recommending amendment of the Agencies' By-Laws; adopted a resolution authorizing approval of Whistleblower Policy and Procedures, as amended; adopted a resolution authorizing approval of contracts for GASB 45 Actuarial Consultant Services, Administration Services of the Qualified Transportation Expense Benefit Plan and Payroll Processing Services; adopted a resolution authorizing approval of contracts for facility, administration and insurance related services; and presented its annual review of advertising contracts for marketing of SONYMA mortgage products.

Chairman Mulrow thanked Ms. Bayer for stepping in as Acting Chair in the absence of Mr. Lebowitz.

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**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, 2012 meeting. He next reported that the Mortgage Insurance Committee approved a resolution recommending approval of 100% mortgage insurance for Yonkers Apartments, 73-83 Highland Avenue in Westchester County; approved a resolution of 100% mortgage insurance for David E. Podell House, 179-181 Henry Street in New York County; approved a resolution recommending approval of 50% mortgage insurance for Maria Estella I and Aldus III Apartments in Bronx County; approved a resolution of 50% mortgage insurance for St. Lucy's Apartments, 315 East 103rd Street and 330 East 104th Street in New York County; approved a resolution for 100% mortgage insurance for 1520 Sedgwick Avenue in Bronx County; approved a resolution of 100% mortgage insurance for Hudson River Lodging, 389 Manchester Road, LaGrange, in Dutchess County; approved a resolution of 100% mortgage insurance for the Davidson Avenue Cluster and 1750 Monroe Avenue in Bronx County; approved a resolution of 100% mortgage insurance for the Belmont Cluster (Scattered Sites) in Bronx County; and approved a resolution of 100% mortgage insurance for 165 West 80th Street in New York County.

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**The next item on the agenda was the adoption of the minutes of the SONYMA Directors meeting held on May 9, 2012.** Absent comments or corrections from the Directors, Mr. Valella reported that the minutes were deemed approved.

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**The next item on the agenda was a resolution authorizing the amendment of the Bylaws of the Agencies.** Mr. Valella highlighted certain information contained in the materials provided in connection with this item which materials are incorporated herein by reference. He stated that the proposed amendment seeks to expand the scope of Governance Committee responsibilities to permit the Governance Committees to review and approve procurement contracts in excess of \$100,000 in amount, or more than one year in duration, which was formerly a function of the Boards of the Agencies. There was no further discussion regarding this item.

Vice Chairperson Bayer 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, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION FOR THE AMENDMENT OF AGENCY BYLAWS.**

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**The next item on the agenda was a resolution amending the Charters of the Governance Committees of the Agencies.** Noting that this item was related to the prior item, Mr. Valella stated that the Agencies seek approval of certain amendments to the Charters of the Governance Committees in order to permit review and approval by Governance Committees of procurement contracts in excess of \$100,000 in amount, or more than one year in duration. There was no discussion regarding this item.

Vice Chairperson Bayer 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, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION FOR THE AMENDMENT OF AGENCY GOVERNANCE CHARTERS.**

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**The next item on the agenda was a resolution approving the Independent Auditor Report (Single Audit Report) relating to the audit of the Schedule of Federal Expenditures of Federal Awards for the year ended October 31, 2011.** Mr. Valella stated 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.

Vice Chairperson Bayer 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 REVIEWING AND APPROVING AUDITED SCHEDULE OF EXPENDITURES - SINGLE AUDIT REPORT FOR FISCAL YEAR ENDED OCTOBER 31, 2011.**

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**The next item on the agenda was a resolution to adopt the quarterly Bond Sale Report of the Agencies.** Mr. Valella stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

Vice Chairperson Bayer 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 THE STATE OF NEW YORK MORTGAGE AGENCY, APPROVING THE AGENCIES' BOND SALE REPORT.**

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**The next item on the agenda was an information item for review of HFA, SONYMA, MBBA and TSFC Quarterly Investment Reports.** Mr. Valella stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

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**The next item on the agenda was an information item for review of the Agencies Second Quarterly Procurement Report for Fiscal Year 2011-2012.** Mr. Valella stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

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**The next item on the agenda was an information item for review of the Agencies' Administrative Budget Expenditure Reports as of April 30, 2012.** Mr. Valella stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

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**The next item on the agenda was an information item for review of the Agencies' Financial Statement Update for the Second Quarter Fiscal 2012.** Mr. Valella stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

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**The next item on the agenda was a resolution approving 100% mortgage insurance on a \$14,760,000 HFA first mortgage loan for Yonkers Apartments at 73-83 Highland Avenue, Yonkers, Westchester County, Certificate No. 8-276.** Chairman

Mulrow stated that this item was discussed earlier in the day at the Mortgage Insurance Committee meeting. There was no further discussion regarding this item.

Vice Chairperson Bayer 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 YONKERS APARTMENTS, 73-83 HIGHLAND AVENUE, YONKERS, WESTCHESTER COUNTY.**

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The next item on the agenda was a resolution approving 50% mortgage insurance on a \$24,950,000 permanent first mortgage loan for Maria Estella I and Aldus III Apartments, Bronx County, Certificate No. 10-1789. Chairman Mulrow stated that this item was discussed earlier in the day at the Mortgage Insurance Committee meeting. There was no further discussion regarding this item.

Vice Chairperson Bayer 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 MARIA ESTELLA I AND ALDUS III APARTMENTS, BRONX COUNTY.**

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The next item on the agenda was a resolution approving the continued retention of Radian Guaranty Inc., contracted for Single Family Pool Reinsurance and Administrative Services. Mr. Valella stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

Vice Chairperson Bayer 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 THE CONTINUED RETENTION OF RADIAN GUARANTY INC. FOR REINSURANCE AND ADMINISTRATIVE SERVICES.**

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The next items on the agenda were a Homeowner Mortgage Revenue Bonds Series Resolution and a Mortgage Revenue Bonds Series Resolution authorizing the issuance of bonds. Chairman Mulrow requested that Marian A. Zucker, President for the Office of Finance and Development, discuss these items. Ms. Zucker stated that information regarding these items was contained in the materials provided in connection therewith, which

materials are incorporated herein by reference. To summarize, she stated that during this period of low interest rates in the municipal and treasury markets, the Agency requests broad authority to issue up to \$600 million of tax-exempt or taxable new money and/or refunding bonds. Mr. Valella noted that in the folders of the Board members and directors are revised resolutions which increased the bonds amounts from \$500 to \$600 million.

Vice Chairperson Bayer requested explanation of the two-step voting process. Mr. Valella stated that the Board must first adopt the resolutions to legally authorize the issuance of bonds; and then, under the Public Authorities Law, the actual financing needs to be presented to the Finance Committee, which then recommends approval to the Board. He stated that in the past, the Board authorized resolutions to issue bonds up to a certain amount without discussion of specifics; whereas, now, issuance requires approval first, followed by discussion of specifics. Vice Chairperson Bayer requested that, going forward, the substance of what is being authorized be discussed first, followed by authorization of the bonds.

Vice Chairperson Bayer moved to adopt the resolutions; Mr. Bergamo seconded the motion, and the following resolutions were adopted:

**STATE OF NEW YORK MORTGAGE AGENCY HOMEOWNER  
MORTGAGE REVENUE BONDS SERIES RESOLUTION;**

**STATE OF NEW YORK MORTGAGE AGENCY MORTGAGE REVENUE  
BONDS SERIES RESOLUTION.**

**The next item on the agenda, is a resolution authorizing Refunding and New Money Bonds.** Mr. Valella stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. Noting that a revised resolution was in the folders of the Board Directors, Mr. Valella stated that, as per discussion during the SONYMA 10th Finance and Program Committee meeting held jointly with this Board meeting, this item would now be discussed and voted on. Ms. Zucker stated that the proposed issuance of the bonds was estimated to generate nearly 12% debt service savings for the Agency. Vice Chairperson Bayer asked how the savings would be used. Ms. Zucker stated that the savings would flow back into the resolution.

Chairman Mulrow stated that this was a good opportunity for the Agency, and asked if each particular bond issued during this period would be reviewed with the underwriters. Ms. Zucker confirmed that they would be.

Mr. Mattox requested clarification on the bond issuance screening process and how opportunities are foreseen. Ms. Zucker stated that underwriters present proposals to staff, and that staff works with its own computational consultant to review opportunities for bond issuances.

Chairman Mulrow asked when the Agency would be in the market. Ms. Zucker responded that the Agency was planning on being in the market the week after July 4.

Vice Chairperson Bayer 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 AN ISSUANCE OF BONDS.**

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The next item on the agenda was a resolution authorizing a Pipeline Risk Manager/Master Servicer Contract with M&T Bank for New SONYMA Programs. George Leocata, Senior Vice President, Single Family Programs, highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He stated that the Agency seeks to offer two programs underwritten with FHA guidelines: a Ginnie Mae program and a Fannie Mae program to complement SONYMA's standard bond-financed programs. He stated that after a Request For Proposals process and the receipt of bids, a committee was formed which decided that M& T Bank was most suitable for the roles of both Pipeline Risk Manager and Master Servicer, and now requests that the Board authorize SONYMA to enter into an agreement with M&T Bank. Mr. Leocata noted that M&T Bank has had a very good, long-standing business relationship with SONYMA as its primary lender for 14 years, and is also the lowest-cost provider.

Vice Chairperson Bayer 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  
AUTHORIZING SELECTION OF MASTER SERVICER AND PIPELINE  
RISK MANAGER.**

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The next item on the agenda was an information item for review of the Second Quarterly (2012) Report on the Financial Status of Existing Hedges (SWAP Status Report). Mr. Valella stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

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Chairman Mulrow asked for a motion and a second to adjourn the SONYMA meeting. There being no unfinished business, Ms. McCann moved to adjourn; Mr. Bergamo seconded the motion, and the meeting was adjourned at 8:59 A.M.

  
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Secretary