

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON SEPTEMBER 13, 2012 AT 9:31 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
Don Lebowitz	Director
Renee Nowicki	Division of the Budget, representing Robert Megna, Director (via video conference)
Marge Rogatz	Director
Darryl C. Towns	Director

Chairman William J. Mulrow, opened and chaired the meetings. He noted that Renee Nowicki was participating in the meetings by video conference from the New York State Division of Budget conference center at the Capitol Building, Room 143, in Albany. A public notice was given of the time and location of that venue.

Aida Brewer, Deputy Commissioner and Treasurer, New York State Department of Taxation and Finance, attended the meeting in her role as representative of the Commissioner of Taxation and Finance.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and asked for motions and seconds to call to order the Members and Directors meetings 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 Steven J. Weiss moved to call the HFA meeting to order; Chairman Mulrow seconded the motion. Vice Chairman Weiss moved to call the AHC meeting to order; Chairman Mulrow seconded the motion. Mr. Bergamo moved to call the SONYMA meeting to order; Mr. Lebowitz seconded the motion. Vice Chairman Kenneth M. Bialo moved to call the MBBA meeting to order; Ms. Susan L. Watson seconded the motion. Ms. Watson moved to call the TSFC meeting to order; Vice Chairman Bialo 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 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. Mr. Towns reported that the Agencies have been hard at work all summer and highlighted some activities. He reported that HFA is scheduled to close approximately 15 multi-family deals by year's end, and is also poised to implement the Governor's New York State Medicaid Redesign Team - a housing initiative to add new capital to existing supportive-housing deals. He added that AHC plans to present a unique home-ownership project within an 80/20 project, in cooperation with the New York City Department of Housing Preservation and Development (HPD) and the New York City Housing Development Corporation (HDC). He reported that SONYMA's demand is picking up with August mortgage reservations averaging about \$1.7 million per day. He reported that the launch of a new product would occur in October called the SONYMA Conventional Plus program. He reported that the Governor's Regional Councils are headed for a second round, but AHC's programs will not be involved in this year's funding cycle.

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

The next item was the report of the Audit Committees. Mr. Valella reported that the Audit Committees held meetings on September 11th and approved the minutes of the June 12, 2012 meetings; adopted a resolution recommending approval of the Fiscal Year 2013 Administrative Budget and Financial Plans; reviewed the Independent Auditor's presentation relating to the 2012 Financial Statement Audit Plan; reviewed the Financial Statement Update 3rd Quarter Fiscal Year 2012 for HFA, SONYMA, MBBA and TSFC, and the 1st Quarter of Fiscal Year 2013 for AHC; and reviewed the Report of Administrative Budget Expenditures for the nine months ending July 31, 2012 and updated Financial Plans.

The next item was the report of the Governance Committees. Mr. Valella reported that the Governance Committees held meetings on September 11th and approved the minutes of the June 12, 2012 meetings; approved a resolution approving the continued retention of the Financial Reporting Services Agreement with Bloomberg L.P. for HFA and SONYMA; approved a resolution approving the continued retention of financial printing services contracts with ImageMaster, Inc. for HFA, SONYMA, MBBA and TSFC; approved a resolution approving the continued retention of co-bond counsel services agreement with firms on the Agencies' prequalified panel for HFA, SONYMA, MBBA and TSFC; reviewed

the MWBE Initiative and Progress Report; approved a resolution authorizing the continuation of the contract with SS&C Technologies, Inc. for the provision of a license for cash flow analysis software for HFA; approved contracts with firms on the Agency's prequalified panel for physical needs assessment services, construction monitoring services and Davis Bacon monitoring services for HFA; approved a resolution reviewing and approving the continued retention of the Master Servicer contract with M&T Bank for SONYMA; reviewed the contracts with CompuGain LLC and Iron Mountain Intellectual Property Management, Inc., and approved a resolution authorizing the approval to extend the contract with TF&G Consulting for SONYMA; approved a resolution approving the continued retention of Bank of New York Mellon for custody services for SONYMA; and reviewed the investment manager contract with Deutsche Investment Management Inc. for SONYMA.

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 July 12, 2012 meeting. He next reported that the Mortgage Insurance Committee approved a resolution recommending approval of 100% mortgage insurance for Mariner Apartments in Erie County; approved a resolution recommending approval of 100% mortgage insurance for Colonial Square Apartments I and II in Montgomery County; approved a resolution approving 100% mortgage insurance for Bridleside Apartments in Westchester County; approved a resolution approving 100% mortgage insurance for Creston Avenue Residence in Bronx County; approved a resolution recommending approval of 100% mortgage insurance for Merchants Commons in Onondaga County; approved a resolution approving 100% mortgage insurance for Creekside Springs in Dutchess County; approved a resolution approving 100% mortgage insurance for 601 Dahill Road in Kings County; approved a resolution recommending approval of 100% mortgage insurance for 462-478 East 144th Street in Bronx County; and approved by a three to two vote a resolution recommending mortgage insurance not to exceed \$55 million for Co-Op City in Bronx County, with Mr. Lebowitz and Ms. Bayer voting against.

The next item on the agenda was the adoption of the minutes of the SONYMA Directors meeting held on July 12, 2012. 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 adopting the Fiscal Year 2013 Administrative Budget and each Agency's Financial Plan. Mr. Valella stated that the proposed Administrative Budget and the Financial Plans were discussed in detail at the September 11th Audit Committee Meetings, and this item was now before the Board Members and Directors for approval. There was no further discussion.

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

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 ADOPTING AN ADMINISTRATIVE BUDGET FOR FISCAL YEAR NOVEMBER 1, 2012 TO OCTOBER 31, 2013

AND

FINANCIAL PLANS FOR FISCAL YEARS 2013, 2014, 2015 AND 2016 WITH RESPECT TO TO NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION, AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION'S FINANCIAL PLAN FOR FISCAL YEARS 2014, 2015, 2016 AND 2017

AND

PRELIMINARY CASH BUDGETS FOR THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY FOR FISCAL YEAR 2013.

The next item on the agenda was a resolution approving quarterly Bond Sale Reports for the period May 1, 2012 through July 31, 2012. Mr. Valella 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; Mr. Lebowitz 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 APPROVING THE AGENCIES' BOND SALE REPORT.

The next item on the agenda was an information item concerning the quarterly Administrative Budget Report as of July 31, 2012 and updated Financial Plans. 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 an information item concerning review of the Quarterly Investment Reports for the quarter ending July 31, 2012. 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 an information item concerning review of the **Financial Statement Update 3rd Quarter of Fiscal Year 2012 for HFA, SONYMA, MBBA and TSFC, and the 1st Quarter of Fiscal Year 2013 for AHC.** 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 an information item concerning review of the **Agencies' Third Quarterly Procurement Report for the period ending July 31, 2012 for Fiscal Year 2011-2012.** 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 resolution approving **100% mortgage insurance on an \$11,450,000 HFA permanent first mortgage loan for Mariner Apartments, Buffalo, Erie County. Certificate No. 1-110.** Chairman Mulrow stated that this item was discussed and voted on at the Mortgage Insurance Committee meeting earlier in the day, and that information contained in the meeting materials provided in connection with this item are incorporated herein by reference. There was no further discussion.

Mr. Bergamo moved to adopt the resolution; Mr. Lebowitz 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 MARINER APARTMENTS, 186 EFNER STREET, BUFFALO, ERIE COUNTY.

The next item on the agenda was a resolution approving **100% mortgage insurance on a \$9,000,000 HFA permanent first mortgage loan for Colonial Square Apartments I and II, 200 Virginia Lane and 100 Charles Lane, Amsterdam, Montgomery County. Certificate No. 6-256.** Chairman Mulrow stated that this item was discussed and voted on at the Mortgage Insurance Committee meeting earlier in the day, and that information contained in the meeting materials provided in connection with this item are incorporated herein by reference. There was no further discussion.

Mr. Bergamo moved to adopt the resolution; Mr. Lebowitz 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 COLONIAL SQUARE APARTMENTS I & II, 200 VIRGINIA LANE AND 100 CHARLES LANE, AMSTERDAM, MONTGOMERY COUNTY.

The next item on the agenda was a resolution approving 100% mortgage on a \$10,000,000 CPC permanent first mortgage loan for Merchants Commons, Syracuse, Onondaga County. Certificate No. 3-186. Chairman Mulrow stated that this item was discussed and voted on at the Mortgage Insurance Committee meeting earlier in the day, and that information contained in the meeting materials provided in connection with this item are incorporated herein by reference. There was no further discussion.

Mr. Bergamo moved to adopt the resolution; Mr. Lebowitz 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 MERCHANTS COMMONS, 214-220 SOUTH WARREN STREET, SYRACUSE, ONONDAGA COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$8,750,000 Bank of America, N.A. permanent first mortgage loan for 462-478 East 144th Street, Bronx County. Certificate No. 10-1807. Chairman Mulrow stated that this item was discussed and voted on at the Mortgage Insurance Committee meeting earlier in the day, and that information contained in the meeting materials provided in connection with this item are incorporated herein by reference. There was no further discussion.

Mr. Bergamo moved to adopt the resolution; Mr. Lebowitz 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 462-478 EAST 144TH STREET, BRONX COUNTY.

The next item on the agenda was a resolution approving \$55,000,000 mortgage insurance on a \$621,500,000 Wells Fargo Bank, N.A. permanent first mortgage loan for Co-Op City, Bronx, Bronx County. Certificate No. 10-1801. Chairman Mulrow stated that this item was discussed and voted on at the Mortgage Insurance Committee meeting earlier in the day, and that information contained in the meeting materials provided in connection with this item are incorporated herein by reference. There was no further discussion.

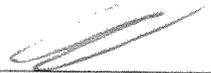
Two dissenting votes against this item were made by Vice Chair Bayer and Mr. Lebowitz.

Mr. Bergamo moved to adopt the resolution; Chairman Mulrow 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 CO-OP CITY, BRONX COUNTY.**

The next item on the agenda was an information item concerning the Third Quarterly (SWAPS) Report on the Financial Status of Existing Hedges as of July 31, 2012. 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.

Chairman Mulrow asked for a motion and a second to adjourn the SONYMA meeting. There being no unfinished business, Mr. Bergamo moved to adjourn; Mr. Lebowitz seconded the motion, and the meeting was adjourned at 9:53 A.M.


Alejandro J. Valella, Acting Secretary