

**MINUTES OF THE
REGULAR MEETING OF THE MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON OCTOBER 10, 2013 AT 8:02 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
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Don Lebowitz	Director
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Darryl C. Towns	Director
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ABSENT:

Naomi Bayer	Director
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Marge Rogatz	Director
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William J. Mulrow opened and chaired the meeting of the Mortgage Insurance Committee of the State of New York Mortgage Agency ("SONYMA").

M. Lauren McGill, Vice President and Counsel to the Mortgage Insurance Fund (MIF) acted as Secretary and asked for a motion and second to call the meeting to order. Commissioner Darryl C. Towns moved to call the meeting to order; Chairman William J. Mulrow seconded the motion.

Mr. Anthony Bergamo, SONYMA Director, attended this meeting as a guest.

Ms. McGill stated that as items were presented before the Committee throughout the meeting, the previous motion and second would be used unless specific items called for a different vote or unless any Director wished to record his or her vote differently.

The first item on the agenda was the adoption of the minutes of the meeting of the Mortgage Insurance Committee ("MIC") held on September 12, 2013. There being no objections or corrections from the Directors, Ms. McGill reported that the minutes were deemed approved.

which materials are incorporated herein by reference. Mr. Friedman stated that the project is for the new construction of two apartment buildings which will include eighty eight low income units of which thirty-three units will be reserved for clients of the New York State Office of Mental Health ("OMH"). He stated that the remaining fifty-five units will be reserved for low income tenants. Mr. Friedman stated that there is an upfront \$720,000 HFA capital subsidy loan, a \$4.7 million Housing Trust Fund Medical Redesign subsidy loan and \$1.9 million Department of Housing and Preservation subsidy loan in addition to tax credit equity. As a result of the upfront subsidy loans, there is adequate cash flow from rental income to support the debt service and OMH will not pay debt service. Accordingly, the loan is underwritten as low income housing rather than state supported debt. Mr. Friedman confirmed that the units are designed so that they can be used for low income housing. He noted that that the debt is only \$42,000 per unit.

Mr. Friedman stated that Wavecrest Management Team Ltd. will be the property manager. Chairman Mulrow asked about the deferred developer fee. Mr. Friedman stated that deferred developer fees are not paid at closing but out of cash flow during the tax credit period.

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

A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR BURNSIDE WALTON APARTMENTS, 280 EAST BURNSIDE AND 2243 WALTON AVENUE, BRONX COUNTY

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$2,960,000 HFA permanent first mortgage loan for Oak Creek Townhomes, 101 Quill Avenue, Auburn, Cayuga County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman reported that Oak Creek Town Homes comprises the acquisition and moderate rehabilitation of 150 two-story, low-income townhouse units in Auburn, NY. He noted that the project currently has a project-based Section 8 Housing Assistance Payments ("HAP") Contract covering thirty (30) units, but is expected to receive a contract covering all units under United States Department of Housing and Urban Development's Rental Assistance Demonstration PILOT Program. Mr. Friedman stated that the project is heavily subsidized with a \$3.6 million HFA Subsidy Loan, assumption of existing arrearages of approximately \$2.3 million and federal tax credits of approximately \$3.8 million.

Mr. Friedman stated that this is a Mitchell-Lama project originally constructed in 1972. He stated that the developer is Home Leasing, LLC, an affiliate of Home Properties which is a substantial and highly regarded operator of low income housing in New York State. He noted that this will be the third mortgage insured with this developer. He stated that the total exposure is modest and that the project will break even with a 16% vacancy and collection loss or a 16% increase in operating expenses.

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

A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR OAK CREEK TOWNHOMES, 101 QUILL AVENUE, AUBURN, CAYUGA COUNTY

The next item on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$13,750,000 CPC permanent mortgage loan for 1552 Bergen Street, Brooklyn, Kings County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that the project is new construction of a project including ninety low income units with fifty five units reserved for OMH clients relying on Supplemental Security Income with the remaining thirty-five units affordable to tenants with incomes at 60% of the AMI.

Mr. Friedman distinguished the financing structure from the previous project, Burnside Walton, which also included OMH supportive units noting that this project will carry debt of \$13.7 million rather than the deb of \$3.7 million carried by Burnside Walton. He stated that the project has very little upfront subsidy and has insufficient cash flow from the rental income to cover the debt. Accordingly, the debt service will be paid by OMH and the mortgage insurance is underwritten as state supported debt rather than real estate debt.

Mr. Friedman noted that the MIF's total exposure to OMH and OPWDD supported debt is approximately 4% of commitments although its exposure is approximately 8% of policies in force. He reported that, going forward, he recommended keeping the risk level at a range of about a 5% for new commitments.

Mr. Lebowitz requested a breakdown of commitments and areas of exposure adding that Mr. Friedman had been very responsive to recent questions about exposure. Mr. Friedman agreed to provide it under separate cover. He noted that there is another \$200 million in Medicaid supported debt funding which places the public sector (federal and state) risk exposure between 18% and 19% of the MIF's total risk. Mr. Friedman reported that OMH anticipates seven to eight projects in 2014 and would pay debt service on four or five of those projects. He noted that the MIF has approximately \$3.5 billion in outstanding commitments and policies in force. Mr. Valella noted that the agency also provides credit support for the Jacob K. Javits Convention Center bonds.

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

A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY RECOMMENDING APPROVAL

OF MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR 1552 BERGEN STREET, BROOKLYN, KINGS COUNTY

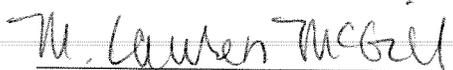
The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$2,965,000 CPC permanent mortgage loan for High Meadows Mobile Home Park, 160 Holsapple Road, Dover Plains, Dutchess County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that the project comprises the refinancing and moderate rehabilitation of a cooperative mobile home park with 203 units. He stated that there are no tax credits or regulatory agreement but that the housing is very low income. He stated that the pads are owned by the cooperative and the mobile homes sited on the pads are owned individually. He added that there will be moderate rehabilitation of the project with the bulk of the proceeds refinancing existing HFA and CPC debt. Chairman Mulrow asked what percentage of the proceeds will go for rehabilitation. Mr. Friedman responded that it is only about 10% as opposed to the 20% typically required for rehabilitation loans noting that this is a preservation loan which comports with the requirements of the bill which provides for the refinance of projects that were either built or financed between 2004 and 2008.

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

A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR HIGH MEADOWS MOBILE HOME PARK, 160 HOLSAPPLE ROAD, DOVER PLAINS, DUTCHESS COUNTY

The next item on the agenda was an information item. Mr. Friedman reported that the mortgage recording surtax receipts for the last month were back up to \$12 million. He reported that over the past month, New York City alone, had \$7 million in surtax receipts with an expectation of another \$11 to \$12 million month. Mr. Lebowitz asked whether defaults were being cleared. Mr. Friedman responded that some defaulted loans had become current.

There being no unfinished business, Chairman Mulrow called for a motion to adjourn the meeting. Commissioner Towns moved to adjourn; Chairman Mulrow seconded the motion and the meeting was adjourned at 8:45 a.m.


M. Lauren McGill
Secretary