

**MINUTES OF THE 49TH MEMBERS MEETING OF THE
TOBACCO SETTLEMENT FINANCING CORPORATION
HELD ON JANUARY 25, 2012 AT 2:12 P.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

Kenneth M. Bialo	Vice Chairman
Naomi Bayer	Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)
Susan L. Watson	Department of State, representing Cesar A. Perales, Member

ABSENT

Andrew A. SanFilippo	Member
----------------------	--------

Karen A. Phillips, Director of the State of New York Mortgage Agency (“SONYMA”) and Member of New York State Housing Finance Agency (“HFA”) and New York State Affordable Housing Corporation (“AHC”) announced her resignation as Vice Chairperson of the Agencies. She stated that as of today, Naomi Bayer, Director of SONYMA and Municipal Bond Bank Agency (“MBBA”), and Member of Tobacco Settlement Financing Corporation (“TSFC”), would assume the position of Vice Chairperson of the SONYMA Board; and that Steven J. Weiss, Member of HFA and AHC, would assume the position of Vice Chairman of the HFA and AHC Boards. Ms. Bayer thanked Ms. Phillips for her service as Vice Chairperson. Ms. Bayer stated that for purposes of convenience and efficiency, she would present the shared meeting items of the respective Agencies.

Kenneth M. Bialo, Vice Chairman of MBBA and TSFC, chaired the meeting of TSFC in the absence of a Chairman. Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary. The meetings of the Affiliated Agencies were opened in joint session for consideration of various matters of shared importance. These minutes reflect only those items being considered by the Members of the Tobacco Settlement Financing Corporation. A record of items considered by the other Agencies is contained in the minutes of each Agency respectively.

Mr. Valella noted that Elaine McCann was participating in the meeting by video conference from the New York State Division of Budget conference center at the Capital

Building, Room 143, in Albany. A public notice was given of the time and locations of both venues.

Anthony Bergamo, Director SONYMA; Don Lebowitz, Director of SONYMA; Thomas H. Mattox, Acting Commissioner, Taxation and Finance, and his designee, Aida Brewer, Members of HFA and AHC; Karen A. Phillips, Director of SONYMA; Marge Rogatz, Director of SONYMA; Royce A. Mulholland, Member of HFA and AHC; Darryl C. Towns, President and Chief Executive Officer; and Steven J. Weiss, Member of HFA and AHC, attended the meeting as guests.

Vice Chairman Bialo moved to adjourn the meeting for Executive Session, Ms. McCann seconded the motion, and the Board entered into Executive Session at 2:15 PM, pursuant to Section 105(c) of New York State Open Meetings Law, to discuss information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed. Vice Chairman Bialo called for a motion to reconvene from the Executive Session which ended at 3:08 PM. Mr. Valella stated that no votes had been taken in Executive Session. The Board meeting reconvened at 3:10 PM.

The first item on the agenda was the President's Report. Darryl C. Towns President and CEO of the Agencies, thanked Ms. Phillips for her time and service as Vice Chairperson, and expressed his enthusiasm at the naming of Ms. Bayer and Mr. Weiss as new Vice-Chairpersons. Mr. Towns next introduced and welcomed Anthony Bergamo as a new Director to the State of New York Mortgage Agency Board. Mr. Towns then reported that the Agencies' work with the Regional Economic Development Councils has been successful, and that continued work with them should help the Agencies target resources toward the continued mission of affordable housing, as well as toward the Governor's mission of economic development and job creation. Mr. Towns stated that New York State is now divided into 10 regions, and that the Agencies will apply its resources to help with achievements in those regions. Lastly, he welcomed everyone and stated that he looked forward to great successes in 2012.

The next item was the report of the Audit Committees. Vice Chairman Bialo announced that the Audit Committee held a meeting earlier that day. He reported that the Audit Committee approved the minutes of the December 1, 2011 meeting, adopted a resolution approving Agency Financial Statements for Fiscal Year 2010-2011, and reviewed the Sixth Annual Evaluation by the Audit Committees.

The next item was the report of the Governance Committees. Vice Chairman Bialo announced that the Governance Committee held a meeting earlier that day. He reported that the Governance Committee approved the minutes of the December 1, 2011

meeting, adopted a resolution reviewing and approving Agency Mission Statements, and reviewed the Sixth Annual Evaluation by the Governance Committees.

The next item on the agenda was the adoption of the minutes of the minutes of the 48th TSFC Members meeting held on December 1, 2011. Absent comments or corrections from the Members, the minutes were deemed approved.

The next item on the agenda was a resolution approving Audited Financial Statements for Fiscal Year 2011. Vice Chairman Bialo stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. He reported that the Agencies' Financial Statements were reviewed in detail by most of the Board Directors and Members who attended the Committee meetings' presentation by auditors, Ernest & Young, earlier that day. He stated that Members of the Committees recommended that the respective Agency Boards approve the Financial Statements for the period November 1, 2010 to October 31, 2011. He asked if there were any questions or comments, and there were none.

Ms. Watson moved to adopt the resolution; Vice Chairman Bialo 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, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2011

The next item on the agenda was a resolution approving Annual and Quarterly Reports of Investments. Ms. D'Agostino summarized certain information contained in the materials provided in connection with this item, which materials are incorporated herein by reference. She stated that rates were low and continue to be low, and there are no investment agreements that the Agencies are entering into.

Ms. Watson moved to adopt the resolution; Vice Chairman Bialo 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, THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, THE TOBACCO SETTLEMENT FINANCING CORPORATION AND THE NEW

YORK STATE AFFORDABLE HOUSING CORPORATION APPROVING ANNUAL AND QUARTERLY REPORTS OF INVESTMENTS

The next item on the agenda was a resolution accepting an Annual Report filing under the Public Authorities Reporting Information System ("PARIS") for Fiscal Year ending October 31, 2011. Vice Chairman Bialo stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference.

Vice Chairman Bialo requested that the Resolution, Section 1, be amended to include reference to a compact disk which was included as part of the PARIS filings information presented to and approved by the respective Agencies' Directors and Members.

Ms. Watson moved to adopt the resolution, to include the amendment requested by Vice Chairman Bialo; Vice Chairman Bialo 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, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION ACCEPTING A FILING UNDER THE PUBLIC AUTHORITIES REPORTING INFORMATION SYSTEM

The next item on the agenda was a resolution of the Agencies approving the Annual Procurement Report. Vice Chairman Bialo stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. There was no discussion.

Ms. Watson moved to adopt the resolution; Vice Chairman Bialo 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 APPROVING THE ANNUAL PROCUREMENT REPORT

The next item on the agenda was an information item regarding budget and financial plan results for the Fiscal Year ended October 31, 2011. Vice Chairman Bialo stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. There was no discussion, and no action was required.

There being no unfinished business, Vice Chairman Bialo moved to adjourn, Ms. McCann seconded the motion, and the meeting was adjourned at 3:28 P.M.



Secretary