

**MINUTES OF THE 52ND MEMBERS MEETING OF THE
TOBACCO SETTLEMENT FINANCING CORPORATION
HELD ON SEPTEMBER 13, 2012 AT 9:31 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Kenneth M. Bialo	Vice Chairman
Naomi Bayer	Member
Renee Nowicki	Division of the Budget, representing Robert Megna, Member (via video conference)
Susan L. Watson	Secretary of State, representing Cesar A. Perales, Member

ABSENT:

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

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 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.

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 on the agenda was the adoption of the minutes of the 51st TSFC Members meetings held on June 14, 2012. Absent comments or corrections from the Members, 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.

Ms. Watson moved to adopt the resolution; Mr. 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 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 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 2011-212. 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 TSFC meeting. There being no unfinished business, Ms. Watson moved to adjourn; Vice Chairman Bialo seconded the motion, and the meeting was adjourned at 9:50 A.M.



Alejandro J. Varella, Acting Secretary