MINUTES OF THE AUDIT COMMITTEE MEETING OF THE HOUSING TRUST FUND CORPORATION ("HTFC") HELD ON JUNE 22, 2016 AT 11:00 A.M.

Locations: 641 Lexington Avenue, New York, NY 10022 and
Hampton Plaza, Commissioner's Conference Room, Albany, NY 12207
Locations connected by video-conference

MEMBERS PRESENT:
James S. Rubin, Chairman
Marian Zucker representing William C. Thompson, Member
Howard Zemsky, Member

OTHERS PRESENT:
Shareema Abel
Ann DeLucco, SaxBST
Michael DeMarco
Jonnel Doris
Sean Fitzgerald
Maralyne Fleischman
Mark Flescher
Bret Garwood
Daniel Greene
Barbara Hair
Brendan Kennedy, SaxBST
Shin Kim
Chris Leo
Betsy Mallow
Stacey Mickle
Robert Miller
Daniel Murphy
Janet Oberstein
Lisa Pagnozzi
Heather Spitzberg
Eu Ting-Zambuto
RuthAnne Visnauskas

There was a quorum with three Members present. Chairman Rubin made a motion to call to order the meeting of the Members of HTFC. The motion was seconded by Ms. Zucker.

The first item on the agenda was the approval of the minutes of the meeting on December 10, 2015. The minutes were deemed approved.

The second item on the agenda was a resolution approving the annual independent audit. Ms. Mickle introduced Brendan Kennedy and Ann DeLucco of SaxBST. Mr. Kennedy provided an overview of the audit report presentation. He reported that the audit work was completed in mid-June and that SaxBST provided various deliverables including the independent auditor's report on basic financial statements, report on internal controls and compliance, required communications, and management letter. During his overview, he noted that SaxBST found no significant deficiencies or material weaknesses in internal control over financial reporting. He also reported that SaxBST issued an unmodified opinion on the basic financial statements, which is the highest level of assurance that SaxBST can provide to the Board that the financial statements are free from material error. Further, he highlighted that the audit incorporates new accounting standards and that the audit does not reflect ongoing audits.

Chairman Rubin inquired about the footnote reflecting that approximately $200 million was deemed unsupported by the HUD OIG. He asked if this was a cost estimation issue.

Ms. Mickle responded that the information was taken directly from the three HUD OIG audit reports issued during the fiscal year. Mr. Miller responded that some of this figure results from DASNY procurement issues. Mr. Greene added that the Corporation has responded to the HUD OIG findings and has disagreed with the findings.

Mr. Kennedy continued with his presentation by discussing the Schedule of Funding Progress and the Report on Internal Control over Financial Reporting and on Compliance. He stated that SaxBST teamed with Watson Rice, an MBE firm. Lastly, he gave an overview of the required communications.

Ms. Zucker asked if the way the Corporation tracks mortgage receivables is sufficient.

Mr. Kennedy responded that no deficiencies in the process were noted. Ms. DeLucco added that the tracking system which includes a large spreadsheet, is pretty clear; the loans which are being paid upon are clearly identified.

Mr. Zemsky moved to adopt the resolution; Chairman Rubin seconded the motion, and with the approval of all Members, the following resolution was adopted:

> Section 1. The Members hereby approve the annual independent audit report submitted by SaxBST.
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> Section 2. The Members hereby authorize the Treasurer or another officer to submit and publish the annual independent audit report in accordance with the Public Authorities Law, the Public Authorities Reform Act of 2009, and in accordance with any other governing regulations.
>
> Section 3. This resolution shall take effect immediately.

The item for a review of the audit committee self-evaluation was tabled.

There being no unfinished business, Ms. Zucker moved to adjourn the meeting; Mr. Zemsky seconded the motion, and the meeting was adjourned at 12:30 p.m.