

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
STATE OF NEW YORK MORTGAGE AGENCY  
HELD ON NOVEMBER 9, 2011 AT 1:26 P.M.  
AT ITS OFFICES AT 641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Karen A. Phillips	Vice Chairperson
Naomi Bayer	Director
Don Lebowitz	Director
Marge Rogatz	Director
David J. Sweet	Director
Darryl C. Towns	Director
Elaine McCann	Division of the Budget, representing Robert Megna, Director (via video conference)

Vice Chairperson Phillips chaired the meeting; Alejandro J. Valella, Vice President and Deputy Counsel, acted as secretary. The meetings of the Affiliated Agencies opened in joint session for consideration of 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 other Agencies is contained in the minutes of each Agency respectively.

**The first item on the agenda was the President's Report.** Commissioner Towns thanked Vice Chairperson Phillips and the Board for helping the Agencies accomplish their goals. He then outlined some the Agencies' challenges. These challenges include helping the state recover from flooding caused by Hurricanes Irene and Lee, as well as working with the Regional Economic Development Councils. He then mentioned that the Agencies are continuing to look for ways to improve operations and increase funding. Lastly, he noted the recent labor settlement with the Public Employees Federation and the recent hiring of Matthew Nelson as Senior Vice President and President of the Office of Community Renewal.

**The next item on the agenda was the report of the Mortgage Insurance Committee.** Vice Chairperson Phillips reported that the Mortgage Insurance Committee had approved the minutes of its October 6, 2011 meeting and had passed resolutions approving mortgage insurance for the following projects:

- 100% mortgage insurance for Phillips Village Apartments, Webster, Monroe County;
- 100% mortgage insurance for St. Philip's Senior Apartments, Manhattan, New York County;
- 100% mortgage insurance for Greenway Apartments, Lysande, Onondaga County;
- 100% mortgage insurance for 615 and 622 James Street, Syracuse, Onondaga County;
- 100% mortgage insurance for Kingsbridge Court, Bronx County; and
- 100% mortgage insurance for Findlay Plaza, Bronx County.

Vice Chairperson Phillips also noted that the following projects had been tabled for further discussion:

- 100% mortgage insurance for Tivoli Park Apartments, Albany, Albany County; and
- 100% mortgage insurance for 754 East 161<sup>st</sup> Street and 1496, 1500, 1504 Longfellow Avenue, Bronx County.

**The next item on the agenda was the approval of the minutes of the Board meeting held on November 9<sup>th</sup> 2011.** There were no objections or corrections by the Directors therefore the minutes were deemed approved.

**The next item on the agenda was a resolution authorizing the appointment of Matthew Nelson as Senior Vice President of the Office of Community Renewal.** Commissioner Towns presented on this item. First, he described the responsibilities of the Office of Community Renewal. He then stated that Mr. Nelson has already "hit the ground running" by working on flood related issues. Lastly, he acknowledged that Mr. Nelson was in attendance at the meeting.

Marge Rogatz moved to adopt the resolution; Don Lebowitz seconded the motion; and the following resolution was adopted unanimously:

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION APPOINTING MATTHEW NELSON AS SENIOR VICE PRESIDENT, WITH THE TITLE OF PRESIDENT, OFFICE OF COMMUNITY RENEWAL.**

The next item on the agenda was a resolution authorizing the approval of contracts with Automatic Data Processing, Inc. for payroll processing services. This item was a consent item therefore the Directors did not discuss it.

Marge Rogatz moved to adopt the resolution; Vice Chairperson Phillips 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 AND NEW YORK STATE AFFORDABLE HOUSING CORPORATION AUTHORIZING APPROVAL OF CONTRACTS FOR PAYROLL PROCESSING SERVICES.**

The next item on the agenda was a resolution authorizing the approval and/or annual review of Facilities & Administrative contracts with Bar Scan, Inc., Verizon Business, Verizon Business CitiStorage, Inc., Collins Building Services, Inc., Coffee Distributing Corp., and NYS Industries for the Disabled. This item was a consent item therefore the Directors did not discuss it.

Marge Rogatz moved to adopt the resolution; Vice Chairperson Phillips 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 FACILITIES AND ADMINISTRATIVE RELATED CONTRACTUAL AGREEMENTS.**

The next item on the agenda was a resolution authorizing the approval to extend the contract with Bloomberg L.P. for the provision of financial reporting services. This item was a consent item therefore the Directors did not discuss it.

Marge Rogatz moved to adopt the resolution; Vice Chairperson Phillips 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 CONTINUED RETENTION OF THE FINANCIAL REPORTING SERVICES AGREEMENT WITH BLOOMBERG L.P.**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$24,920,000 HFA permanent first mortgage loan for the rehabilitation of Phillips Village Apartments, Phillips Road, Webster, Monroe County. This item had been approved by the Mortgage Insurance Committee earlier in the day. Michael Friedman, the Senior Vice President and Director of the Mortgage

Insurance Fund, made himself available to discuss any further issues. There were no additional questions or comments from the Directors in connection with this item.

Naomi Bayer moved to adopt the resolution; Marge Rogatz 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 PHILLIPS VILLAGE APARTMENTS, PHILLIPS ROAD, WEBSTER, MONROE COUNTY.**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$22,560,000 HFA permanent first mortgage loan for the acquisition and rehabilitation of St. Philip's Senior Apartments. This item had been approved by the Mortgage Insurance Committee earlier in the day. Michael Friedman made himself available again to discuss any further issues. Don Lebowitz noted that the Mortgage Insurance Committee's approval of this project included a recommendation pertaining to the building's management company. Naomi Bayer recounted that the Mortgage Insurance Committee had instructed staff to monitor the management company's performance and to report back to SONYMA's Directors and HFA's Members if there is any issues. Commissioner Towns confirmed that the staff would do this.

Naomi Bayer moved to adopt the resolution; Marge Rogatz 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 ST. PHILIP'S SENIOR APARTMENTS, 220 WEST 133<sup>RD</sup> STREET, MANHATTAN, NEW YORK COUNTY.**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$12,770,000 HFA construction and a \$10,770,000 permanent first mortgage loans for the acquisition and rehabilitation of Greenway Apartments. This item had been approved by the Mortgage Insurance Committee earlier in the day. Michael Friedman made himself available again to discuss any further issues. There were no additional questions or comments from the Directors in connection with this item.

Naomi Bayer moved to adopt the resolution; Marge Rogatz 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**

**GREENWAY APARTMENTS, 8664 OBERON DRIVE, TOWN OF  
LYSANDE, ONONDAGA COUNTY.**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$7,652,000 CPC permanent first mortgage loan for the acquisition and rehabilitation of Tivoli Park Apartments. This item was tabled for discussion at a later date.

The next item on the agenda was a resolution authorizing approval of an annual review of a contract with Overture Technologies, Inc. ("Overture"), and a resolution authorizing the approval of contracts with TF&G Consulting, Patricia Honeycutt, and tri-party agreement with Iron Mountain Intellectual Property Management, Inc and Overture. George Leocata, Senior Vice President of SONYMA Single Family Programs, presented on this item. His presentation focused on SONYMA's development of an automated underwriting and IRS compliance system called SONYMA Express.

Mr. Leocata articulated the goals of SONYMA Express as follows:

- eliminate uncertainty of the borrower's eligibility for a SONYMA loan early in the process;
- dramatically improve processing times;
- provide documentation relief to applicants and lenders;
- create a paperless environment;
- gain more industry acceptance and increase SONYMA production; and
- increase agency profitability.

Mr. Leocata then described the features of SONYMA Express in greater detail. He described it as a web-based system that allows lenders to upload loan application data electronically or through manual entry using the system's web portal. He discussed that this system would permit instantaneous IRS compliance and credit underwriting decisions. Lastly, he noted that SONYMA Express would reduce paper and eliminate fraud because tax return data could be retrieved directly through a third-party vendor. At this point, Mr. Leocata described the numerous vendors involved in developing SONYMA Express.

Mr. Leocata then outlined why Overture was selected to develop the automated underwriting component of SONYMA Express. His presentation outlined the following reasons behind Overture's selection:

- their Chairman and founder was Executive Vice President / CIO at Fannie Mae for over ten years and led the development of Fannie Mae's heralded desktop underwriting system;
- their project manager managed implementations and integration of Freddie Mac's loan prospector for third-parties;
- their staff has extensive experience at designing similar systems;

- it has experience building interfaces between their system and third parties;
- it has a strong client list that includes Fannie Mae, Wells Fargo Bank, Realtor.com, College Board, New York State Higher Education Services Corp.; and
- SONYMA received positive feedback from Overture's references.

Mr. Leocata then updated the Directors on CompuGain Corporation's acquisition of Overture's mortgage division in August 2011. He described that CompuGain is in a stronger financial position, that there were no important staff losses through the acquisition, and that the transition caused no delays in system development. He also noted that CompuGain is minority owned and that it is seeking MWBE certification in New York State.

Lastly, Mr. Leocata outlined the current status of the project. He noted that system development is near completion, that lender setup has begun, and that user manuals and documents are being drafted. He also mentioned that user testing was to begin this week and that a SONYMA Express Pilot will be active by December. Mr. Leocata ended his presentation by acknowledging all the project's participants.

Naomi Bayer then asked if the system could be updated with changes to underwriting criteria. Mr. Leocata said that the system is very flexible and that it could definitely accommodate changes made to underwriting criteria. Ms. Bayer then asked whether the system had a feature permitting a real person to analyze an application where the applicant's qualification status was a close-call. Mr. Leocata responded that the system was designed to do that as it is programmed with several degrees of qualification and disqualification.

HFA Member, Thomas Mattox then inquired about the internal controls surrounding the system. Mr. Leocata responded that it was primarily SONYMA staff that was involved in determining the adequacy of internal controls and that internal or external auditors were not involved in the development process. Mr. Mattox commented that it might be helpful to involve auditors to analyze the internal controls.

Vice Chairperson Phillips then asked about other safety controls including the safeguarding of personal information. Mr. Leocata responded that Overture had been vetted and that staff was comfortable with their safety controls.

Naomi Bayer moved to adopt the resolution; Marge Rogatz seconded the motion; and the following resolution was adopted unanimously:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE  
AGENCY AUTHORIZING APPROVAL TO EXTEND  
CONTRACTS FOR CONSULTING SERVICES AND ESCROW  
SERVICES.**

The next item on the agenda was a resolution authorizing the approval of Custody Services Agreements with the Bank of New York Mellon. This item was a consent item therefore the Directors did not discuss it.

Naomi Bayer moved to adopt the resolution; Marge Rogatz seconded the motion; and the following resolution was adopted unanimously:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY AUTHORIZING APPROVAL FOR THE CONTINUED RETENTION OF THE BANK OF NEW YORK MELLON FOR CUSTODY SERVICES.**

The next item on the agenda was a resolution authorizing the approval of the Master Services Contract with M&T Bank. This item was a consent item therefore the Directors did not discuss it.

Naomi Bayer moved to adopt the resolution; Marge Rogatz seconded the motion; and the following resolution was adopted unanimously:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY REVIEWING AND APPROVING THE CONTINUED RETENTION OF THE MASTER SERVICER.**

The next item on the agenda was a resolution authorizing initial approval of the Agency's consultant services contract with Doug Dylla Consulting, LLC. This item was a consent item therefore the Directors did not discuss it.

Naomi Bayer moved to adopt the resolution; Marge Rogatz seconded the motion; and the following resolution was adopted unanimously:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY AUTHORIZING APPROVAL TO EXTEND THE CONTRACT WITH DOUGLAS DYLLA CONSULTING FOR TECHNICAL SUPPORT AND FACILITATING SERVICES.**

There being no unfinished business, Ms. Bayer moved to adjourn the meeting; Ms. Rogatz seconded the motion; and the meeting was adjourned at 1:57 p.m.

  
Secretary