

**MINUTES OF THE 15th MEETING OF THE
MUNICIPAL BOND BANK AGENCY
AUDIT COMMITTEE
HELD ON JANUARY 29, 2009 AT 11:13 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Kenneth M. Bialo	Director
Daniel Sheppard attended by teleconference	Division of the Budget, representing Laura L. Anglin, Director

ABSENT:

Charles Capetanakis	Director
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Chairman Levy chaired the meeting; Joy F. Willig, the Agencies' Senior Vice President and Counsel, acted as secretary. The meetings of the HFA, AHC, MBBA and TSFC Audit Committees and the SONYMA Audit and Finance Committee were opened in joint session for the consideration of various matters of shared importance. These minutes reflect only those items being considered by the Directors of the Municipal Bond Bank Agency Audit Committee. A record of items considered by the other Agencies' Audit Committees is contained in the minutes of each Committee respectively.

The first item on the agenda was the adoption of the minutes of the MBBA Audit Committee meeting held on December 3, 2008. Mr. Sheppard moved to adopt the minutes; Chairman Levy seconded the motion; the minutes were adopted unanimously.

The next item on the agenda was a presentation of MD&A Report and resolution approving Fiscal 2008 Financial Statements. Joanne Hounsell, Senior Vice President and Deputy CFO, noted that the board had previously determined that Audit Committee meetings should include a training session for Directors. She stated that due to the number of items on the agenda, the training would not be included in this meeting.

Gary Weinstock, Vice President and Comptroller, highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference.

Mr. Weinstock noted the deficit from the advance of bond premiums in 2004 is declining as the amortization of the bonds is taken in as income. He then reported that the Tax Lien Trust transaction with HFA from the previous fiscal year was settled during the 2008 fiscal year.

Chairman Levy asked Glenn Friedrich, of Deloitte & Touche, LLP if he felt the exceptional events of the past fiscal year were accurately presented and documented in the financial statements. Mr. Friedrich said yes.

Mr. Friedrich then presented the Independent Auditor's required communication to the Directors. This report can be found in the Investor Relations section of the Agency's website.

Mr. Bialo arrived during Mr. Friedrich's presentation, before the vote was taken.

Pursuant to Section 105.f. of New York State Public Officers Law, which allows the Directors to convene in Executive Session to discuss the financial information of the corporation, Mr. Sheppard made a motion to continue in Executive Session for Director discussion of the Agencies' financial statements; Chairman Levy seconded the motion; and the Directors went into Executive Session at 11:47 a.m. with representatives from Deloitte & Touche LLP.

The meeting reconvened in public session at 12:22 p.m. Chairman Levy advised that no votes had been taken in the Executive Session.

Mr. Sheppard moved to adopt the resolution; Chairman Levy seconded the motion, and the following resolution was adopted unanimously.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION AUDIT COMMITTEES AND THE STATE OF NEW YORK MORTGAGE AGENCY AUDIT AND FINANCE COMMITTEE REVIEWING AND APPROVING AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2008.

The next item on the agenda was a resolution approving Follow-up Audit of 2007 Audit Reports. Stephen B. Chohey, Vice President of Internal Audit, highlighted certain information contained in the materials provided to Directors in connection with this item, which materials are incorporated herein by reference. There were no questions or discussion on this item.

Mr. Sheppard moved to adopt the resolution; Chairman Levy seconded the motion, and the following resolution was adopted unanimously.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, TOBACCO SETTLEMENT FINANCING CORPORATION AUDIT COMMITTEES AND STATE OF NEW YORK MORTGAGE AGENCY AUDIT AND FINANCE COMMITTEE REVIEWING AND APPROVING INTERNAL AUDIT'S FOLLOW-UP AUDITS OF 2007 AUDIT REPORTS.

There being no unfinished business, Mr. Sheppard moved to adjourn the meeting; Chairman Levy seconded the motion; and the meeting was adjourned at 12:45 p.m.


Secretary