MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON MARCH 4, 2009 AT 11:36 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Deborah VanAmerongen	Director
Daniel Sheppard	Division of the Budget, representing Laura L. Anglin, Director

ABSENT:

Leonard I. Weinstock	Director

Chairman Levy chaired the meeting; M. Lauren McGill, Vice President and Counsel to the Mortgage Insurance Fund, acted as secretary.

* **Item number 1 on the agenda was approval of the minutes of the meeting of the Mortgage Insurance Committee held on January 29, 2009.** Mr. Sheppard moved to adopt the minutes; Ms. VanAmerongen seconded the motion, and the minutes were adopted unanimously.

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* **Item number 2 on the agenda was a resolution recommending approval of 100% mortgage insurance on a $11,300,000 HFA permanent mortgage loan for the acquisition and rehabilitation of two buildings with a total of 160 low income units at 143 Himrod Street and 55 Goodwin Place, Brooklyn, Kings County. Certificate #10-1576.** Michael Friedman, Senior Vice President and Director of the Mortgage Insurance Fund, highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He said that the approval of this Section 202 senior project would be contingent on it receiving a twenty year renewal of the project based Section 8 subsidy. The renovation will take place with tenants in place.

Mr. Sheppard moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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* **Item number 3 on the agenda was a resolution recommending approval of 100% mortgage insurance on $15,270,000 of a $15,875 HDC permanent first mortgage loan which will be used for the acquisition and rehabilitation of 216 low income units at Maria Lopez Plaza, located at 2950 Park Avenue & 635 Morris Avenue, Bronx County. Certificate #10-1570.** Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He said that the project required substantial renovation, and approval would be contingent on renewal of the project based Section 8 subsidy.

Mr. Sheppard moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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* **Item number 4 on the agenda, a resolution recommending approval of 100% mortgage insurance for The Clermont, was withdrawn.**

Chairman Levy stated that although this project was not being considered at this time, he asked staff to think about parameters that should be applied when similar projects come to the agency. He explained that there was an expectation that a number of projects that had been developed as luxury housing, and had been underwritten before the substantial changes in the financial markets might be converted into rental projects. He cautioned that while it was desirable to add some of these projects to the portfolio, the underlying financing needed to be carefully scrutinized. Ms. Almodovar stated that senior staff had discussed such projects, and would welcome guidance from the board in developing parameters.

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* **Item number 5 on the agenda was a resolution approving 100% mortgage insurance on a $5,550,000 CPC permanent mortgage loan which will be used for the construction of 20 market rate residential rental units at 11-15 Meserole Street, Brooklyn, Kings County. Certificate #10-1568.** Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He stated that this new unsubsidized market-rate construction project would be rented at 150-160% AMI and was receiving a 421a tax abatement, so it would be subject to rent stabilization.

Mr. Sheppard moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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* **Item number 6 on the agenda was a resolution approving 100% mortgage insurance on a $2,389,500 CPC permanent mortgage loan which will be used for the rehabilitation of 52 low income units at Siloam House Apartments, 300 Putnam Avenue, Brooklyn, Kings. Certificate #10-1567.** Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He stated that this HUD foreclosed property had been acquired in 2007 and required substantial rehabilitation, which would be primarily funded by HPD. He noted that the NYCERS rate of 7.47% was high in the current market, and was probably due to locking it in several months ago.

Mr. Sheppard moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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* **Item number 7 on the agenda was a resolution approving 100% mortgage insurance on a $4,850,000 CPC permanent first mortgage loan which will be used for the construction of a 32-unit addition to a 50-unit assisted living facility at Highpointe at Malta, 26 Rock Rose Way, Malta, Saratoga County. Certificate #6-235.** Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He stated that this was the second phase of an assisted living project that the MIF had insured three years ago, that the existing loan would be refinanced, and additional units would be constructed. Mr. Sheppard inquired about the tenants' monthly rents; Mr. Friedman replied that the rent included food and some services, and that there was no buy-in.

Mr. Sheppard moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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* **Item number 8 on the agenda was a resolution approving a $535,000 increase in mortgage insurance on a $2,450,000 CPC permanent first mortgage loan for the rehabilitation of 60-units at 540-555 West 144th Street, Manhattan, New York County due to cost overruns. Certificate #10-1337.** Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He stated that this HDC PLP project had previously been approved in September 2005, and that as the rehabilitation had proceeded, it had been determined that substantially more work than had originally been anticipated was required.

Mr. Sheppard moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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* **Item number 9 on the agenda were Informational Items.**

Mr. Friedman highlighted the Grace Manors Nursing Homes project from the Delinquency Status Report that had been in default for several years. He stated that the Department of Health (DOH) intended to close the home and move the current occupants to other facilities in the area. He stated that the MIF would continue paying periodic claims to DASNY, who will become mortgagee in possession and have responsibility for maintaining the building until the property has been disposed of. Ms. Almodovar noted that the building was in a desirable location, and that the Agency would work with the City of Buffalo to come up with a plan for an alternate use.

Mr. Friedman commented on the Tax Surcharge Collections Report, noting that the surtax collection had been $7,000,000 in December, and had dropped to $5,800,000 in January.

There being no unfinished business, Mr. Sheppard moved to adjourn; Ms. VanAmerongen seconded the motion; and the meeting was adjourned at 11:58 a.m.

M. Lauren McGill

M. Lauren McGill
Secretary