

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON APRIL 2, 2009 AT 9:10 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 attended by videoconference	Division of the Budget, representing Laura L. Anglin, Director
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 March 4, 2009.** Chairman Levy moved to adopt the minutes; Ms. VanAmerongen seconded the motion; Mr. Weinstock abstained; and the minutes were adopted.

* **Item number 2 on the agenda was a resolution approving 100% mortgage insurance on a \$4,450,000 CPC permanent first mortgage loan which will be used for the construction of a two-story building containing 49 moderate income units at Brooke Pointe Apartments, 2055 East Schodack Road, Schodack, Rensselaer County. Certificate #6-236.** 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. Mr. Friedman reported that the project does not include any subsidy money or income restrictions however, it is affordable to those earning 43% to 56% of the area AMI. Mr. Friedman noted that the project has a PILOT Agreement.

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

* **Item number 3 on the agenda was a resolution approving 100% mortgage insurance on a \$4,000,000 CPC permanent first mortgage loan which will be used for the construction of a two-story building containing 42 low-income units with 31 units set aside for persons with disabilities at Batavia Special Needs Apartments, 549-559 East Main Street, Batavia, Genesee County. Certificate #2-97.** 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. Mr. Friedman noted that the project is highly subsidized, and that the debt service will be mostly paid by OMH through a contract with DePaul Group, Inc.

Chairman Levy moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

* **Item number 4 on the agenda was a resolution approving 100% mortgage insurance on a \$3,800,000 CPC permanent first mortgage loan which will be used for the construction of a seven-story building containing 19 moderate and middle income units at 95-99 Skillman Street, Brooklyn, Kings County. Certificate #10-1569.** 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. Mr. Friedman stated that project includes a 421-a tax abatement. Mr. Friedman also noted that the information and financials of the project suggest that it was originally intended to be built as a condominium.

In response to a question from Mr. Weinstock, Mr. Friedman said that the interest rate on the first mortgage was much higher than current rates because the developer locked into the higher rate with NYCERS a few months ago. Mr. Weinstock noted that it may be possible for the developer to secure a mortgage with a lower rate, although it would have to be through another lender.

Chairman Levy stated that he was concerned about MIF being used to bail out developers, construction lenders, or other parties who had made bad decisions during the development process. He said that he was also concerned about this and similar projects being converted into condos after only a short period of time as affordable rental units.

Ms. VanAmerongen stated that because of the 421-a agreement, if the project were to convert to condos, the renters in the project would have the right to remain with stabilized rents. She added that it was in the Agency's interest to provide as many affordable housing units as possible, even if some only last a short period of time. Ms. VanAmerongen noted that she would not recommend insuring projects that will likely only remain affordable for the short-term if, as a result, there would be a lack of funds to insure projects which intend to stay affordable for the long-term. She noted that, currently, this is not the case.

Mr. Weinstock agreed with Ms. VanAmerongen, and added that projects in this situation are not always the result of development mistakes, but could also result from changing market demands.

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

*** Item number 5 on the agenda was Informational Items.**

Mr. Friedman noted that the mortgage revenue for March was approximately \$5,500,000. He said that this indicated that February's revenue of \$7,400,000 was an anomaly. Chairman Levy noted that this amount annualizes to approximately \$73 million, compared to the \$198 million received last year. For the year ending March 31, 2009, \$115 million was projected.

There being no unfinished business, Mr. Weinstock moved to adjourn; Ms. VanAmerongen seconded the motion; and the meeting was adjourned at 9:23 a.m.



M. Lauren McGill
Secretary