MINUTES OF THE 19th MEETING OF THE AFFORDABLE HOUSING CORPORATION AUDIT COMMITTEE HELD ON APRIL 2, 2009 AT 9:24 A.M AT ITS OFFICES AT 641 LEXINGTON AVENUE NEW YORK, NEW YORK 10022

MEMBERS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Paul Jones	Member
Daniel Sheppard attended by videoconference	Division of the Budget, representing Laura L. Anglin, Member

ABSENT:

John L. DiMarco	Member

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 Members of the Affordable Housing Corporation 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 AHC Audit Committee meeting held on January 29, 2009. Mr. Jones moved to adopt the minutes; Mr. Sheppard seconded the motion; the minutes were adopted unanimously.

The next item on the agenda was a resolution authorizing the approval of Internal Audit Work Plan for Fiscal Year 2010. Stephen Chopey, Vice President of Internal Audit, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. Mr. Chopey stated that during 2010, Internal Audit anticipates completing 10 internal audits, 3 servicer bank audits, 1 dedicated HFA audit, and 1 dedicated SONYMA audit. Mr. Jones questioned whether the contents of the audits or the timing of the audits differ from last year. Mr. Chopey said that they did not.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, 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 INTERNAL AUDIT WORK PLAN FOR FISCAL YEAR 2010.

The next item on the agenda was a resolution reviewing and approving the continued retention of Deloitte & Touche LLP for Audit Services. Gary Weinstock, Vice President/Comptroller, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. Mr. Weinstock stated that Deloitte has been under contract with the Agencies since 1999, as they were chosen as a result of an RFP process in 1999 and again in 2004. Mr. Weinstock said Deloitte's contract with the Agencies was reviewed annually. He noted that the engagement letter from Deloitte was unchanged from the past year, except for the company's fee.

Chairman Levy asked if the Agency intends to issue an RFP soon; Mr. Weinstock said that the Agency has considered issuing another RFP next year, however it will depend on the state of the financial market at that time. Mr. Weinstock noted that it is considered good industry practice to have auditor continuity.

William Myers, a SONYMA board member, asked if the Agency rotated partners in charge, as that is also considered a good industry practice. Mr. Weinstock responded that the Agency does do this, and has rotated the partner in charge 4 times over the life of the contract.

Mr. Jones moved to adopt the resolution; Mr. Sheppard 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, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND THE TOBACCO SETTLEMENT FINANICNG CORPORATION AUDIT AND AUDIT AND FINANCE COMMITTEES REVIEWING AND APPROVING THE CONTINUED RETENTION OF DELOITTE & TOUCHE LLP FOR AUDIT SERVICES.

The following items were Informational Items.

The next item on the agenda was a review of evaluation of Audit Committees' performance. Materials in connection with this item were provided to the Members in advance of the meeting, which materials are incorporated herein by reference. There were no questions or discussion on this item.

Chairman Levy noted that the self-evaluation forms for the Audit and Governance Committees would be mailed to the Members after the meeting.

The next item on the agenda was a review of the Financial Statements Updates for the First Quarter Fiscal 2009 (Third Quarter Fiscal 2008 for AHC). Materials in connection with this item were provided to the Members in advance of the meeting, which materials are incorporated herein by reference. There were no questions or discussion on this item.

There being no unfinished business, Mr. Jones moved to adjourn the meeting; Mr. Sheppard seconded the motion; and the meeting was adjourned at 9:35 a.m.

Secretary