

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON MAY 7, 2009 AT 1:10 P.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Deborah VanAmerongen	Director
Leonard I. Weinstock	Director
Daniel Sheppard	Division of the Budget, representing Laura L. Anglin, 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 the presentation review of the minutes of the meeting of the Mortgage Insurance Committee held on April 2, 2009.** Joy Willig, Senior Vice President and General Counsel, highlighted certain information contained in a memo provided to the Directors regarding a change in the procedure for approving minutes, which is incorporated herein by reference. Ms. Willig explained that while historically minutes of previous meetings were approved by a vote, a staff review of applicable statutes and rules had concluded that an affirmative vote was not required. She recommended that the Committee deem all minutes approved by the Committee at its next meeting, subject to any corrections suggested by Committee Members. There were no objections or corrections suggested by the Directors, and the minutes were deemed approved.

* **Item number 2 on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$14,250,000 CPC permanent first mortgage loan for the construction of Halfmoon Heritage I, Phase I, Fellows Road, Halfmoon, Saratoga County, containing 132 moderate income units. Certificate #6-237.** 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 noted that the project was being financed by a conventional first mortgage and

developer equity, and that the market rate units were affordable. He added that CPC was providing the financing after completion of construction. Chairman Levy requested that in the future information about the original permanent financing be included in the package for similar deals.

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

* **Item number 3 on the agenda was a resolution approving 100% mortgage insurance on a \$3,100,000 CPC permanent first mortgage loan for the construction of New Windsor Senior Apartments, New Windsor, Orange County, containing 91 low income units for seniors. Certificate #5-223.** 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 said that the project was heavily subsidized, and that the CPC first mortgage was only 20% of the total development cost. Chairman Levy requested that future project memos summarize financial features of the project to facilitate review by the Directors. Ms. Willig responded that staff would work on revising the format.

Mr. Weinstock requested an update on the current tax credit market. Ms. VanAmerongen responded that outside of the New York City area investments were almost entirely from banks that had Community Redevelopment Act requirements. She noted that tax credit deals were pricing from 60 to 75 cents on the dollar. Ms. Almodovar added that in the New York City area the market was currently at around eighty or eighty two cents on the dollar.

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

* **Item number 4 on the agenda was a resolution approving 100% mortgage insurance on a \$2,321,000 CPC permanent first mortgage loan for the rehabilitation of 2524-2526 Adam Clayton Powell Boulevard, Manhattan, New York County, containing 18 low and moderate income units. Certificate #10-1575.** 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 explained that this substantial rehabilitation project had been undertaken by an inexperienced not-for-profit developer, and had required additional funding, including some from DASNY. He noted that the project contained a large commercial space which was projected to generate ten percent of project income. Mr. Friedman further stated that in order to offset risk of negative cash flow, that if this space was vacant, MIC would require a two year operating reserve for the rental of the space. In response to a question from Mr. Weinstock about the funds from DASNY, Mr. Sheppard stated that DASNY administered certain grant funds for the State.

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

* **Item number 5 on the agenda was a resolution approving 100% mortgage insurance on a \$2,150,000 HDC permanent first mortgage loan for the rehabilitation of Livonia Terrace, 435-75 Alabama Avenue and 445-76 Georgia Avenue, Brooklyn, Kings County, containing 173 low income units. Certificate #10-1586.** 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 the project would undergo rehabilitation with existing tenants in place, and that a condition precedent to insurance was a twenty year renewal of the project's HAP contract. Mr. Weinstock observed that the structure of the financing allowed the seller to get the property back at the expiration of its note; Ms. VanAmerongen noted that this type of structure is common for tax credit deals.

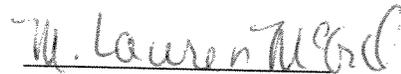
Mr. Weinstock moved to adopt the resolution; Mr. Sheppard seconded the motion; and the resolution was adopted unanimously.

* **Item number 6 on the agenda was Informational Items.**

Chairman Levy noted the continued declining revenues from tax surcharges, adding that revenues were one third of what they were two years ago. Mr. Weinstock stated that while current tax surcharge revenues were lower in the context of the last few years, that he thought they were consistent with tax surcharge revenues over the long term and in more normal markets. Mr. Weinstock noted that excess revenue could be used by the state for other purposes.

Mr. Friedman reported that the MIF paid two final claims to HFA for Wood Creek and Pleasant Creek, and that HFA would handle the remediation of the defaults.

There being no unfinished business, Mr. Weinstock moved to adjourn; Ms. VanAmerongen seconded the motion; and the meeting was adjourned at 1:32 p.m.


M. Lauren McGill
Secretary