

**MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
STATE OF NEW YORK MORTGAGE AGENCY  
HELD ON MAY 7, 2009 AT 1:36 P.M. AT  
ITS OFFICES AT 641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
William Myers	Director
Karen A. Phillips	Director
Gregory J. Raphael	Director
Edward Szala	Director
Deborah VanAmerongen	Director
Leonard I. Weinstock	Director
Daniel Sheppard	Division of the Budget, representing Laura L. Anglin, Director

ABSENT:

Marge Rogatz	Director
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Chairman Levy chaired the meeting; Joy F. Willig, Senior Vice President and Counsel, acted as secretary. The meetings of the Affiliated Agencies 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 State of New York Mortgage Agency. A record of items considered by other Agencies is contained in the minutes of each Agency respectively.

**The first item on the agenda was the President's Report.** Priscilla Almodovar, the Agencies' President and Chief Executive Officer, welcomed Royce A. Mulholland as a new member to the HFA and AHC boards. Ms. Almodovar noted Mr. Mulholland's past experiences and accomplishments in the affordable housing industry.

Ms. Almodovar next reported that the Mortgage Insurance Fund continues to have a high level of commitments. She said MIF's commitments for the three month period ending March 31, 2009 totaled \$85 million, compared to the same period last year which totaled \$63 million.

Ms. Almodovar then reported that loan reservations for single-family mortgages continue to be low. She stated that for the four month period ending April 30, 2009, the total reservations were \$30.7 million, as compared to \$184 million for the same period last year. She said that rates for the Agency's most popular programs are at historical lows, however these rates are still higher than what the market is offering. She noted that market conditions have improved for municipal issuers. Ms. Almodovar said that Treasury is expected to announce a temporary liquidity facility provider for state housing finance agencies, which will support variable rate bonds. She noted that the government may give preference to state housing finance agencies with bank bonds or bonds with rapid amortizations.

Ms. Almodovar next reported on the Agency's participation in new mortgage programs. She stated that the Agency was continuing to work on the FannieMae "My Community" program, which will allow the Agency to offer Fannie Mae preferred rates. She noted that in connection with this product, buyers can also use SONYMA's closing cost and down payment assistance. Ms. Almodovar then introduced the idea of SONYMA utilizing mortgage credit certificates as an additional benefit to borrowers, including, but not limited to, those in the "My Community" program. She explained that housing finance agencies are allotted volume cap, which can be used to issue bonds and provide low rate mortgages, or alternatively, can be exchanged for mortgage credit certificates. She explained that these certificates would allow a borrower to take a percentage of their mortgage interest as a dollar-for-dollar reduction in the borrower's taxes, and the remainder as a deduction. Ms. Almodovar reported that this benefit can last up to 30 years, and that if the borrower refinances, the Agency can reissue the mortgage credit certificates. She noted that in order for the Agency to issue mortgage credit certificates, it must convert some of its volume cap at a rate of 4 to 1.

Ms. Almodovar stated that the Agency was exploring the possibility of a pilot program which would convert up to \$100 million in volume cap into \$25 million in mortgage credit certificates. She said that the program would not impose any extra costs on the Agency or require any additional staff. She noted that currently the Agency is not using its entire volume cap, so the possible reduction of up to \$100 million would not affect its current rate of lending. In response to a question from Ms. VanAmerongen, Ms. Almodovar reported that the Agency used \$308 million in volume cap last year, and had only issued \$60 million in 2009.

Chairman Levy questioned how many borrowers would be able to take advantage of the mortgage credit certificates. George Lecoata, Senior Vice President of Single Family Programs, said that the majority of borrowers would be able to take advantage of this benefit. Mr. Myers asked whether it was a refundable credit. Ms. Almodovar said it was not, but that the credit can be carried over three years.

Ms. Almodovar concluded by announcing that nyhomes was awarded the "Innovator of the Year" award by New York State Association for Affordable Housing.

**The next item on the agenda was the report of the Mortgage Insurance Committee.** Chairman Levy reported that the MIC had approved the minutes of its April

2, 2009 meeting, and passed resolutions approving 100% mortgage insurance on a Community Preservation Corporation permanent first mortgage loan at New Windsor Senior Apartments; 100% mortgage insurance on a Community Preservation Corporation permanent first mortgage loan at 2524-2526 Adam Clayton Powell Boulevard, Manhattan; and 100% mortgage insurance on an HDC permanent first mortgage loan at 435-75 Alabama Avenue. The Committee also passed a resolution recommending approval of 100% mortgage insurance on a Community Preservation Corporation permanent first mortgage loan at Halfmoon Heritage I.

**The next item on the agenda was the approval of the minutes of the SONYMA Directors' meeting held on April 2, 2009.** Joy Willig, Senior Vice President and Counsel, highlighted certain information contained in a memo provided to the Directors regarding a change in the procedure approving minutes, which is incorporated herein by reference. Ms. Willig explained that while historically minutes of previous meeting(s) 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 Boards and Committees deem all minutes approved by the Board or Committee, subject to any corrections suggested by Board or Committee members.

There were no objections or corrections by the Directors, and the minutes were deemed approved.

**The next item on the agenda was a resolution authorizing the approval of HFA's Facilities & Administration contract with Time Warner and Fire Services and annual review by SONYMA, AHC and HFA of various Facilities & administration services contracts and purchase order agreements.** Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. There were no questions raised or discussion about this item.

**The next item on the agenda was a resolution authorizing the approval to enter into printing contracts from companies on the Agencies' newly established prequalified printing panel.** Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. There were no questions raised or discussion about this item.

Mr. Szala moved to adopt the resolution; Ms. Phillips 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 STATE AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION APPROVING THE ENTERING INTO OF CONTRACTS WITH PRINTERS ON THE AGENCIES NEWLY ESTABLISHED PREQUALIFIED PANEL**

**The next item on the agenda was a resolution authorizing the continuation of certain Information Technology Contractual Agreements.** Information with respect to

this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. There were no questions raised or discussion about this item.

Mr. Szala moved to adopt the resolution; Ms. Phillips 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 REVIEWING AND APPROVING THE CONTINUED  
RETENTION OF INFORMATION TECHNOLOGY PROVIDERS**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$14,250,000 CPC permanent first mortgage loan at Halfmoon Heritage, Phase I, Fellows Road, Halfmoon, Saratoga County. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. There were no questions raised or discussion about this item.

Mr. Szala moved to adopt the resolution; Ms. Phillips seconded the motion; and the following resolution was adopted unanimously:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE  
AGENCY APPROVING MORTGAGE INSURANCE AND A  
COMMITMENT FOR THE PROVISION THEREOF FOR  
HALFMOON HERITAGE I, PHASE I, FELLOWS ROAD,  
HALFMOON, SARATOGA COUNTY**

The next item on the agenda was an information item. Michael Friedman, Senior Vice President/Director of MIF, reported to the Board an increase in mortgage insurance for Ridgewood Bushwick Apartments. Mr. Friedman said that the mortgage amount increased from \$11.3 million to \$11.6 million, which was within the allowed 10% increase allowance approved by the Board in March.

The next item on the agenda was approval of a resolution authorizing the approval to extend the contract with Radian Guaranty Inc. for Single Family Pool Reinsurance and Administrative Services. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. There were no questions raised or discussion about this item.

Mr. Szala moved to adopt the resolution; Ms. Phillips seconded the motion; and the following resolution was adopted unanimously:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE  
AGENCY APPROVING THE CONTINUED RETENTION OF  
RADIAN GUARANTY INC. FOR REINSURANCE AND  
ADMINISTRATIVE SERVICES**

**The next item on the agenda was a presentation of plaques to certain board members.** Ms. Almodovar announced that Paul Jones, an HFA and AHC board member, has completed his term as a board member. She then announced that Leonard Weinstock, a SONYMA board member, had submitted his resignation contingent on confirmation of his replacement. She recognized both men's contributions to the board and thanked them for their years of service. Ms. Almodovar then presented Mr. Weinstock with a plaque which read as follows:

“In recognition of  
Leonard I. Weinstock  
Director  
State of New York  
Mortgage Agency  
1992 – 2009

This plaque is in appreciation of your counsel, expertise, energy, enthusiasm and dedication as a member of the Board and as a member of the Mortgage Insurance Committee. Your extraordinary contributions to the work of the Board and of the Committee have been crucial in fulfilling the mission of  
The State of New York Mortgage Agency”

There being no unfinished business, Mr. Szala moved to adjourn the meeting; Ms. Phillips seconded the motion; and the meeting was adjourned at 2:33 p.m.

  
Secretary