

**MINUTES OF THE  
REGULAR MEETING OF THE  
MORTGAGE INSURANCE COMMITTEE OF THE  
STATE OF NEW YORK MORTGAGE AGENCY  
HELD ON JUNE 4, 2009 AT 12:12 P.M.  
AT ITS OFFICES AT 641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Leonard I. Weinstock	Director
Brian Lawlor	Division of Housing and Community Renewal, representing Deborah VanAmerongen, Director
Daniel Sheppard	Division of the Budget, representing Laura L. Anglin, Director (via video conference)

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

Chairman Levy noted that Daniel Sheppard was participating in the meeting via video conference from the New York State DOB conference center at the Capital Building, Room 143 in Albany. A public notice was given of the time and locations of both venues.

\* **Item number 1 on the agenda was the presentation of the minutes of the meeting of the Mortgage Insurance Committee held on May 7, 2009.** There were no objections or corrections suggested by the Directors, and the minutes were deemed approved.

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\* **Item number 2 on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$14,500,000 CPC permanent first mortgage loan for the acquisition and rehabilitation of Cedar Commons Apartments, 900 Calm Lake Circle, Town of Greece, Monroe County containing 360 affordable units. Certificate #2-98.** 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 reported that the project had no subsidy or income restrictions, but that it was affordable to those earning 40% of the Rochester AMI. Mr. Friedman explained that the property was in foreclosure due to poor management and that the current financing would pay off the existing loan and provide funds for rehabilitation. He noted that the acquisition cost included over a million dollars of past due property taxes and utility charges. He also noted that the total square foot cost presented in the board materials was incorrect and that it should be \$104 per square foot.

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

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\* **Item number 3 on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$12,778,904 CPC permanent mortgage loan for the acquisition and rehabilitation of Concern Rochester, LLC, 151-167 Rochester Avenue, Brooklyn, Kings County containing 65 units for low income tenants with psychiatric disabilities. Certificate #10-1601.** 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 this Office of Mental Health (OMH) funded project had formerly been a small hospital. He added that due to current market conditions there was an approximate gap of one million dollars, and that approval was being sought contingent on the project securing additional funding to cover this shortfall. Mr. Lawlor stated that DHCR had provided an award to the project, and that they were exploring sources of additional funding to fill the gap. Chairman Levy asked who had been the previous owner of the project. Mr. Friedman responded that he would find out.

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

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\* **Item number 4 on the agenda was a resolution approving 100% mortgage insurance on a \$3,500,000 CPC permanent mortgage loan for the construction of 201 Montrose Street and 6 Monitor Street, Brooklyn, Kings County containing 16 affordable units. Certificate #10-1587.** 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 reported that the project had no subsidy or income restrictions, but that it was affordable to those earning 140% of the AMI. Chairman Levy asked if the project had originally been built as a rental development. Mr. Friedman responded that he did not think so, but that he was comfortable that the financing would work as a rental, and added that the units would be rent stabilized due to 421(a) tax abatement.

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

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\* **Item number 5 on the agenda was a resolution approving 100% mortgage insurance on a \$2,975,000 CPC permanent first mortgage loan for the construction of 2103-2123 57<sup>th</sup> Street a/k/a 5621 21<sup>st</sup> Avenue, Brooklyn, Kings County, containing 36 affordable units. Certificate #10-1590.** 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 insurance would be provided for a mortgage on the nine unsold condominium units within the project. He added that the borrower had committed to keep the units as rentals for 10 years. Mr. Weinstock noted that the financing would work as a commercial transaction without MIF assistance, and added that with the declining mortgage surcharge revenue, the Committee should be conscious of the availability of funds for projects that provide greater affordability.

Mr. Weinstock moved to adopt the resolution; Mr. Lawlor 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 \$2,600,000 CPC permanent first mortgage loan for the rehabilitation of 16-18 Warburton Avenue, Yonkers, Westchester County containing 18 affordable units. Certificate #8-248.** 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. Chairman Levy asked about the amount of commercial space in the project. Mr. Friedman replied that it contained approximately 4,000 square feet which will be split up into three or four units, and that the project underwriters had assumed a ten percent vacancy rate for the commercial portion.

Chairman Levy asked about the extent of CPC's losses from the prior owner's default on the original loan. Mr. Friedman responded that it was not a large loss since CPC had not advanced the full amount of its loan at the time of default.

Mr. Weinstock moved to adopt the resolution; Mr. Lawlor 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 \$2,172,000 CPC permanent mortgage loan for the rehabilitation of 275 Malcolm X Boulevard, et al, Brooklyn, Kings County,**

**containing 37 low income units. Certificate #10-1594.** 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 was an HPD Third Party Transfer project. Chairman Levy asked about the rental amount for the studios. Mr. Friedman responded that the rents were slightly below market, but not as much as the larger units.

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

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\* **Item number 8 on the agenda was a resolution approving 100% mortgage insurance on a \$2,160,000 CPC permanent first mortgage loan for the construction of 315 Foster Avenue, Brooklyn, Kings County containing nine affordable units. Certificate #10-1591.** 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 this project had originally been built with the intent to sell, but market conditions had changed and the developer had been unable to obtain conventional long term fixed-rate financing after construction.

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

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\* **Item number 9 on the agenda was a resolution approving 100% mortgage insurance on a \$6,140,000 HDC permanent loan for the rehabilitation of Bridge Apartments, 52 West 105<sup>th</sup> Street, et al, Manhattan, New York County, containing 81 units for low income tenants with psychiatric disabilities. Certificate #10-1600.** 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 buildings in this project were operated by the Bridge as supportive housing under contract with OMH. He noted that Section 8 vouchers would subsidize the tenants' housing related costs and OMH would fund the additional supportive services provided by the project.

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

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\* **Item number 10 on the agenda was for Information only.**

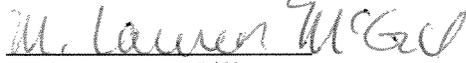
Mr. Friedman stated that the MIF was starting to see defaults on DASNY health care loans. He noted that some defaults were due to excess capacity at AIDS related

centers attributable to decreased demand for services, but that the causes behind other defaults, such as for diagnostic treatment centers, were less clear. He anticipated this trend would continue, but noted MIF only had a modest exposure.

Priscilla Almodovar, the Agency's President and CEO, noted that the mortgage surcharge collections continue to be low, but that the Agency has not had to turn down any projects.

Mr. Weinstock asked if pending legislation regarding consumer protection in residential foreclosures would affect the Agency. Ms. Almodovar responded that because of the Agency's conservative underwriting standards, the proposed measures should not significantly affect its transactions. Mr. Sheppard concurred with Ms. Almodovar's comments. Mr. Weinstock requested that the MIC be briefed on the legislation once it had been passed.

There being no unfinished business, Mr. Weinstock moved to adjourn; Mr. Lawlor seconded the motion; and the meeting was adjourned at 12:45 p.m.

  
M. Lauren McGill  
Secretary