MINUTES OF THE 68th DIRECTORS' MEETING OF THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY HELD ON APRIL 2, 2009 AT 9:45 A.M. AT ITS OFFICES AT 641 LEXINGTON AVENUE NEW YORK, NEW YORK 10022

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Charles Capetanakis	Director
Daniel Sheppard	Division of the Budget, representing Laura L. Anglin, Director (via video conference)
Ricardo Aguirre	State of New York Department of the State, Representing Lorraine Cortes-Vasquez, Director (via video conference)

ABSENT:

Kenneth M. Bialo	Vice Chairman
Andrew A. SanFilippo	Director
Michael J. Townsend	Director

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 Municipal Bond Bank Agency. A record of items considered by other Agencies is contained in the minutes of each Agency respectively.

Chairman Levy noted certain Board Directors were participating in the meeting via video conferencing. He noted that the public notice for the meeting had informed the public as to the participation by videoconference and had identified the location of the meeting, noting that the public had a right to attend. He added that MBBA did not have a quorum present at the time the meeting was called to order.

The first item on the agenda was the President's Report. Priscilla Almodovar, the Agencies' President and Chief Executive Officer, only reported on issues that were specific to other Agencies. Mr. Aguirre, representing the Secretary of State, arrived while she was speaking; and MBBA attained a quorum.

The next item on the agenda was the report of the Audit Committee. Chairman Levy reported that all five Audit and Audit & Finance Committees had adopted the minutes of their respective January 29, 2009 meetings; and had passed resolutions approving an internal audit work plan for fiscal year 2010 and the continued retention of Deloitte &

Touche LLP for audit services, and reviewed financial statement updates for the first quarter and the evaluations of the Audit Committees' performance.

The next item on the agenda was the report of the Governance Committees. Chairman Levy reported that the Governance Committee had adopted the minutes of its January 29, 2009 meeting and had been provided with self-evaluation forms by staff.

The next item on the agenda was the adoption of the minutes of the 67th Directors' meeting for MBBA held on January 29, 2009. The approval of the minutes for MBBA/TSFC was tabled because a majority of voting members had not been present at the prior meeting.

The next item on the agenda was a resolution adopting an amendment to the Administrative Budget for Cost Recovery Charges. Joanne Hounsell, Senior Vice President and Deputy CFO, highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. She explained that the budget amendment reflected an increase in the cost recovery fees that the State charged to authorities statewide. She noted that the Agencies had budgeted $6.8 million for the fee based on prior years' charges, but that the actual charges received from the State's Division of the Budget had been for $9.475 million. She clarified that the amendment was to update the budget to reflect the actual charges, not to approve the payment of the fee. Mr. Sheppard explained that these charges were established by the legislature and allocated by the Director of the DOB. Mr. Sheppard stated that he was comfortable with the Agencies' ability to meet their 2008-2009 obligations. Chairman Levy read from a Moody's report which had been distributed to Members/Directors highlighting concerns that increased charges by states facing economic difficulties to housing finance agencies during economic downturns could have negative effects on the agencies' bond ratings. The report was made part of the record of the minutes. He noted that SONYMA and HFA projections indicated decreased activity which would be reflected in less revenue, and expressed concern about the Agencies' ability to pay increased State fees without adverse impact in future fiscal years. Mr. L. Weinstock noted that because of the vagueness of the state process in determining the fees he was not in a position to pass on the appropriateness of the new amount. Ms. Almodovar noted that the DOB representation on the Agencies' boards meant the department was well aware of the potential impacts, and would be involved in discussion with the Agencies if their fiscal situation changed, with which Mr. Sheppard concurred. Mr. Sheppard noted that given the board's concerns, in the future, prior to determining cost recovery fees DOB would give the board adequate notice as to the proposed amount.

Mr. Capetanakis moved to adopt the resolution; Mr. Aguirre 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 FINANCING CORPORATION ADOPTING AN AMENDMENT TO THEIR ADMINISTRATIVE BUDGET FOR FISCAL YEAR NOVEMBER 1, 2008 TO OCTOBER 31,

2009 AND THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY ADOPTING AN AMENDMENT TO THEIR FINANCIAL PLANS FOR FISCAL YEARS 2009, 2010, 2011 AND 2012

The next item on the agenda was a resolution approving the pre-qualified panel of underwriting firms for the Agencies' bond issues. Chairman Levy directed the Directors to the detailed memo describing the selection process provided in advance of the meeting, which information is incorporated herein by reference, and requested that discussion be limited to questions regarding the matter. Ms. Phillips noted the lack of MWBE representation on the senior manager panel, and requested that the unsuccessful applicants receive feedback about what they can do to improve their chances of either qualifying for the panel, or moving up from the co-manager panel. Ms. Rogatz stated that giving feedback to proposers should become part of all RFP processes. Mr. Myers asked whether staff had gleaned any particular insight, information or advice during the review process. Ms. Zucker responded that she would re-review the proposals from this perspective, and would present any relevant suggestions to the board.

Mr. Capetanakis moved to adopt the resolution; Mr. Aguirre 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 OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING A PRE-QUALIFIED PANEL OF UNDERWRITING FIRMS.

The next item on the agenda was a resolution appointing Senior Vice President for Information Technology, Telecommunications, Facilities and Administrative Services. Mr. Charles Rosenwald, CFO/COO, highlighted certain information contained in the materials provided to the Directors in advance of the meeting, which information is incorporated herein by reference. He noted that this new position would combine the information technology and administrative departments under a single position, creating efficiencies from consolidation, and recommended the appointment of Edwin Bonilla.

Mr. Capetanakis moved to adopt the resolution; Mr. Aguirre 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 OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPOINTING EDWIN BONILLA AS SENIOR VICE PRESIDENT FOR INFORMATION TECHNOLOGY, TELECOMMUNICATIONS, FACILITIES AND ADMINISTRATIVE SERVICES.

The next item on the agenda was a resolution reviewing and approving the continued retention of Deloitte & Touche LLP for Audit Services. Mr. Gary Weinstock, Vice President/Comptroller, highlighted certain information contained in the materials

provided to the Directors in advance of the meeting, which information is incorporated herein by reference. He reported that Deloitte has been under contract with the Agencies since 1999, and was chosen as a result of an RFP process in 1999 and again in 2004. Mr. G. Weinstock said Deloitte's contract with the Agencies was reviewed annually, and noted that the engagement letter from Deloitte was unchanged from the past year, except for the company's fee. He recommended retaining the firm for another year, and postponing the issuance of a new RFP until the financial market settled. He noted industry practice recommendations that recognize the efficiencies of retaining the same accounting firm while rotating the partner in charge of the account, and added that rotation of partners has occurred four times since the firm was brought on board.

Mr. Capetanakis moved to adopt the resolution; Mr. Aguirre 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 TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE CONTINUED RETENTION OF DELOITTE & TOUCHE LLP FOR AUDIT SERVICES

The following items on the agenda were presented for informational purposes. Information with respect to each of these items was provided to the Directors in advance of the meeting, which information is incorporated herein by reference:

Annual Review of E.G. Bowman insurance brokerage agreement

Quarterly Procurement Contract Report for period commencing November 1, 2008 ending January 31, 2009. Ms. Rogatz commented on the procurement report, noting that while she appreciated the Agencies' efforts to open up the process, she felt that M/WBE businesses were still not adequately represented in the Agencies contracts. Ms. Willig noted that the report reflected all contracts in place, and that while the procurement process was evolving it would take some time before current efforts would be reflected in the report.

Contracts with firms listed on the Agencies' pre-qualified Financial Advisor Panel.

Contracts with Hawkins, Delafield & Wood LLP for Arbitrage Rebate Calculation Services.

Financial Statements Updates for the First Quarter Fiscal 2009

Quarterly Investment Reports for the period ending January 31, 2009

Report of Administrative Budget Expenditures for the First Quarter 2009 and Status Report of Financial Plans.

The next item on the agenda was a resolution approving the Property Disposition Guidelines, Annual Inventory and Property disposition. Information with

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

A RESOLUTION OF THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE PROPERTY DISPOSITION GUIDELINES AND THE ANNUAL INVENTORY AND PROPERTY DISPOSITION REPORT

There being no unfinished business, Mr. Capetanakis moved to adjourn the meeting; Mr. Aguirre seconded the motion; and the meeting was adjourned at 10:52 a.m.

Secretary