

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON AUGUST 13, 2009 AT 1:00 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
Deborah VanAmerongen	Division of Housing and Community Renewal, Commissioner
Elaine McCann	Division of the Budget, representing Robert Megna, Director, (via video conference)
Naomi Bayer	Director

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

Chairman Levy noted that Elaine McCann 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 June 4, 2009.** There were no objections or corrections suggested by the Directors, the minutes were deemed approved.

* **Item number 2 on the agenda was a resolution, as revised, recommending the approval of 100% mortgage insurance on a \$22,400,000 HFA construction loan and a \$8,000,000 HFA permanent mortgage loan for Selfhelp Kissena I and II, Flushing, Queens County containing 424 low income units. Certificate #10-1595.** 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 stated that the Directors have a new project summary in their materials to reflect an increase in the construction loan mortgage that MIF has been asked to insure to \$22,400,000.

In response to an inquiry by Chairman Levy, Mr. Friedman confirmed that although the TCAP subsidy loan required payment from cash-flow, projections do not indicate that funds will be available.

Naomi Bayer recused herself from consideration of this project.

Mr. Weinstock moved to adopt the resolution; Chairman Levy seconded the motion; and the resolution was adopted with the recusal from Naomi Bayer.

* **Item number 3 on the agenda was a resolution approving 100% mortgage insurance on a \$6,350,000 HFA construction loan and a \$3,555,000 HFA permanent mortgage loan for the rehabilitation of Madison Plaza, 100 North Madison Street, Rome, Oneida County, containing 127 low income units. Certificate #7-70.** 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 use of TCAP funds for the project. Mr. Friedman noted that the determination of whether to use TCAP funds will depend on the final selling price of the credits.

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

* **Item number 4 on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$18,200,000 HFA permanent mortgage loan for the construction and rehabilitation of 774 West Main Street, Rochester, Monroe County containing 113 low income units. Certificate #2-101.** 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 stated that the New York State Office of Mental Health ("OMH") contract will cover the full debt service on the project for a 30-year term. Mr. Friedman reported that the DePaul Group will use its entire developer's fee to pay off the existing County of Monroe IDA mortgage which is presently insured by the MIF.

Chairman Levy asked about the extent of the MIF exposure to OMH. Mr. Friedman replied that there were currently four projects that aggregate a total of \$58 million, or approximately 2 1/2% of the insurance portfolio.

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

* **Item number 5 on the agenda was a resolution recommending approval of 100% mortgage insurance on a \$9,199,864 HFA permanent mortgage loan for the construction of 2240 Washington Avenue, Bronx, Bronx County containing 80 low income units. Certificate #10-1547.** 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. Directors expressed concern about the high cost per square-foot and noted the size of the HFA subordinate loan. Mr. Friedman responded that due to the nature of the population, there were a large number of small units which increased project development costs. He confirmed that the HFA subordinate loan is greater than \$10,000 per unit.

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

* **Item number 6 on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$8,732,000 HFA permanent mortgage loan for the acquisition and rehabilitation of Stonewood Village, 200 Myrtlewood Drive, Henrietta, Monroe County, containing 187 low income units. Certificate #2-100.** 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 certain project's figures have changed since the Board materials were mailed. Mr. Friedman stated that the HFA subordinate mortgage has decreased to \$7,800,000 from \$8,13,410; and the Federal low-income housing tax credits have increased by a similar amount from 6,748,000 to \$7,748,000.

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

* **Item number 7 on the agenda was a resolution approving 100% mortgage insurance on a \$3,830,000 HFA permanent mortgage loan for the construction of Farmington Senior Apartments, Hathaway Drive, Farmington, Ontario County, containing 88 low income units. Certificate #2-90.** 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 noted that the project is a new-construction, all affordable building for seniors. Chairman Levy asked if TCAP funds cover anything other than the price differential between the budgeted and actual prices of tax credits, Ms. VanAmerongen responded that the TCAP funds covered both the differential and a portion of the subsidy loans.

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

* **Item number 8 on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$14,000,000 CPC permanent mortgage loan which will take out a construction loan for the construction of Eagle Ridge Village – Phase I, 26274 Golden Drive, Evans Mills, Jefferson County containing 218 affordable units. Certificate #3-2.** 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 the project was fully-occupied and was in the first phase of a three-phase development project. Tenants of this fully-occupied project are soldiers or civilian employees of Fort Drum Army Base. Chairman Levy asked about possible consequences if the military closed the base. Mr. Friedman responded that MIF required a 20-year loan term, a high replacement reserve and underwrote to a 7% vacancy rate to address possible base closure and high turnover.

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

* **Item number 9 on the agenda was a resolution approving 100% mortgage insurance on a \$4,500,000 CPC permanent mortgage loan for Cayuga Village Mobile Home Park, 9370 Niagara Falls Blvd., Niagara Falls, Niagara County, containing 365 mobile homes. Certificate #1-89.** 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 insured mortgage interest rate was 5.3%. He noted that the loan proceeds will be used to renovate the 40 vacant homes owned by the borrower and to make improvements in the mobile home park.

Chairman Levy asked if the 20-year loan term was a reflection of underwriting. Mr. Friedman confirmed that due to the nature of the property, the project was also underwritten with a 15% vacancy rate. He stated proceeds of the sale of the renovated homes would fund a replacement reserve, rather than loan prepayment. After discussion, the the Directors agreed to require that the proceeds of home sales fund a debt service reserve which could be released for repairs.

Mr. Weinstock moved to adopt the resolution; Chairman Levy seconded the motion; and the resolution was adopted unanimously, as amended.

* **Item number 10 on the agenda was a resolution approving 100% mortgage insurance on a \$3,347,731 CPC permanent mortgage loan for the rehabilitation of 75-89 Wadsworth Terrace, Manhattan, New York County containing 83 affordable units. Certificate #10-1606.** 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. Weinstock moved to adopt the resolution; Chairman Levy seconded the motion; and the resolution was adopted unanimously.

* **Item number 11 on the agenda was a resolution approving 100% mortgage insurance on a \$2,716,574 CPC permanent mortgage loan for the rehabilitation of 931 Fox Street, Bronx, Bronx County, containing 39 affordable units. Certificate #10-1607.** 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 noted that that the project has a good retail location and can tolerate a 50% retail vacancy rate. Mr. Friedman further noted that pursuant to HPD requirements, the project will be managed by an independent managing agent.

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

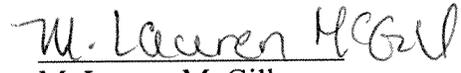
* **Item number 12 on the agenda was a resolution approving 100% mortgage insurance on a \$2,400,000 CPC permanent loan for the rehabilitation of 858-860 Southern Boulevard, Bronx, Bronx County containing 53 affordable units. Certificate #10-1602.** Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman noted that rents are established pursuant to the HPD Regulatory Agreement which does not restrict income.

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

* **Item number 13 on the agenda was for Information only.**

Chairman Levy noted that pursuant to the Tax Surcharge Collections Report, proceeds of the tax surcharge collections were dramatically lower than the prior two years, which was confirmed by Mr. Friedman.

There being no unfinished business, Mr. Weinstock moved to adjourn; Chairman Levy seconded the motion; and the meeting was adjourned at 1:42 p.m.


M. Lauren McGill
Secretary