

**MINUTES OF THE 26th MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
AUDIT COMMITTEE
HELD ON SEPTEMBER 10, 2009 AT 11:06 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

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| Judd S. Levy | Chairman |
| Elaine McCann | Division of the Budget, representing Robert Megna, Member |

Chairman Levy chaired the meeting; Joy F. Willig, the Agencies' Senior Vice President and Counsel, acted as secretary. The meetings of the HFA and AHC, MBBA and TSFC Audit Committees were opened in joint session for the consideration of various matters of shared importance; the SONYMA session was adjourned as no quorum was present. These minutes reflect only those items being considered by the Members of the New York State Housing Finance Agency Audit Committee. A record of items considered by the other Agencies' Audit Committees is contained in the minutes of each Committee respectively.

The first item on the agenda was the approval of the minutes of the 25th HFA Audit Committee meeting, held on June 4, 2009. There were no objections or corrections by the Members, the minutes were deemed approved.

The next item on the agenda was a resolution approving the Third Annual Evaluation by the Audit Committees. Joanne Hounsell, Senior Vice President and Deputy CFO, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. Chairman Levy recommended that the sessions for the Audit Committee meetings be extended to one hour in order to allow time for ongoing education and training.

Ms. McCann moved to adopt the resolution; Chairman Levy seconded the motion, and the following resolution was adopted unanimously:

**A RESOLUTION OF THE AUDIT COMMITTEES OF THE NEW YORK
STATE HOUSING FINANCE AGENCY, NEW YORK STATE
AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK
MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT
FINANCING CORPORATION REVIEWING AND APPROVING
ANNUAL EVALUATION**

The next item on the agenda was a presentation of the annual audit plan for the 2009 Audit. Mr. Glenn Friedrich, Partner-in-Charge of the Deloitte & Touche Audit Team highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. Ms. Almodovar praised the audit team, noting that their adherence to a tight timeframe gave the Agency the ability to promptly act on recommendations. Chairman Levy asked if there would be new components to the audits; Mr. Friedrich responded that there would be two additional federal audits for TCAP and NSP for 2009, and that in 2010 an audit for the student loan program would be added.

The next item on the agenda was a presentation of the Second and Third Quarters Fiscal 2009 Financial Statement Update. Information with respect to this item was provided to the Members in advance of the meeting, which information is incorporated herein by reference.

The next item on the agenda was a review of the Authorities Budget Office guidance on use of Executive Sessions. Joy Willig, Senior Vice President and Counsel, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. She noted the guidance clarified situations when it is permissible to go into executive session, and that the key impact on the Committee was that discussions about audits now needed to take place in a public session, necessitating a change from prior Board practice. She added that the guidelines were general in nature, so specific situations would be evaluated as they arose.

There being no unfinished business, Ms. McCann moved to adjourn the meeting; Chairman Levy seconded the motion; and the meeting was adjourned at 11:48 a.m.


Secretary