

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON SEPTEMBER 10, 2009 AT 1:38 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
Deborah VanAmerongen	Director
Marge Rogatz	Director
Don Lebowitz	Director
Naomi Bayer	Director
David J. Sweet	Director
Elaine McCann	Division of the Budget, representing Robert Megna, Director (via video conference)

ABSENT:

Karen A. Phillips	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 reflected 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, introduced Don Lebowitz, a new SONYMA Board Director appointed by the Assembly Speaker.

Ms. Almodovar next reported on single family mortgage reservations, reporting a continued steady rate through August consistent with the previous few months, but down substantially from the year before. She noted that delinquency rates continued to remain below 2%, and added that the Agency would continue to monitor them closely.

Ms. Almodovar next reported that the Agency had started to offer mortgage credit certificates the week prior to the Board meeting, and had already received eighty-five applications. Mr. Myers asked about the availability of credits once the current allotment was depleted; Ms. Almodovar indicated that additional volume cap could be made available to accommodate demand.

Ms. Almodovar noted that the Board would be updated about the student loan program later in the meeting.

The next item on the agenda was the report of the Governance Committees. Chairman Levy reported that Governance Committee had approved the minutes of the April 2, 2009 meeting; had adopted a resolution recommending approval of Minority and Women-Owned Business Enterprise Task Force Best Practices for procurement of legal services; had adopted a resolution recommending approval of the annual evaluation by the Governance Committees; and had reviewed the Authorities Budget Office Guidance on use of executive sessions.

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 August 13, 2009 meeting, and passed resolutions recommending approval of 100% mortgage insurance for a construction loan and permanent mortgage loan for Parkside Commons, Pine Harbor Apartments, Grant Park Apartments, and Ogden Heights Senior Apartments; passed a resolution recommending approval of 100% mortgage insurance for permanent mortgage loan for Bedell Terrace Apartments; a resolution approving 100% mortgage insurance on a New York City Housing Development Corporation ("HDC") permanent mortgage loan for Via Verde Apartments; resolutions approving 100% mortgage insurance on a Community Preservation Corporation ("CPC") permanent mortgage loan for Halfmoon Heritage Apartments and 519-21 St. Marks Avenue; a resolution approving 100% mortgage insurance on a Low Income Investment Fund permanent mortgage loan for Elva McZeal Apartments; and a resolution approving 100 % mortgage insurance on a Citibank permanent mortgage loan for 518 West, 146th Street.

The next item on the agenda was the approval of the minutes of the SONYMA Directors' meeting held on August 13, 2009. There being no objections or corrections by the Directors, the minutes were deemed approved.

The next item on the agenda was a resolution approving Fiscal Year 2010 Administrative Budget and Financial Plans. Joanne Hounsell, Senior Vice President and Deputy CFO, highlighted certain information contained in the materials provided to the Directors in advance of the meeting, which information is incorporated herein by reference. She explained that the Board was being asked to approve the administrative budget for 2010, which starts November 2009. She noted that the plan complied with direction given by the Office of Taxpayer Accountability and achieved recommended cost reductions without negatively impacting the Agencies. In response to Director questions regarding allocation of personnel between Agencies, Ms. Hounsell noted shifts between the allocations to the different entities due to anticipated coverage needed for planned upcoming bond issues.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 AND NEW YORK STATE AFFORDABLE HOUSING AGENCY ADOPTING AN ADMINISTRATIVE BUDGET FOR FISCAL YEAR NOVEMBER 1, 2009 TO OCTOBER 31, 2010 AND FINANCIAL PLANS FOR FISCAL YEARS 2010, 2011, 2012 AND 2013 WITH RESPECT TO THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY, AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION'S FINANCIAL PLAN FOR FISCAL YEARS 2011, 2012, 2013 AND 2014, AND PRELIMINARY CASH BUDGET FOR THE NEW YORK STATE HOUSING FINANCE AGENCY FOR FISCAL YEAR 2010

The next item on the agenda was a resolution approving **Best Practices for procurement of legal services as per the Minority and Women-Owned Business Enterprise Task Force**. Joy Willig, Senior Vice President and General Counsel, highlighted certain information contained in the materials provided to the Directors in advance of the meeting, which information is incorporated herein by reference. She described the efforts of the Governor's task force to develop guidelines for best practices to procure diverse talented cost-effective legal consulting services. She noted that NYHomes and a number of other state entities had participated in developing the practices, and highlighted procedures for ensuring distribution of work and evaluation of providers. In response to an inquiry by Mr. Levy, Ms. Willig confirmed that these were guidelines and would allow staff to continue to procure legal services appropriate to the Agency's needs.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 ADOPTING THE MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE TASK FORCE RECOMMENDATIONS REGARDING LEGAL SERVICES

The next item on the agenda was approval of a resolution approving the **third annual evaluation by the Governance Committees**. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 CONCERNING SELF-EVALUATION

The next item on the agenda was approval of a resolution approving the third annual evaluation by the Audit Committees. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. Ms. Almodovar noted the one weakness the Audit Committees had identified in their self-evaluations was a lack of sufficient training to update them on evolving responsibilities in the changing economic climate, and had therefore recommended increasing the time scheduled for those meetings in order to incorporate more education to keep the Directors current.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 CONCERNING SELF-EVALUATION

The next item on the agenda was approval of a resolution approving financial printing services contract with Image Master Inc. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 THE ENTERING INTO OF CONTRACTS WITH IMAGE MASTER INC. FOR FINANCIAL PRINTING SERVICES

The next item on the agenda was approval of a resolution approving the Quarterly Bond Sale Reports. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. The Directors had no questions or issues to discuss regarding this item.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 THE AGENCIES' BOND SALE REPORTS

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:

Financial Statement Update for the Second and Third Quarter Fiscal Year 2009

Report of Administrative Budget Expenditures for the Second Quarter, 2009

Report of Administrative Budget Expenditures for the Third Quarter, 2009

Annual review of contracts with firms on the Agencies' non-bond counsel panel and the Agencies' Legal Services contract with Hitsman, Hoffman & O'Reilly

Quarterly Investment Reports

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$14,245,000 HFA construction and permanent mortgage loan for Parkside Commons, 1935-2005 East Fayette Street, Syracuse, Onondaga County. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. This project was presented and discussed at the earlier MIC meeting; the Directors had no further questions or issues to discuss regarding this item.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 PARKSIDE COMMONS, 135-2005 E. FAYETTE STREET, SYRACUSE, ONONDAGA COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$11,245,000 HFA construction and permanent loan for Pine Harbor Apartments (a.k.a. Harborview) 10 Seventh Street, City of Buffalo, Erie County. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. Mr. Sweet asked about negotiations with Empire State Development Corporation (ESDC) regarding the existing

first mortgage; Ms. Zucker explained that the borrower undertook those negotiations, and that the Agency requirement was for an additional forty years of affordability.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 PINE HARBOR APARTMENTS, 107TH AVENUE, BUFFALO, ERIE COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$22,000,000 HFA construction loan and a \$6,960,000 HFA permanent mortgage loan for Grant Park Apartments (a.k.a. Mulford Gardens), 1 Loehr Place and 9 Vinyard Avenue, Yonkers, Westchester County. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. This project was presented and discussed at the earlier MIC meeting; the Directors had no further questions or issues to discuss regarding this item.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 GRANT PARK APARTMENTS, 1 LOEHR PLACE & 9 VINEYARD AVENUE, YONKERS, WESTCHESTER COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$7,110,000 HFA construction loan and a \$3,990,000 HFA permanent mortgage loan for Ogden Heights Senior Apartments, 2539 Spencerport Road, Rochester, Monroe County. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. This project was presented and discussed at the earlier MIC meeting; the Directors had no further questions or issues to discuss regarding this item.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 OGDEN HEIGHTS SENIOR APARTMENTS, 2539 SPENCERPORT ROAD, ROCHESTER, MONROE COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$16,690,000 HFA permanent mortgage loan for Bedell Terrace, 10-26 Bedell Street, Hempstead, Nassau County. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. Ms. Rogatz highlighted the importance of this project to the locality, and expressed appreciation for the efforts made to obtain community participation in the project.

Ms. Bayer moved to adopt the resolution; Mr. Lebowitz 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 BEDELL TERRACE APARTMENTS, BEDELL STREET & TERRACE AVENUE, HEMPSTEAD, NASSAU COUNTY.

The next item on the agenda was a resolution authorizing the issuance of Student Loan Bonds. The Directors' folders contained updated information with respect to this project, which information is incorporated herein by reference. Ms. Marian Zucker, Executive Vice President, explained that pending information from a demand study undertaken by the loan administrator, Higher Education Services Corporation (HESC) that SONYMA was targeting a \$175 Million bond issuance in November. Mr. Myers expressed concern about the credit review criteria that would be applied to a population that had not yet developed traditional evidence of credit stability, suggesting that students might be disapproved using conventional FICO criteria and thus affecting the availability of the loans to the target audience. Ms. Zucker responded that she would express those concerns to HESC.

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

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$180,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS HELPS REVENUE BONDS, TO FINANCE THE ACQUISITION OF EDUCATION LOANS, TO FUND A RESERVE FUND, TO PAY CAPITALIZED INTEREST (IF ANY), AND TO PAY RELATED COSTS OF ISSUANCE OF THE 2009 SERIES A BONDS; APPROVING THE FORM OF SOME OF THE FOLLOWING AND IN ALL CASES AUTHORIZING THE EXECUTION AND DELIVERY OF (A) THE GENERAL INDENTURE, (B) THE SERIES INDENTURE, (C) A PRELIMINARY OFFICIAL STATEMENT, (D) A FINAL OFFICIAL STATEMENT, (E) ONE OR MORE BOND PURCHASE AGREEMENTS AWARDED THE SALE OF THE 2009 SERIES A BONDS TO BANC OF AMERICA SECURITIES LLC,

SENIOR MANAGING UNDERWRITER, AS REPRESENTATIVE OF THE UNDERWRITERS, (F) A CONTINUING DISCLOSURE AGREEMENT, (G) A FINANCING AGREEMENT, (H) A LENDER AGREEMENT, AND (I) A LOAN LOSS RESERVE FUND CERTIFICATE; PROVIDING FOR THE SELECTION OF A TRUSTEE AND A BOND REGISTRAR, THE SPECIFICATION OF THE MAXIMUM INTEREST RATES, MATURITY DATES, AND REDEMPTION TERMS OF THE 2009 SERIES A BONDS; AUTHORIZING INVESTMENT OBLIGATIONS; AUTHORIZING THE INVESTMENT OF THE DEFAULT RESERVE FUND; AUTHORIZING CERTAIN OFFICERS OF THE AGENCY TO DO ALL ACTS NECESSARY, CONVENIENT OR DESIRABLE FOR CARRYING OUT THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

The next item on the agenda was a resolution authorizing extending SONYMA Single Family Pool Insurance Policy. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

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

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE EXTENSION OF THE MORTGAGE INSURANCE FUND'S POOL INSURANCE POLICY FOR THE SONYMA SINGLE FAMILY PROGRAM

The next item on the agenda was a resolution authorizing extending Genworth Mortgage Insurance Corporation contract for 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. The Directors had no questions or issues to discuss regarding this item.

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

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE CONTINUATION OF AN ADMINISTRATIVE SERVICES CONTRACT WITH GENWORTH MORTGAGE INSURANCE CORPORATION

The next item on the agenda was a resolution authorizing extending Facilities & Administrative Contract with New York State Industries for the Disabled, Inc. Information with respect to this item was provided to the Directors in advance of the

meeting, which information is incorporated herein by reference. The Directors had no questions or issues to discuss regarding this item.

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

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE
AGENCY APPROVING THE CONTINUATION OF THE
SCANNING SERVICES CONTRACT WITH NEW YORK STATE
INDUSTRIES FOR THE DISABLED**

The next item on the agenda was an information item on the Third Quarterly Report on the financial status of existing hedges. There was no action necessary on this item.

There being no unfinished business, Ms. Bayer moved to adjourn the meeting; Mr. Lebowitz seconded the motion; and the meeting was adjourned at 2:48 PM.


Secretary