

**MINUTES OF THE MEETING OF THE
STATE OF NEW YORK MORTGAGE AGENCY
AUDIT AND FINANCE COMMITTEE
HELD ON NOVEMBER 5, 2009 AT 11:20 A.M
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
William Myers	Director

Chairman Levy chaired the meeting; Joy F. Willig, the Agencies' Senior Vice President and Counsel, acted as secretary. The meetings of the HFA and SONYMA Audit Committees were opened in joint session for the consideration of various matters of shared importance.

The first item on the agenda was the approval of the minutes of the SONYMA Audit and Finance Committee Directors' meeting held on September 10, 2009. There were no objections or corrections by the Directors, and the minutes were deemed approved.

The next item on the agenda was a resolution approving the Payroll Audit Report. Mr. Stephen Chohey, Vice President, Internal Audit Group, highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference.

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

**A RESOLUTION OF THE AUDIT COMMITTEE OF THE STATE OF
NEW YORK MORTGAGE AGENCY APPROVING THE PAYROLL
AUDIT REPORT**

The next item on the agenda was a resolution approving Single Family Program – Owned Real Estate Audit. Mr. Chohey 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 inquired if Mr. Chohey was comfortable with the procedure for disposition of foreclosed properties and Mr. Chohey responded that he was comfortable with the servicer's procedures, and approval was secured from Agency management for sales and price reductions.

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

**A RESOLUTION OF THE AUDIT COMMITTEE OF THE STATE OF
NEW YORK MORTGAGE AGENCY APPROVING THE SINGLE
FAMILY PROGRAM – OWNED REAL ESTATE AUDIT**

The next item on the agenda was a resolution approving the servicer Audit of First Niagara Bank. Mr. Stephen Chohey 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 inquired about the ability of First Niagara Bank to handle the high level of foreclosures associated with the current economic situation; Mr. Chohey responded that First Niagara Bank was dealing with the high level of foreclosures competently. Mr. Myers expressed concern about the audit finding regarding misplaced files, noting that due to the increased volume of judicial procedures for foreclosure the importance of record retention has increased.

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

**A RESOLUTION OF THE AUDIT COMMITTEE OF THE STATE OF
NEW YORK MORTGAGE AGENCY APPROVING THE SERVICER
AUDIT OF FIRST NIAGARA BANK**

There being no unfinished business, Mr. Myers moved to adjourn the meeting; Chairman Levy seconded the motion; and the meeting was adjourned at 11:34 a.m.


Secretary