MINUTES OF THE 69th DIRECTORS' MEETING OF THE STATE OF NEW YORK MUNICIPAL BOND BANK 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
Kenneth M. Bialo	Vice Chairman
Charles Capetanakis	Director
Elaine McCann	Division of the Budget, representing Robert Megna, Director
Susan L. Watson	State of New York Department of the State, Representing Lorraine Cortes-Vasquez, Director
Andrew A. SanFilippo	Director

ABSENT:

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.

The first item on the agenda was the report of the Audit Committees. Chairman Levy reported that the Audit Committee had approved the minutes of the April 2, 2009 meeting; adopted a resolution approving the annual evaluation by the Audit Committees; reviewed the Independent Auditor's Presentation for Fiscal Year 2009 Audit; reviewed the first Quarter Fiscal 2010 Financial Statement Update; and reviewed the Authorities Budget office guidance on use of executive sessions.

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; adopted a resolution recommending approval of Minority and Women-Owned Business Enterprise Task Force Best Practices for procurement of legal services; adopted a resolution recommending approval of the annual evaluation by the Governance Committees; and reviewed the Authorities Budget Office Guidance on use of executive sessions.

The next item on the agenda was the approval of the minutes of the 67th and 68th Directors' meeting for MBBA held on January 29 and April 2, 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. McCann moved to adopt the resolution; Mr. Capetanakis seconded the motion; and the following resolution was adopted unanimously:

> **A RESOLUTION OF THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION 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, AND PRELIMINARY CASH BUDGET FOR THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY FOR FISCAL YEAR 2009**

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.

Mr. Bialo recused himself from the vote. Ms. McCann moved to adopt the resolution; Ms. Watson seconded the motion; and the following resolution was adopted:

> **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. The Directors had no questions or issues to discuss regarding this item.

Ms. McCann moved to adopt the resolution; Mr. Bialo 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 Members and 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. McCann moved to adopt the resolution; Mr. Bialo 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. The Directors had no questions or issues to discuss regarding this item.

Ms. McCann moved to adopt the resolution; Mr. Bialo 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 Members and 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. McCann moved to adopt the resolution; Mr. Bialo 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.

The next item on the agenda was a resolution authorizing the approval of the Agencies' Investment Policy. Ms. Genevieve D'Agostino, Senior Vice President, 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 at the request of the Directors, staff had developed an investment policy and guidelines and she summarized the particular ways in which the policy applies to each Agency.

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

A RESOLUTION OF THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING AN INVESTMENT POLICY

The next item on the agenda was an informational review of Quarterly Investment Reports. Information with respect to this item was provided to the Members/Directors in advance of the meeting, which information is incorporated herein by reference.

There being no unfinished business, Ms. McCann moved to adjourn the meeting; Mr. Bialo seconded the motion; and the meeting was adjourned at 2:29 PM.

Secretary