

**MINUTES OF THE 28th MEETING OF THE
STATE OF NEW YORK MORTGAGE AGENCY AUDIT
AND FINANCE COMMITTEE
HELD ON DECEMBER 3, 2009 AT 11:06 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 AHC Audit Committees and the SONYMA Audit and Finance Committee were 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 Mortgage 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 SONYMA Audit and Finance Committee Directors' meeting held on November 5, 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 reviewing and approving internal audit staff functions. Stephen Chohey, Vice President of Internal Audit, 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 if there were any changes in the staff functions. Mr. Chohey replied that a review was underway to determine if additional staff would be required to perform the increased number of audits associated with new Agency programs started up during the past calendar year.

Mr. Myers moved to adopt the resolution; Chairman Levy 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 CORPORATION AUDIT
COMMITTEES AND AUDIT FINANCE COMMITTEE REVIEWING
AND APPROVING INTERNAL AUDIT STAFF FUNCTIONS.**

The next item on the agenda was a resolution approving the Audit Committee Action Plan for 2010. Joanne Hounsell, Senior Vice President and Deputy CFO, 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 requested that future audit meetings should be expanded to one hour to concentrate on issues in greater detail and to incorporate regular training, and asked that staff investigate what other state agencies do in regards to training. Charles Rosenwald, CFO and COO, noted that work was underway to develop materials to explain the structures of new Agency programs. Ms. McCann said she would forward suggestions to the committee about recommended training.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION AUDIT COMMITTEES AND THE AUDIT AND FINANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING AN ACTION PLAN FOR THE PERIOD FROM JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

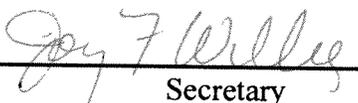
The next item on the agenda was an information item reviewing the Agencies' annual disaster recovery test in Carlstadt, New Jersey. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. The Directors had no questions or issues to discuss regarding this item.

The next item on the agenda was a resolution reviewing and approving the New York State Banking Department 2008 Examination report. 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. He noted that under public authority law the Banking Department audits SONYMA once a year to determine net worth and soundness of operations and management. Chairman Levy highlighted report data about the financial health of the Agency. Mr. Chohey noted the report's overall positive evaluation, adding that the Agency reviewed the Department's recommendations and would be taking appropriate actions.

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

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY AUDIT AND FINANCE COMMITTEE REVIEWING AND APPROVING THE STATE BANKING DEPARTMENT'S EXAMINATION REPORT FOR FISCAL YEAR 2008 AND APPROVING MANAGEMENT RESPONSE

There being no unfinished business, Mr. Myers moved to adjourn the meeting; Chairman Levy seconded the motion; and the meeting was adjourned at 11:41 a.m.


Secretary