

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON DECEMBER 3, 2009 AT 1:49 P.M AT
ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Naomi Bayer	Director
Don Lebowitz	Director
William Myers	Director
Karen A. Phillips	Director
David J. Sweet	Director
Deborah VanAmerongen	Director
Elaine McCann	Division of the Budget, representing Robert Megna, Director (via video conference)

ABSENT:

Marge Rogatz	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.

Chairman Levy noted that Elaine McCann was participating in the meeting via video conference from the New York State DOB conference center at the Capital Building, Room 143 in Albany. A public notice was given of the time and locations of both venues.

The first item on the agenda was the President's Report. Priscilla Almodovar, Chief Executive Officer, recognized the team which worked on the new student loan bond issue program which was scheduled to close on December 15, 2009; the size of the bond issuance is approximately \$98 million and the rates for the student loans are low

and range from 7.55% to 8.75% based on whether the student begins to make payments right away or after graduation. She added that the bonds received an A+ rating from both Fitch and S&P but that it was still too early to gauge the demand.

Ms. Almodovar then reported on single family programs. She reported that reservations were consistent with the average November rates and that the delinquency rates on the Agencies' loans were at historical lows. While the percentage of delinquencies remained near 2%, the number of delinquencies had gone down, as the overall number of mortgages is lower.

Ms. Almodovar reported that, as a result of the New Issue Bond Program, which would be discussed further during the meeting, borrowing costs were expected to be lower in 2010 for the Agency's programs.

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 November 3, 2009 meeting, and passed resolutions requesting approval for 100% mortgage insurance for West 135th Street Apartments, 1458 5th Avenue, MBD Plaza, 2059-2061 & 2063-2071 Madison Avenue, 1 Provider Hamaspik Way, Royal Sunset Townhouse Apartments, Van Rensselaer Village Apartments. The Committee also discussed possible allocation of extra time towards the discussion of pricing and requested that staff provide the board with current expenses for a project where a project was being rehabilitated and therefore had actual operating information rather than projections.

The next item on the agenda was the report of the Audit Committees. Chairman Levy reported that the Audit Committee had approved the minutes of the November 3, 2009 meeting; adopted a resolution reviewing and approving Internal Audit Staff Functions, adopted a resolution approving Audit Committee Action Plan for 2010, adopted a resolution reviewing and approving the New York State Banking Department 2008 Examination Report, and conducted a review of the Agencies' Annual Disaster Recovery Test in Carlstadt, New Jersey. The Audit Committee Directors requested that the Audit Committee Meetings be scheduled for one hour to allow time for extended briefing and discussion.

The next item on the agenda was the report of the Governance Committees. Chairman Levy reported that the Governance Committee had approved the minutes of the September 10, 2009 meeting; adopted a resolution authorizing the adoption of salary range for Senior Officers; the Directors were presented with a report on salary changes for management confidential employees and a report on recently passed public authority legislation.

The next item on the agenda was the approval of the minutes of the SONYMA Directors' meeting held on November 3, 2009.

There being no objections or corrections by the Directors, the minutes were deemed approved.

The next item on the Agenda was the approval of Quarterly and Annual Bond Sales Reports. Ms. Marian Zucker, Executive Vice President, highlighted certain information contained in the materials provided to the Directors in connection with this item in advance of the meeting, which is incorporated herein by reference. Chairman Levy requested that in the future the Board be provided with a chart which includes the par amount of bonds issued organized by underwriter as well as by percentage, as it is presented currently.

Ms. Phillips 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 QUARTERLY AND ANNUAL BOND SALES 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:

Review of the Agencies' Annual Disaster Recovery in Carlstadt, New Jersey.

Report on recently passed public authority legislation. Staff reported that the implications of this legislation would be presented to the Directors at the next meeting.

The next item on the agenda was the approval of the appointment of George Graham as Senior Vice President for Debt Issuance starting January 1, 2010. Ms. Zucker highlighted certain information which was transmitted to the Directors with respect to this item under a separate cover. She commended Mr. Graham on his excellent work with the Agencies since August and expressed gratitude for all of his work on the MBBA bond issuance.

Ms. Phillips 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 APPOINTMENT OF A NEW SENIOR VICE PRESIDENT IN FOR DEBT ISSUANCE.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$23,280,000 HDC permanent first mortgage loan for West 135th Street Apartments, Manhattan, New York 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. Phillips 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 WEST 135TH STREET APARTMENTS, MANHATTAN, NEW YORK COUNTY.

The next item on the agenda was a resolution recommending approval of 100% mortgage insurance on a \$14,770,000 HDC permanent mortgage loan for 1458 5th Avenue, Manhattan, New York 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. Phillips 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 1458 5TH AVENUE, MANHATTAN, NEW YORK COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$14,600,000 HDC permanent mortgage loan for MBD Plaza, 1441 Boston Road and 1700 Bryant Avenue, Bronx, Bronx 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. Phillips 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 MBD PLAZA, 1441 BOSTON ROAD AND 1700 BRYANT AVENUE, BRONX, BRONX COUNTY.

The next item on the agenda was a resolution authorizing the issuance of bonds under the new treasury program. Ms. Zucker highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials

are incorporated herein by reference. She pointed out that one of the requirements of the New Issue Bond Program was that SONYMA issue market bonds at a 40% to 60% ratio to the bonds which are held in escrow. Ms. Almodovar pointed out that the state agencies were paying 10 basis points for the ability to sell bonds to the GSEs and that there is not an obligation to use up the entire amount. Mr. Levy inquired as to how the amount compared to the amount of bonds sold to the GSEs which SONYMA typically issues within a year. Ms. Almodovar responded that if the bond proceeds from the New Issue Bond Program were completely utilized, the amount of loans purchased in 2010 would exceed any previous year. Ms. Zucker pointed out the board was being asked to approve the issuance of the escrow bonds as well as the issuance in 2010 of the market bonds.

Ms. Phillips 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 AUTHORIZATION OF THE ISSUANCE OF BONDS UNDER THE NEW TREASURY PROGRAM.

The next item on the agenda was a resolution authorizing the approval for the replacement of MIF Investment Management from Columbia Asset Management to Deutsche Bank. Genevieve D'Agostino, Senior Vice President and Treasurer, highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. She explained that Columbia Asset Management was presently sold by Bank of America to a non-approved provider. She also mentioned that Deutsche Bank had agreed to reduce their fees from .13 basis points to .09 basis points.

Ms. Phillips 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 APPROVING THE ENTERING INTO AN INVESTMENT MANAGER CONTRACT WITH DEUTSCHE INSURANCE ASSET MANAGEMENT.

The next item on the agenda was a resolution reviewing and approving the New York State Banking Department 2008 Examination Report. Joanne Hounsell, Senior Vice President, highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference.

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

A RESOLUTION BY THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE NEW YORK STATE BANKING

DEPARTMENT'S EXAMINATION REPORT FOR THE FISCAL YEAR 2008 AND APPROVING MANAGEMENT RESPONSE.

The following item on the agenda was the SWAP Report which was presented for informational purposes. Information with respect to this item was provided to the Directors in advance of the meeting:

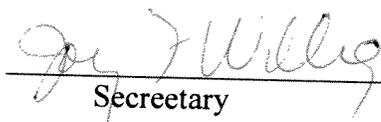
The next item on the agenda was a resolution authorizing the Chairman to perform the duties of the President while the position is vacant. Mr. Alejandro Valella, Vice President and Deputy General Counsel, highlighted certain information which was transmitted to the Members/Directors with respect to this item under a separate cover. He explained that while HFA by laws specifically allow the chairman to assume the duties of the President should the office be vacant, the SONYMA by laws require the board to pass a resolution to authorize the chairman to assume the duties of the president temporarily. Mr. Valella noted that prior to the new public authorities' administration taking effect the chairman could not be appointed president of the agencies. However, this resolution is in accordance with this statute as the chairman is only temporarily assuming the duties of the president, and will not be paid a salary for assuming these duties.

Ms. Phillips moved to adopt the resolution; Mr. Lebowitz seconded the motion; and the following resolution was adopted, Chairman Levy abstained:

A RESOLUTION OF STATE OF NEW YORK MORTGAGE AGENCY AUTHORIZING THE CHAIRMAN TO PERFORM DUTIES OF THE PRESIDENT ON A TEMPORARY BASIS.

Chairman Levy announced Ms. Almodovar's resignation and praised her for her momentous achievements as President and CEO.

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


Secretary