MINUTES OF THE 22nd MEETING OF THE AFFORDABLE HOUSING CORPORATION AUDIT COMMITTEE HELD ON DECEMBER 3, 2009AT 11:06 A.M AT ITS OFFICES AT 641 LEXINGTON AVENUE NEW YORK, NEW YORK 10022

MEMBERS AND DESIGNEES:

PRESENT:

Judd S. Levy	Chairman
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)

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 Members of the Affordable Housing Corporation 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 21st AHC Audit Committee Members' meeting held on September 10, 2009. There were no objections or corrections by the Members, and the minutes were deemed approved.

The next item on the agenda was a resolution reviewing and approving internal audit staff functions. Stephen Chopey, Vice President of Internal Audit, highlighted certain information contained in the materials provided to the Members 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. Chopey 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.

Ms. McCann 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 Members 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.

Ms. McCann 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 Members in advance of the meeting, which information is incorporated herein by reference. The Members had no questions or issues to discuss regarding this item.

The next item on the agenda was a resolution reviewing and approving the Office of the State Comptroller Homebuyer Selection and Approval Report. Mr. Chopey highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He explained that the audit reviewed the eligibility of grant recipients over a three year period, and had found one individual who did not meet income eligibility criteria. He added that the property in question had subsequently been sold to an eligible individual who had assumed the mortgage. Chairman Levy noted that while AHC represents a relatively small part of NYHomes financially, that it has high visibility, and stressed the importance monitoring its grant program closely.

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

A RESOLUTION OF THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION AUDIT COMMITTEE REVIEWING AND APPROVING THE NEW YORK STATE COMPTROLLER'S HOMEBUYER SELECTION AND APPROVAL REPORT AND MANAGEMENT'S RESPONSE THERETO

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

Secretary