

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON MARCH 4, 2010 AT 2:34 P.M. AT
ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES:

PRESENT:

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

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 Mortgage Agency. A record of items considered by other Agencies is contained in the minutes of each Agency respectively.

Prior to commencing the public board meeting, Chairman Levy convened an Executive Session at 2:04 pursuant to Section 105(f) of New York State Public Officers Law, which allows the Directors to convene in Executive Session to discuss the employment history of an employee. The Executive Session ended at 2:33 PM, and Chairman Levy advised that no votes had been taken in the Executive Session. The board meeting was called to order at 2:34 PM.

The first item on the agenda was the Chairman's Report. Judd S. Levy, the Agencies' Chairman, reported that in January and February SONYMA's single family mortgage finance programs had attained their highest reservation rates in fifteen years. He reported that the Agency had at its most recent interest rate meeting increased interest rates for its standard low interest mortgage program from 4 5/8% to 4 3/4%, but had held its rate for the "Achieving the Dream" program at 4 1/8%. He added that the majority of reservations had been for the

Achieving the Dream program, noting Agency success in achieving market penetration of the low-income market.

The Chairman completed his report by noting that he and Commissioner Lawlor had been having ongoing discussions about the administrative consolidation of the Agencies, but that there was nothing to report yet regarding this issue.

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 January 28, 2010 meeting; had adopted a resolution recommending approval of Mission Statements; HFA and SONYMA reviewed the Property Disposition Guidelines and adopted the Annual Inventory and Property Disposition reports.

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 January 28, 2010 meeting, and passed resolutions recommending approval of 100% mortgage insurance for Concern East New York Apartments, 801-815 East New York Avenue, Brooklyn, Kings County; The Hammocks at Timber Banks Phase II, 3404, 3414, 3416 Hammocks Drive, Lysander, Onondaga County; 110-126 Ashburton Avenue, Yonkers, Westchester County; and 761 East 214th Street, Bronx, Bronx County.

The next item on the agenda was the approval of the minutes of the SONYMA Directors' meeting held on January 28, 2010. There being no objections or corrections by the Directors, the minutes were deemed approved.

The next item on the agenda was a resolution approving with Hawkins, Delafield & Wood LLP and Bond Logistix LLC for arbitrage rebate services. Information with respect to this item was provided to the Directors in advance of the meeting, and in an update memo contained in the Directors folders clarifying fee amounts; this information is incorporated herein by reference. There was no discussion or questions on this item.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY, APPROVING THE ENTERING INTO OF CONTRACTS FOR ARBITRAGE REBATE SERVICES

The next item on the agenda was a resolution approving information technology contractual agreements with Application Oriented Design, Inc. and Vision Internet Providers, Inc. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

Ms. Philips moved to adopt the resolution; Mr. Myers 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 REVIEWING AND APPROVING THE CONTINUED RETENTION OF INFORMATION TECHNOLOGY PROVIDERS

The next item on the agenda was a resolution approving quarterly bond sales reports for November 1, 2009 and January 31, 2010. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. There was no discussion or questions on this item.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE AGENCIES' BOND SALE REPORTS

The next item on the agenda was approval of a resolution reviewing the Property Disposition Guidelines and adopting the Annual Inventory and Property Disposition Report. Information with respect to this item was provided to the Directors in advance of the meeting, which information is incorporated herein by reference. Mr. Alejandro Valella, Deputy Counsel, noted that while neither HFA or SONYMA had disposed of any real property, HFA does own the Pleasant Creek project, and that the report will be amended to include this property.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE PROPERTY DISPOSITION GUIDELINES AND THE ANNUAL INVENTORY AND PROPERTY DISPOSITION REPORT

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:

Periodic Report of Agency Administration of Ethics Policies (HFA//SONYMA).

Interim Report on Agency Leases (HFA/SONYMA).

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$13,000,000 CPC permanent first mortgage loan for the acquisition and construction of Concern East New York, Apartments, 801-815 East New York Avenue, Brooklyn, Kings 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. Philips moved to adopt the resolution; Mr. Myers 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 CONCERN EAST NEW YORK APARTMENTS, 801-815 EAST NEW YORK AVENUE, BROOKLYN, KINGS COUNTY

The next item on the agenda was a resolution approving renewal of a contract with NeighborWorks America. 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. She stated that the Agency is required to make best efforts to increase home financing in areas of economic distress, and had contracted with NeighborWorks America to do outreach. She reported that there had been an increase in mortgages in the targeted areas, and while it was difficult to show direct correlation between the organization's work and the rates, that the Agency felt that the home ownership workshops conducted had been helpful, and wanted to expand that effort. She noted that new resolution text had been included in Directors folders, expanding the contract scope to include guidance for implementing a new Agency initiative, and increasing the fee by \$20,000 to cover the increased services.

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

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY AUTHORIZING THE GRANT OF FUNDS

The next item on the agenda was a resolution approving the determination of the estimated excess balance for the Mortgage Insurance Fund for the period ending March 31, 2010. Mr. Michael Friedman, Senior 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. He stated that by March 20 of each year that the MIF needed to submit a certified preliminary estimate of its excess balance to the State Department of Budget, and noted that this year there was no projected excess. Ms. Philips asked about the history of the excess balance; Mr. Friedman replied that two years ago the amount had been in the range of \$100 million and that it had fallen off significantly to approximately \$8 million last year.

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

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY REGARDING THE ESTIMATED EXCESS BALANCE IN THE MORTGAGE INSURANCE FUND FOR THE TWELVE MONTH PERIOD ENDING MARCH 31, 2010

The next item on the agenda, the First Quarterly (2010) Report on the financial Status of Existing Hedges, was 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.

The next item on the agenda, a presentation on the student loan program, was presented for informational purposes. Ms. Zucker, George Graham, Vice President for Debt Issuance, and Aaron Pisacane, from the Higher Education Services Corporation (HESC), briefed the Directors on the status of the student loan program, based upon materials sent to the directors under a separate cover. Ms Zucker noted that loan originations were only \$187 thousand, much lower than the anticipated \$78 million. Ms. Zucker explained that the Agency and HESC were looking to address this situation by extending the origination period and increasing marketing efforts. She noted that an additional appropriation had been requested from the Division of the Budget to cover the increased capitalized interest to be paid on the bonds upon an extension. Mr. Pisacane explained that in the past similar new programs had slow origination periods and subsequent success. He reported that a media campaign was being launched with \$2.5 million received from the DOB. He said that the campaign would increase presence on financial aid websites and would include advertising in newspapers, radio, television and public transportation in addition to schools' financial aid departments. Chairman Levy expressed concern about whether demand would exceed the amount of the bond issue, and discussion ensued about whether SONYMA should call some of the bonds to avoid paying interest on the entire amount and simultaneously extend the origination period for the remainder. Mr. Pisacane responded by noting that most loans originate in the late spring and summer, and since SONYMA has the only private fixed rate loan in the market, it is likely that with sufficient advertising SONYMA could use up the entire bond issue. William Myers noted that in the current financial market many student and parents use financial institutions for student loan information rather than school's financial aid offices. Mr. Pisacane responded that HESC would review the issue of reaching out to financial institutions. Naomi Bayer mentioned that the Board had been advised by HESC that more than half of the loans in the program were originally expected to be originated by New York University, and asked why only one loan had come from NYU. Mr. Pisacane responded that the NYU projections may have been impacted by the fact that educational institutions were cautious about promoting specific programs due to the SLATE Act, which protects students from predatory practices from student loan providers, meaning that NYU may not have been able to fully promote the NYHELPS program. Mr. Levy asked when the Agency would know whether the extension being requested from the rating agencies, if approved, had resulted in the program meeting the original estimates. Mr. Pisacane responded that by July HESC would have a better idea of the real demand for the program. Mr. Levy responded by saying that the Board would monitor this issue closely over the following months

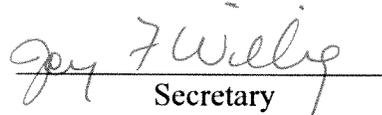
The next item on the agenda was a resolution adopting the Agencies' Mission Statements. Arlo Chase, Senior Vice President, distributed a revised version of the Statement that incorporated Governance Committee Directors comments from the morning meeting. He explained that the Board was being asked to approve the Statement as a requirement of the revisions to the Public Authorities Law legislated last year, and read the Statement aloud. Mr. Varella noted that the Director's folders contained proposed answers to the questionnaire that needed to accompany the mission statement submission, and requested that they review the answers and forward any comment to Counsel.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY
FOR THE APPROVAL OF EACH AGENCY'S MISSION STATEMENT**

All items of the agenda having been presented; Chairman Levy requested the meeting go into Executive Session. Ms. Philips made a motion to continue in Executive Session for discussion of personnel matters; Mr. Meyers seconded the motion; and the Directors went into Executive Session at 3:38 PM.

The Executive Session ended at 3:55 PM. and Chairman Levy advised that no votes had been taken. There being no unfinished business, Ms. Philips moved to adjourn the meeting; Mr. Meyers seconded the motion; and the meeting was adjourned at 3:55 PM.


Secretary