

**MINUTES OF THE
STATE OF NEW YORK MORTGAGE AGENCY
AUDIT AND FINANCE COMMITTEE
HELD ON JANUARY 28, 2010 AT 10:08 A.M
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Don Lebowitz	Director
William Myers	Director
Elaine McCann	Division of the Budget, representing Robert Megna, Director

Chairman Levy chaired the meeting; Joy F. Willig, the Agencies' Senior Vice President and Counsel, acted as secretary. The meetings of the HFA, AHC, MBBA and TSFC 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 December 3, 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 Follow-Up Audit of 2008 Audit Reports. 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. The Directors had no questions or issues to discuss regarding this item.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY, NEW YORK STATE AFFORDABLE HOUSING
CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK**

**AGENCY, TOBACCO SETTLEMENT FINANCING CORPORATION
AUDIT COMMITTEES AND STATE OF NEW YORK MORTGAGE
AGENCY AUDIT AND FINANCE COMMITTEE REVIEWING AND
APPROVING INTERNAL AUDIT'S FOLLOW-UP AUDIT OF 2008
AUDIT REPORTS**

The next item on the agenda was a resolution approving the fiscal 2009 Financial Statements. Gary Weinstock, Vice President/Comptroller, Mr. Glenn Friedrich, Partner-in-Charge of the Deloitte and Touche Audit Team, Joanne Hounsell, Senior Vice President and Deputy CFO, Charles Rosenwald, CFO/COO, Genevieve D'Agostino, Vice President and Treasurer, and Marian Zucker, Executive Vice President, all participated in the presentation highlighting certain information contained in the materials provided to the Members/Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedrich noted that there were no changes of significance in accounting policies, and that his firm would issue a clean unqualified opinion. Mr. SanFilippo questioned Mr. Friedrich about collateralization, valuation and monitoring of Agency investments. Mr. Friedrich replied that Deloitte & Touche monitors all investments by Treasury, and Ms. D'Agostino explained that investments are direct obligations in which the Agencies have a perfected security interest.

Ms. Zucker spoke about market conditions over the last year, describing a challenging start, equilibrium regained over the course of the year, and a return to normal by year end. She added that the volume of bonds issued by all of the affiliated Agencies in 2009 was close to the level of the previous year, due in part to the MBBA Build America Bonds program, which represented fifteen percent of sales. She noted that housing bond issuance had been down significantly due to reduced demand.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY, THE STATE OF NEW YORK MUNICIPAL BOND BANK
AGENCY, AND TOBACCO SETTLEMENT FINANCING
CORPORATION AUDIT COMMITTEES AND THE AUDIT AND
FINANCE COMMITTEE OF THE STATE OF NEW YORK
MORTGAGE AGENCY APPROVING AUDITED FINANCIAL
STATEMENTS FOR FISCAL YEAR 2009**

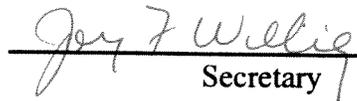
The next item on the agenda was a resolution reviewing and approving the Servicer Audit of Bank of America, N.A. Mr. Chohey highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He said that the outcome of the audit was a recommendation that servicer staff be more closely monitored to insure compliance with Agency policy and procedures, which is being implemented by management.

Mr. Lebowitz moved to adopt the resolution; Ms. McCann 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 SERVICER AUDIT OF BANK OF AMERICA, N.A.**

The next item on the agenda was an informational item regarding a Request for Proposals for independent auditors for the Agencies. Ms. Hounsell described the RFP process for soliciting independent auditors being undertaken in compliance with procurement guideline requiring such a solicitation every five years. She noted that the solicitation was being limited to the top four accounting firms due to the complexity of Agency transactions and limited number of firms with the capacity to properly handle our needs. Mr. Mulholland asked if these firms would be allowed to joint venture with minority and women owned firms. Ms. Willig responded affirmatively, and added that the firms would also be evaluated on minority and female participation by personnel within the invited firms. Ms Hounsell stated that the process would start in March, with responses due in May, and that staff anticipated that the committee would be presented with a recommendation for an independent auditor in June.

There being no unfinished business, Mr. Lebowitz moved to adjourn the meeting; Ms. McCann seconded the motion; and the meeting was adjourned at 12:12 p.m.


Secretary