

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON MARCH 4, 2010 AT 1:33 P.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

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| Judd S. Levy | Chairman |
| Naomi Bayer | Director |
| Brian Lawlor | Director |
| William Myers | Director |
| David J. Sweet | Director |

Chairman Levy chaired the meeting; M. Lauren McGill, Vice President and Counsel to the Mortgage Insurance Fund, acted as secretary.

Chairman Levy noted that Don Lebowitz, Director, was participating in the meeting via telephone conference, but would not be deemed present for establishing the quorum and would not vote.

Karen A. Phillips, Director of the State of New York Mortgage Agency ("SONYMA"), and Royce Mulholland, Director of New York State Housing Finance Agency ("HFA"), attended the meeting as guests. Elaine McCann, Division of the Budget, representing Robert Megna, SONYMA Director, attended the meeting as a guest via video conference.

* **Item number 1 on the agenda was the presentation of the minutes of the meeting of the Mortgage Insurance Committee held on January 28, 2010. There being no objections or corrections suggested by the Directors, the minutes were deemed approved.**

* **Item number 2 on the agenda was a resolution recommending the approval of 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, containing 60 supportive housing units and 30 low-income units. Certificate #10-1654. Michael Friedman, Senior Vice President and Director of the Mortgage Insurance Fund,**

highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference.

Mr. Friedman stated that the 60 supportive housing units are set aside for tenants who are clients of the New York State Office of Mental Health ("OMH"). He noted that the project is heavily subsidized with OMH paying 100% of the project's debt service directly to the mortgagee, and providing an additional \$960,000 per year for operating support. He said that this is the Mortgage Insurance Fund's ("MIF") fifth transaction with Concern for Independent Living, Inc., a highly-regarded not-for-profit, and that the MIF's total exposure to this borrower/operator will be approximately \$47 million.

Chairman Levy raised the issue of evaluating MIF exposure to individual borrowers. Discussion followed about concentration of risk with certain borrowers and/or reimbursement sources such as OMH. Neighborhood concentration of particular housing types, such as supportive housing, was addressed principally as a matter of policy, rather than credit.

Ms. Bayer moved to adopt the resolution; Mr. Lawlor seconded the motion, and the resolution was adopted unanimously.

* **Item number 3 on the agenda was a resolution approving 100% mortgage insurance on a \$6,313,000 CPC permanent mortgage loan for the construction of The Hammocks at Timber Banks – Phase II at 3404, 3414, 3416 Hammocks Drive, Lysander, Onondaga County, containing 66 units. Certificate #3-169.** Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that all the apartment units are affordable to households with incomes at about 75% of the Syracuse AMI. He noted that there are no subsidies and no rent or income restrictions in effect.

Chairman Levy raised the issue of charging higher premiums to insure projects that do not have income or rent restrictions or any subsidy. He noted that the increasing size of the MIF and corresponding increase in liability, coupled with a substantial decline in income from investments and mortgage recording tax revenues suggest the need to reevaluate the MIF's fee structure. Discussion was held regarding the impact of a modest increase in premium on transactions likely to be affected, including impact on loan size. It was noted that similar discussions are taking place at some federal housing agencies. Chairman Levy requested further discussion at the next meeting.

Ms. Bayer moved to adopt the resolution; Mr. Lawlor seconded the motion, and the resolution was adopted unanimously.

* **Item number 4 on the agenda was a resolution approving 100% mortgage insurance on a \$4,700,000 CPC permanent first mortgage loan for the construction of 110-126 Ashburton Avenue, Yonkers, Westchester County, containing 49 low-income senior units. Certificate #7-72.** Mr. Friedman highlighted

certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that this was a highly affordable, heavily-subsidized project, with a second mortgage from New York State Division of Housing and Community Renewal. The insured loan amount represents about 25% of the project's total development cost with a well-regarded developer.

Ms. Bayer moved to adopt the resolution; Mr. Lawlor seconded the motion, and the resolution was adopted unanimously.

* **Item number 5 on the agenda was a resolution approving 100% mortgage insurance on a \$3,674,437 CPC permanent first mortgage loan for the construction of 761 East 214th Street, Bronx, Bronx County, containing 50 units. Certificate #10-1649.** Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that rents are affordable and will be subject to a Regulatory Agreement with HPD.

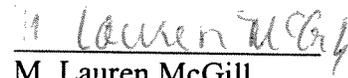
Ms. Bayer moved to adopt the resolution; Mr. Lawlor seconded the motion, and the resolution was adopted unanimously.

* **Item number 6 on the agenda was for Information only.**

Mr. Levy asked Mr. Friedman if there was anything that should be highlighted from the information items. Mr. Friedman stated that the Delinquency Status Report showed a slight increase in delinquencies in smaller CPC projects with small developers, mostly in the lower Hudson Valley region. He attributed the trend to economic conditions and unemployment.

Mr. Friedman stated that proceeds of the tax surcharge collections remain at diminished levels.

There being no unfinished business, Ms. Bayer moved to adjourn; Mr. Lawlor seconded the motion; and the meeting was adjourned at 2:03 p.m.


M. Lauren McGill
Secretary