

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON MARCH 16, 2011 AT 2:26 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
Brian E. Lawlor	Director
Marge Rogatz	Director
Naomi Bayer	Director
Don Lebowitz	Director
David J. Sweet	Director
William Myers	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.

The first item on the agenda was the President's Report. Mr. Lawlor explained that he had just spoken at the first annual conference of the Association of Neighborhoods and Housing Development, where he discussed SONYMA's new "Own it to Fix it" program, which was developed by George Leocata and with the input of SONYMA's Advisory Council. The project assists low- and middle-income homeowners with their home renovation costs for foreclosures or short-sales. He congratulated staff on completing the financing for a housing project for Mt. Sinai Hospital, for completing conversions of seven housing financings from construction to permanent financing, and on Single Family's upcoming release of \$228 million in program bonds, subject to board approval. He noted that the delinquency rate on SONYMA

mortgages was a very low 2.7% compared to 10.5% in New York State and 10.1% nationally, in relation to six month delinquencies. He also noted that staff had met the February 15th deadline to expend 75% of funds acquired through the Tax Credit Assistance Program of the federal stimulus program, which included the implementation and monitoring of Davis Bacon wage rates at all work sites. He congratulated the Agencies on receiving a “satisfactory” rating in a recent audit by HUD and on the Agency’s often-proved ability to face new challenges.

The next item on the agenda was the Chairperson’s report of the Mortgage Insurance Committee. The committee had adopted the minutes of January 27, 2011, approved various resolutions recommending 50% mortgage for Simpson Street Apartments, 100% mortgage insurance for Cow Bay Apartments, 100% mortgage insurance for Abbey Manor Apartments, 100% mortgage insurance for State Street Apartments, 75% mortgage insurance for 386 Lefferts Avenue, 100% mortgage insurance for Mason’s Ridge Apartments, and 100% mortgage insurance for Stevedore Lofts. The Chairperson noted that the Committee had also approved its first insurance on a Housing Asset Renewal Program (HARP) loan for the city of New York and several projects under the Office of Mental Health (OMH).

The next item on the agenda was the approval of the minutes of the SONYMA Directors’ Meeting held on January 27, 2011. There being no corrections from the Directors, the minutes were deemed approved.

The next item on the agenda was a resolution authorizing a Master Goal Plan for Minority- and/or Women-Owned Business Enterprises. Vice Chairperson Phillips took a moment to recognize the appointment of Ms. Wanda Graham as Director of Fair Housing and Equal Opportunity and noted that she very much looked forward to working with Ms. Graham in this capacity. She also noted that she was pleased with the Agencies’ ambitious goals and work to solidify their commitment to engaging Minority- and Women-Owned Business Enterprises. Mr. Lawlor commended the Agencies for their ambitious plan. Ms. Graham noted that the revised MWBE goals found in the Master Plan were arrived at after consultation with, among others, ESDC.

Vice Chairperson Phillips 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 STATE OF NEW YORK MORTGAGE AGENCY
APPROVING EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION 2011
ANNUAL GOAL PLAN**

The next item on the agenda was a resolution authorizing the approval of Consolidated Property Disposition Report and a review of Property Disposition Guidelines.

The resolution was included in the materials that were provided to the Directors before the meeting. There were no questions or comments from the Directors.

Mr. Lawlor 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 STATE OF NEW YORK MORTGAGE AGENCY APPROVING AND REVIEWING PROPERTY DISPOSITION GUIDELINES AND THE ANNUAL INVENTORY AND PROPERTY DISPOSITION REPORT

The next item on the agenda was a resolution authorizing the approval of the Agencies' Information Technology Contracts with Application Oriented Designs, Inc., Housing Development Software, LLC, Real Page Inc., and review of expenditures under various Purchase Orders. The resolution was included in the materials that were provided to the Directors before the meeting. There were no questions or comments from the Directors concerning this item.

Mr. Lawlor 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 REVIEWING AND APPROVING THE CONTINUED RETENTION OF INFORMATION TECHNOLOGY PROVIDERS

The next item on the agenda was an information item on the enforcement powers of the Authorities Budget Office. The report was included in the materials that were provided to the Directors before the meeting. Chairman Levy asked that the Directors pay special attention in reviewing this item, as it would shape the enforcement of the Directors' obligations and duties under the Authorities Budget Office. There were no further questions regarding this item.

The next item on the agenda was an information item reviewing Agency leases for offices in NYC, Buffalo and Albany. The report was included in the materials that were provided to the Directors before the meeting. There were no questions or comments from the Directors in connection with this item.

The next item on the agenda was an information item reviewing the Agencies' Disaster Recovery, Business Continuity and Pandemic Plan. The report was included in the materials that were provided to the Directors before the meeting. There were no questions or comments from the Directors in connection with this item.

The next item on the agenda was a resolution approving 50% mortgage insurance on a \$16,260,000 HDC permanent first mortgage loan for the rehabilitation of Simpson Street Apartments, 9 Buildings in Hunts Point, Bronx, Bronx County. This item had been approved by the Mortgage Insurance Committee earlier in the day. Mr. Friedman made himself available to discuss any further issues. There were no questions or comments from the Directors in connection with this item.

Mr. Lawlor moved to adopt the resolution; Chairman Levy 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 SIMPSON STREET APARTMENTS, 923 SIMPSON STREET, ET AL, BRONX COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$9,225,000 CPC permanent mortgage loan for the rehabilitation of Cow Bay Apartments, 2 Bay Green Lane, Port Washington, Nassau County. This item had been approved by the Mortgage Insurance Committee earlier in the day. Mr. Friedman made himself available to discuss any further issues. There were no questions or comments from the Directors in connection with this item.

Mr. Lawlor moved to adopt the resolution; Chairman Levy 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 COW BAY APARTMENTS, 2 BAY GREEN LANE, PORT WASHINGTON, NASSAU COUNTY.

The next item on the agenda was a resolution approving 100% mortgage insurance on an \$8,357,409 CPC permanent mortgage loan for the rehabilitation of Abbey Manor Apartments, 4029 Long Beach Road, Island Park, Nassau County. This item had been vetted and approved by the Mortgage Insurance Committee earlier in the day. Chairman Levy noted that this project was connected with OMH.

Mr. Lawlor moved to adopt the resolution; Chairman Levy 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 ABBEY MANOR APARTMENTS, 4029 LONG BEACH ROAD, ISLAND PARK, NASSAU COUNTY

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, 2011. Mr. Friedman explained the Agency's statute required Board approval of the estimated excess balance for the twelve month period ending on March 31st, 2011, which this year was estimated to be \$0. He attributed the lack of funds to the continued decline in revenue from mortgage recording surtax and to an increase in the Agency's business. Mr. Friedman explained that these factors meant that there would be no money to remit to the State from the Special Account. Mr. Myers asked if the report might more accurately show a negative balance, and thus indicate a need for deposits into the Special Account to cover MIF expenses. Mr. Lebowitz responded that this was a statutorily-required calculation. Mr. Lawlor noted that, insofar as this balance was perceived to reflect the status of the Agency's finances, he would like to emphasize that the Agency *does* have enough resources to meet current obligations but *does not* have enough resources to meet demand, which exceeds current capacity. Mr. Friedman elaborated on the uncharacteristically low balance, noting by comparison that, in the year 2008, the Agency was receiving roughly \$100 million more in annual revenue from the surtax receipts.

Mr. Lebowitz moved to adopt the resolution, Ms. Rogatz 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, 2011

The next item on the agenda was a resolution approving an Amended and Restated Series Resolution. Ms. Zucker, President, Finance & Development, summarized the need to amend and restate the Agency's Series Resolution adopted in December of 2009. She noted that the Series Resolution had expired at the end of December 2010 and now needed to be extended in order to accommodate the extension of the NIBP Program into 2011. Ms. Zucker also noted that the MRB General Resolution under the authority of which the Series Resolution had been adopted, had its AAA rating confirmed by Moody's Investors Service, based on SONYMA's excellent performance and remarkably low delinquency rate. She noted that this made SONYMA one of approximately five state agencies with such a high rating that offered whole loan programs and had no government back-stop. Ms. Zucker noted that developments relating to Genworth and the PMI industry in general could have an adverse impact on the Resolution, a fact that was noted in the Moody's report. The Directors congratulated staff on this

accomplishment.

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

**STATE OF NEW YORK MORTGAGE AGENCY MORTGAGE
REVENUE BONDS SERIES RESOLUTION ADOPTED DECEMBER 3,
2009, AS AMENDED AND RESTATED ON MARCH 16, 2011**

The next item on the agenda was an information item regarding the Quarterly Swap Report. Information in connection with this item had been included among the materials provided to the Directors before the meeting, and there were no additional comments or questions from the Directors.

At this time, pursuant to the Open Meetings Law, § 105(f), the Chairperson moved that the Directors enter an executive session to discuss certain matters relating to the financial history of the Agency. Mr. Lawlor moved to adopt the motion, Vice Chairperson Phillips seconded the motion, and the Board entered an executive session at 3:08 PM.

The Directors returned from the executive session at 4:25 PM. Chairman Levy reported that no votes were taken in the executive session.

There being no unfinished business, Mr. Lawlor moved to adjourn the meeting; Vice Chairperson Phillips seconded the motion; and the SONYMA meeting was adjourned at 4:26 PM.


Secretary