

FOR CONSIDERATION

November 19, 2009

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: Annual New York State Division of Housing and Community Renewal ("DHCR") Mortgage Servicing Fee

REQUEST FOR: Authorization to Transfer the Annual DHCR Mortgage Servicing Fee

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BACKGROUND

Pursuant to Section 26-b of the Private Housing Finance Law, residential housing projects financed by New York State Urban Development Corporation ("UDC", "ESDC", or the "Corporation") are subject to the regulation and control of the Commissioner of Housing and the Division of Housing and Community Renewal ("DHCR"). By a Memorandum of Understanding dated August 29, 1979, DHCR, UDC, the New York State Mortgage Loan Enforcement and Administration Corporation ("MLC") and the New York State Project Finance Agency ("PFA") agreed on the division of responsibilities and confirmed DHCR's regulatory authority and supervisory responsibilities for UDC's residential mortgage portfolio.

For Fiscal Year 2009-10 the State directed UDC to pay \$2,838,000 to DHCR for the supervision of the ESDC financed residential housing projects. DHCR has submitted a letter to ESDC requesting payment of the \$2,838,000 mortgage servicing fee for supervising these ESDC financed projects.

FUNDING SOURCE: Corporate Cash

REQUESTED ACTION

The Directors are requested to authorize ESDC to transfer \$2,838,000 to DHCR in payment of the mortgage servicing fee for Fiscal Year 2009-10.

## ENVIRONMENTAL REVIEW

ESDC staff has determined that the authorization to transfer the annual DHCR mortgage servicing fee does not constitute an action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

## ATTACHMENT

Resolution

November 19, 2009

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Transfer  
the Annual DHCR Mortgage Servicing Fee

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WHEREAS, pursuant to Section 26-b of the Private Housing Finance Law, residential projects financed by UDC are subject to the regulation and control of the Commissioner of Housing and the New York State Division of Housing and Community Renewal (“DHCR”); and

WHEREAS, the regulatory authority and responsibility of DHCR was confirmed in a Memorandum of Understanding dated August 29, 1979 among DHCR, the Corporation, MLC and PFA; and

WHEREAS, pursuant to appropriations authorized in Chapter 53 of the laws of 2009, the State directed UDC to pay \$2,838,000 to DHCR for the supervision of ESDC’s financed residential housing projects; and

WHEREAS, pursuant to appropriations authorized in Chapter 53 of the laws of 2009, DHCR has sent a letter requesting payment of \$2,838,000 be made for the supervision of the ESDC financed residential housing projects for the 2008-09 State Fiscal Year;

NOW THEREFORE, the Corporation hereby resolves as follows:

RESOLVED, that the Chairman and Chief Executive Officer of the Corporation or his designee(s) is authorized to take all steps necessary to effectuate payment of \$2,838,000, which amount shall not be repaid, as further outlined in the materials presented to this meeting and filed with records of the Corporation; and be it further

RESOLVED, that the Chairman and Chief Executive Officer or his designee(s), and each of them hereby is, authorized to take such actions or execute on behalf of the Corporation such agreements, instruments and resolutions as he or she may consider necessary or appropriate in connection with the foregoing.