



Report to Members

Fiscal Year End
October 31, 2022

Eric Enderlin
President



DATE: March 24, 2023

TO: The Chairperson and Members

FROM: Eric Enderlin

SUBJECT: Report on REMIC Fiscal Year 2022 Activities

I am pleased to report that the New York City Residential Mortgage Insurance Corporation (“REMIC”) continued its role in helping to establish and maintain the available stock of affordable housing throughout New York City during the fiscal year ended October 31, 2022. Certificates of Insurance were issued for 10 properties with an insured amount of \$30.1 million, representing 2,204 units and \$150.7 million in mortgage amount outstanding. Commitments to Insure were issued for 15 properties with an insured amount of \$46.2 million, representing 3,612 units and \$231.1 million in mortgage amount outstanding.

A detailed summary of the activities and accomplishments of REMIC during the fiscal year ended October 31, 2022 is attached for your review.

MISSION & HISTORY

The New York City Residential Mortgage Insurance Corporation (“REMIC”) is a public benefit corporation created to promote the production and rehabilitation of affordable housing in New York City through the issuance of mortgage insurance. REMIC plays an integral role in New York City’s efforts to stabilize and revitalize the City’s diverse neighborhoods.

Founded as the New York City Rehabilitation Mortgage Insurance Corporation in 1973 by the State Legislature with a \$7.5 million loan from New York City, REMIC was created to promote the development of affordable housing in specifically designated distressed areas of New York City. Using mortgage insurance, REMIC worked to promote the issuance of residential loans, many of which would not have proceeded without credit enhancement.

In 1993, the State Legislature amended the REMIC statute, changing REMIC’s parameters to no longer restrict REMIC to designated distressed areas, but instead, to encourage REMIC to insure mortgages throughout New York City. At the same time, REMIC was renamed the New York City Residential Mortgage Insurance Corporation and was reorganized as a subsidiary of the New York City Housing Development Corporation (“HDC”). The original \$7.5 million loan was returned to the City, with HDC funding REMIC reserve requirements as required by REMIC’s enabling statute. These legal changes and transfers of funds created a “New REMIC” entity, while certain reserve requirements remained in place for the “Old REMIC” insured projects. During 2015, the last remaining “Old REMIC” loan was paid off. There are no remaining “Old REMIC” loans in the portfolio. In fiscal years 2011, 2013, 2015, and 2019 HDC injected \$7.5 million, \$10 million, \$8 million, and \$10 million respectively, into REMIC to capitalize future capacity.

Since becoming a subsidiary of HDC, REMIC has actively sought to become a more formidable presence in the mortgage insurance business by significantly increasing the volume of its underwriting while maintaining adherence to strict underwriting standards. In its 50 years of existence, the REMIC insured portfolio has performed well, having paid only 17 claims for insured loans totaling \$693,192.

As of fiscal year-end, REMIC had a “AA” rating from Standard & Poor’s.

FISCAL YEAR 2022 SUMMARY

During fiscal year 2022 (November 1, 2021 through October 31, 2022), REMIC issued Commitments to Insure to 15 properties, with a total of 3,612 units, a total insured amount of \$46.2 million, and a total mortgage amount of \$231.1 million. During fiscal year 2022, REMIC issued Certificates of Insurance to 10 properties, with a total of 2,204 units, a total insured amount of \$30.1 million, and a total mortgage amount of \$150.7 million.

As of October 31, 2022, REMIC had a total amount of insurance outstanding of \$355.5 million, with a total mortgage amount outstanding related to such insurance of \$1.4 billion. In addition, REMIC had total commitments outstanding of \$173.4 million with a total mortgage amount outstanding related to such insurance of \$866.8 million.

Details of the Commitments to Insure and the Certificates of Insurance that REMIC issued during fiscal year 2022 are on the following two pages.

COMMITMENTS TO INSURE ISSUED DURING FY2022

BRONX

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Peninsula Phase 1	HDC	\$14,325,000	\$2,865,000	183
The Willow	HDC	\$11,585,000	\$2,317,000	133
Total Bronx (2 projects):		<u>\$25,910,000</u>	<u>\$5,182,000</u>	<u>316</u>

BROOKLYN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
1921 Atlantic Avenue	HDC	\$24,755,000	\$4,951,000	236
Linden Terrace II	HDC	\$14,260,000	\$2,852,000	160
Atlantic Chestnut Phase I	HDC	\$27,030,000	\$5,406,000	403
Pratt Towers (333 Lafayette Ave)	HDC	\$8,280,000	\$1,656,000	327
Albany Kingston*	HDC	\$16,235,000	\$3,247,000	224
Total Brooklyn (5 projects):		<u>\$90,560,000</u>	<u>\$18,112,000</u>	<u>1350</u>

MANHATTAN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Jenkins Portfolio	HDC	\$7,788,000	\$1,557,600	197
Riverbend Coop.	HDC	\$21,060,000	\$4,212,000	626
Strivers Plaza II-A & B	HDC	\$9,720,000	\$1,944,000	117
Total Manhattan (3 projects):		<u>\$38,568,000</u>	<u>\$7,713,600</u>	<u>940</u>

QUEENS

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Beach 21st	HDC	\$23,780,000	\$4,756,000	224
Rockaway Village Phase II	HDC	\$16,125,000	\$3,225,000	316
Rockaway Village Phase III	HDC	\$22,770,000	\$4,554,000	354
Astoria Apart	HDC	\$4,990,000	\$998,000	62
65-60 Austin Street*	HDC	\$8,400,000	\$1,680,000	50
Total Queens (5 projects):		<u>\$76,065,000</u>	<u>\$15,213,000</u>	<u>1006</u>

*Committed and insured in the same fiscal year

TOTAL COMMITTED (15 PROJECTS):		<u>\$231,103,000</u>	<u>\$46,220,600</u>	<u>3,612</u>
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CERTIFICATES OF INSURANCE ISSUED DURING FY2022

BRONX

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Mosholu Grand	HDC	\$16,375,000	\$3,275,000	152
Compass 3	HDC	\$20,430,000	\$4,086,000	366
Second Farms	HDC	\$23,750,000	\$4,750,000	319
Villa Gardens	HDC	\$5,560,000	\$1,112,000	53
Crossroads Plaza IIIB	HDC	\$22,640,000	\$4,528,000	163
<i>Total Bronx (5 projects):</i>		<u>\$88,755,000</u>	<u>\$17,751,000</u>	<u>1,053</u>

BROOKLYN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Ebenezer Plaza Phase IA Apartments	HDC	\$8,150,000	\$1,630,000	197
Albany Kingston*	HDC	\$16,235,000	\$3,247,000	224
Van Sinderen Plaza	HDC	\$11,705,000	\$2,341,000	130
BEC Continuum Resyndication	HDC	\$17,460,000	\$3,492,000	550
<i>Total Brooklyn (4 projects):</i>		<u>\$53,550,000</u>	<u>\$10,710,000</u>	<u>1,101</u>

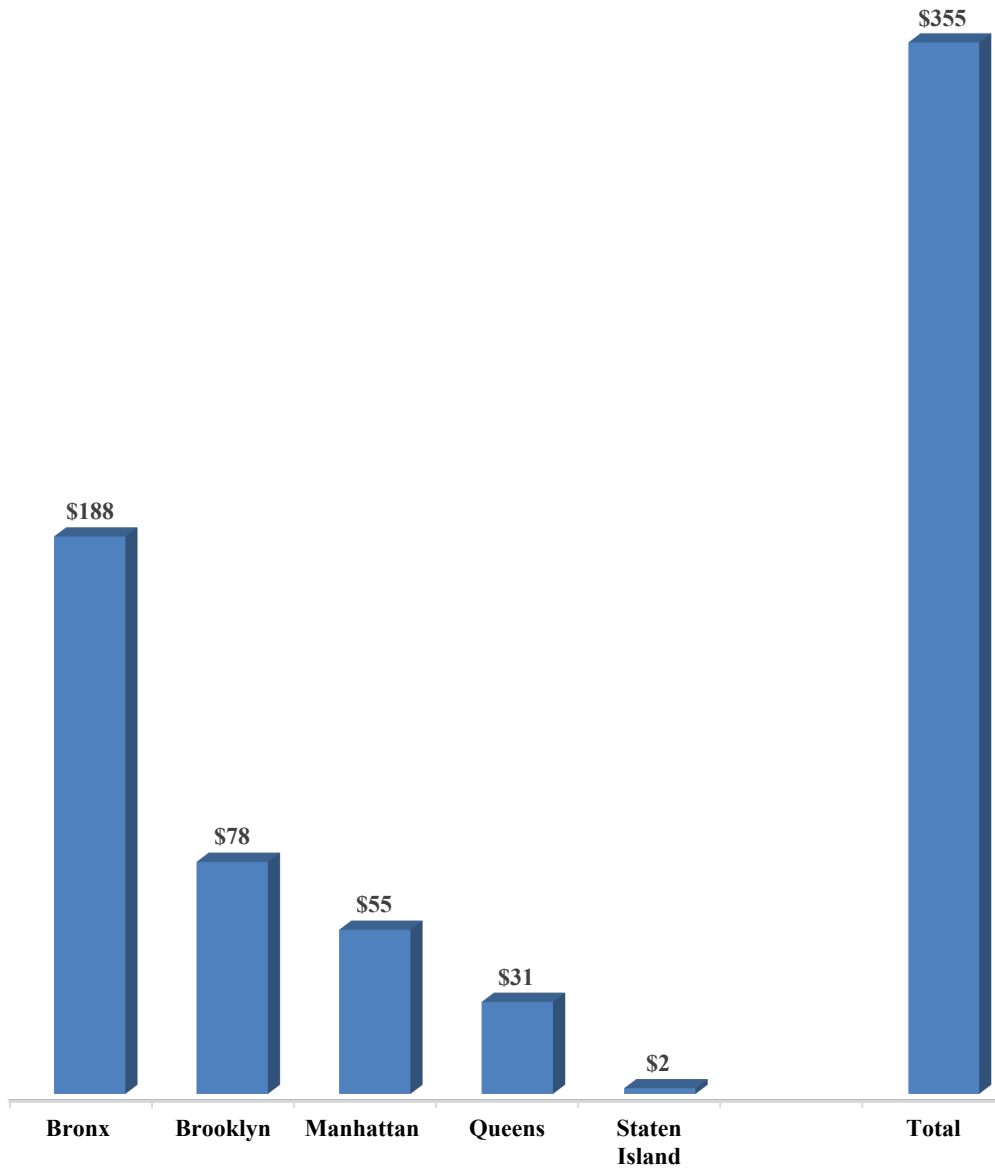
QUEENS

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
65-60 Austin Street*	HDC	\$8,400,000	\$1,680,000	50
<i>Total Queens (1 project):</i>		<u>\$8,400,000</u>	<u>\$1,680,000</u>	<u>50</u>

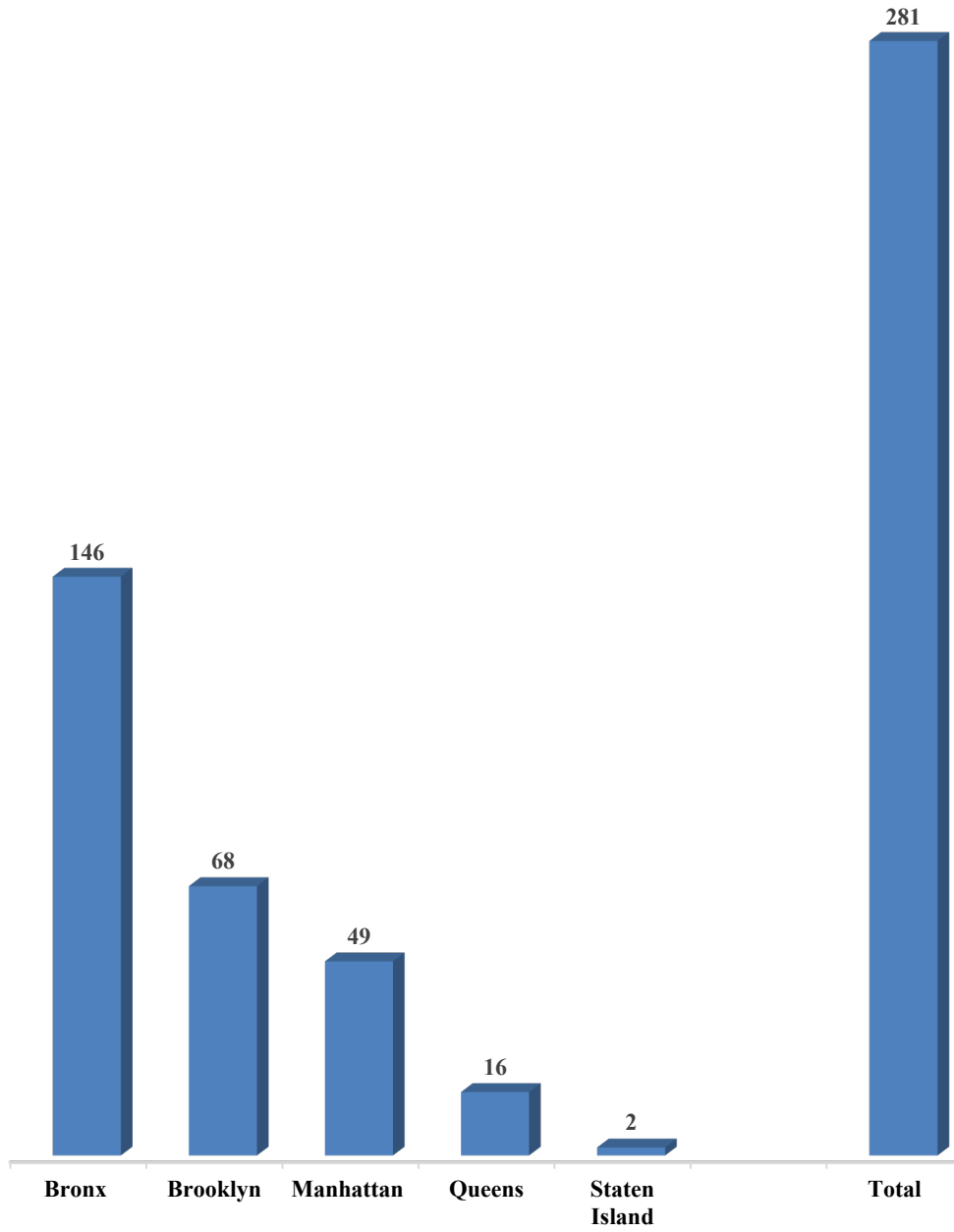
**Committed and insured in the same fiscal year*

TOTAL INSURED (10 PROJECTS):		<u>\$150,705,000</u>	<u>\$30,141,000</u>	<u>2,204</u>
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Insured Amount by Borough
(\$Millions)



Total Insured Properties by Borough



HIGHLIGHTS OF PROPERTIES INSURED DURING FY2022



**Kingston Heights
Albany Kingston (Brooklyn)**



Albany Crossings



Compass 3 (Bronx)



65-60 Austin Street (Queens)

YEAR-OVER-YEAR COMPARISON
FY 2022 VERSUS FY 2021

Commitments to Insure

	<u>FY 2021</u>	<u>FY 2022</u>
# Projects	8	15
# Units	1,810	3,612
Insured Amount	\$18,535,000	\$46,220,600
Mortgage Amount	\$92,675,000	\$231,103,000

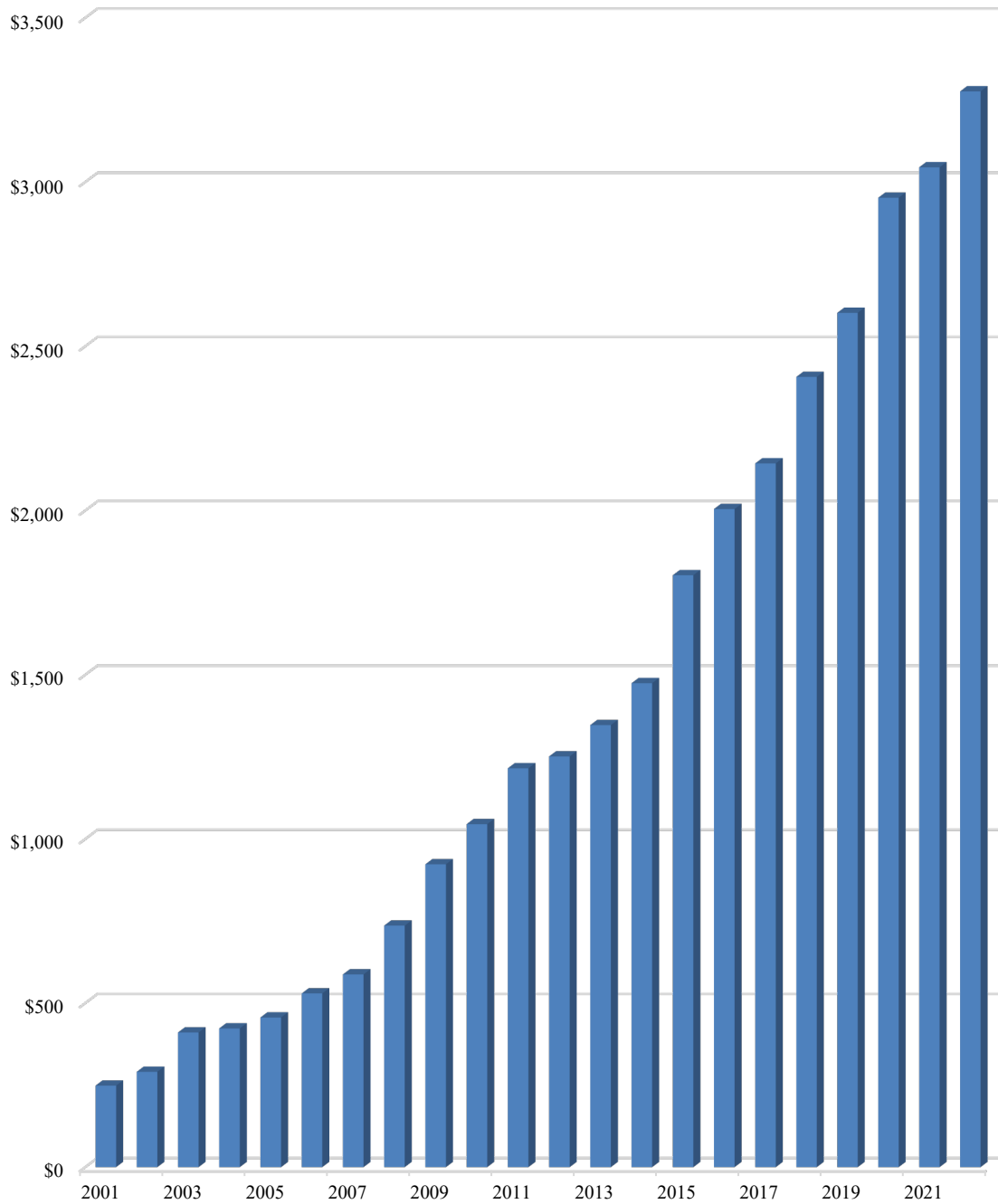
Certificates of Insurance:

# Projects	17	10
# Units	2,684	2,204
Insured Amount	\$38,465,000	\$30,141,000
Mortgage Amount	\$192,325,000	\$150,705,000

ANNUAL COMMITMENT ACTIVITY

<u>Fiscal Year</u>	<u># Loans</u>	<u>Insured Amount</u>	<u>Mortgage Amount</u>	<u># Units</u>
1993 to 2003	347	\$189,515,187	\$410,581,573	10,340
2004	11	\$8,411,263	\$12,285,612	329
2005	8	\$10,079,063	\$33,367,750	477
2006	29	\$20,673,355	\$73,358,770	1,427
2007	11	\$10,922,260	\$58,041,298	751
2008	21	\$32,593,062	\$148,746,311	3,134
2009	24	\$37,360,000	\$186,800,000	2,600
2010	22	\$24,424,000	\$122,120,000	2,425
2011	22	\$34,026,000	\$170,130,000	2,608
2012	10	\$7,229,820	\$36,149,100	762
2013	18	\$23,127,428	\$95,391,428	1,769
2014	20	\$26,876,000	\$127,520,000	2,674
2015	47	\$69,705,024	\$328,617,024	5,594
2016	24	\$40,599,210	\$201,544,576	9,282
2017	14	\$28,523,656	\$138,952,456	2,109
2018	20	\$52,641,000	\$263,205,000	4,505
2019	13	\$39,014,000	\$195,070,000	3,371
2020	17	\$70,068,000	\$350,340,000	3,725
2021	8	\$18,535,000	\$92,675,000	1,810
2022	15	\$46,220,600	\$231,103,000	3,612
<i>Total</i>	<i>701</i>	<i><u>\$790,543,928</u></i>	<i><u>\$3,275,998,898</u></i>	<i><u>63,304</u></i>

REMIC COMMITMENT HISTORY
Cumulative Mortgage Amounts Committed Since 2001
 (\$Millions)

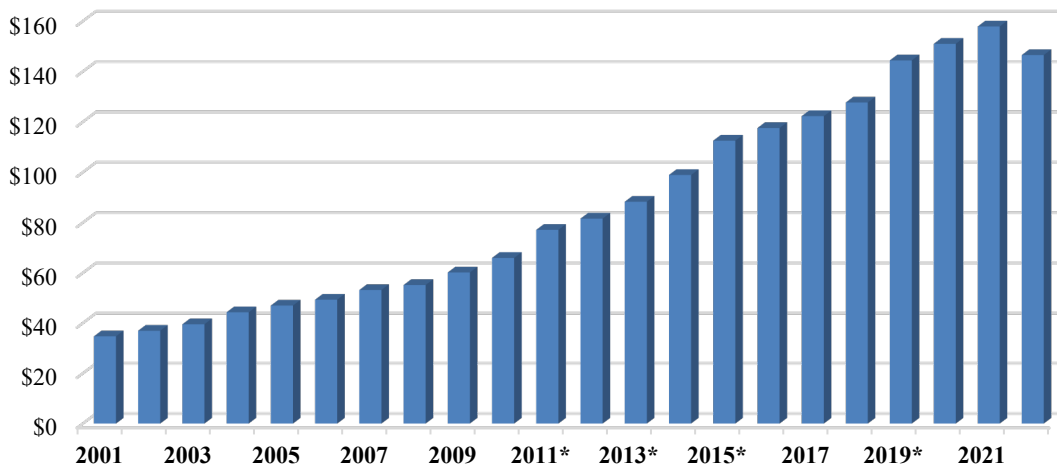


REMIC FY22 FUND BALANCES

<u>Restricted Fund Balance</u>	<u>Unrestricted Fund Balance</u>	<u>TOTAL BALANCE</u>
<u>\$105,703,251</u>	<u>\$40,832,877</u>	<u>\$146,536,128</u>

At the close of fiscal year 2022, REMIC had a fund balance of \$146,536,128, a 7% decrease from fiscal year-end 2021.

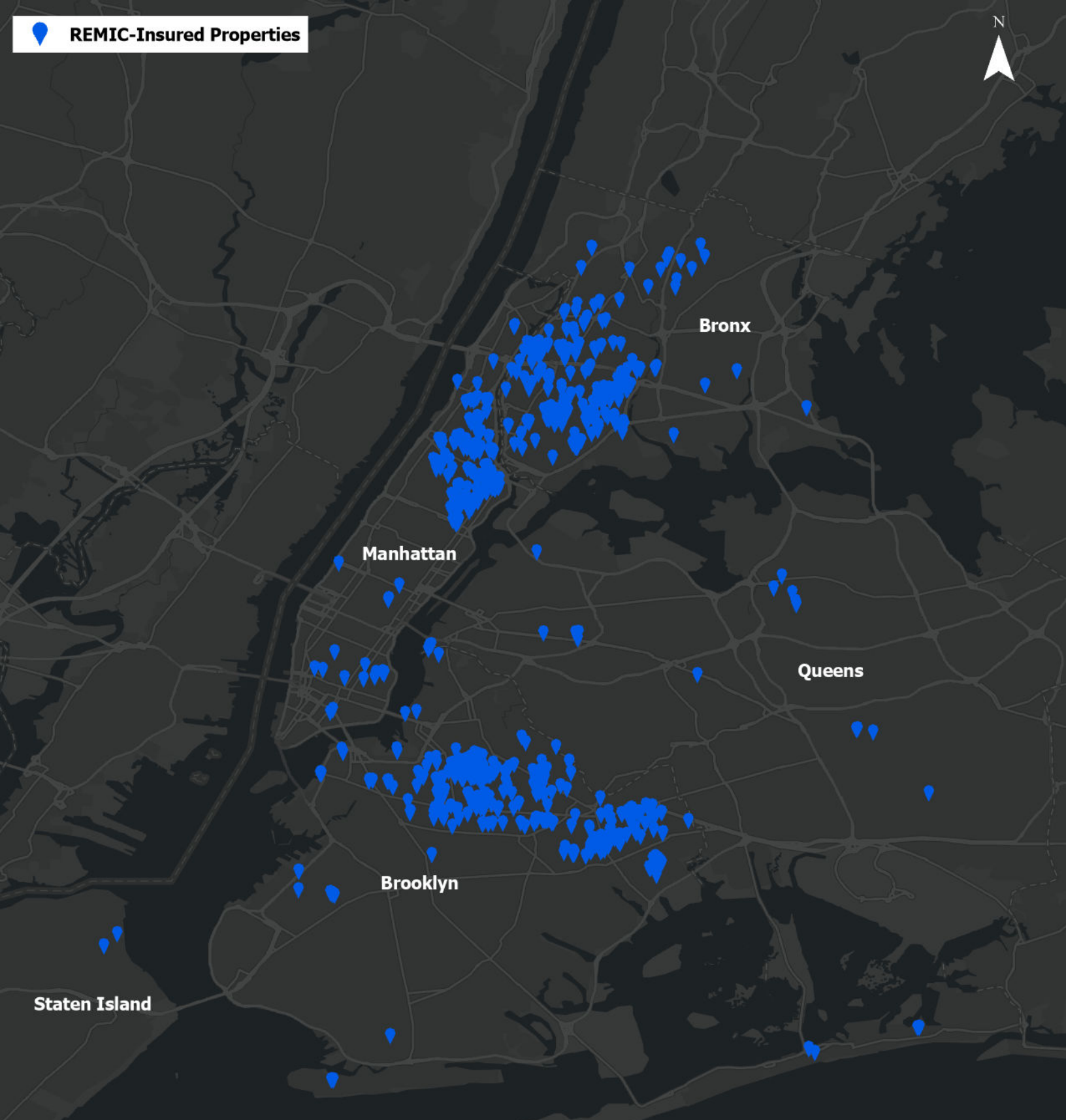
**REMIC Fund Balance
(\$Millions)**



**HDC injected capital into REMIC during fiscal years 2011, 2013, 2015, and 2019 in the amounts of \$7.5 million, \$10 million, \$8 million, and \$10 million respectively, to capitalize future capacity.*



REMIC-Insured Properties



Staten Island

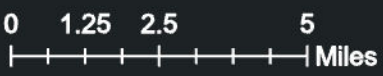
Manhattan

Bronx

Queens

Brooklyn

Borough	Properties Insured
BRONX	146
BROOKLYN	68
NEW YORK	49
QUEENS	16
STATEN ISLAND	2
Total	281



NYC OpenData, New Jersey Office of GIS, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA

REMIC-Insured Properties

REMIC INSURANCE CAPACITY

In accordance with Section 654-d of New York Private Housing Finance Law, REMIC set aside reserves to cover insurance commitments and contracts entered into by REMIC, as well as properties currently in pipeline. REMIC ended fiscal year 2022 with undesignated reserves of approximately \$40.8 million. This undesignated reserve amount results in an available capacity to insure approximately \$204 million in insured amount, or a potential \$1.02 billion in mortgage amount (assuming 20% insurance).

CREDIT RATINGS

As of fiscal year-end, Standard & Poor's maintained a "AA" credit rating for REMIC.

CLAIMS PAYMENT HISTORY

REMIC did not pay any paid claims during fiscal year 2022, but REMIC received reimbursement payments totaling \$20,801.06 for claims paid in fiscal year 2021 on loans associated with four borrowers approved for mortgage forbearance under an agreement with PENY & Co. LLC. As of October 31, 2022, REMIC has been fully reimbursed for all claims paid under this agreement, and the term of the agreement has expired. Subsequent to fiscal year 2022, REMIC paid \$42,543.76 towards periodic claims for one loan. HPD is working with the borrower towards resolving the delinquency.

REMIC PROPERTIES

As of October 31, 2022, REMIC had in its portfolio insured mortgages for 281 properties with 34,419 units. The current aggregate balance of these insured mortgages is \$1.7 billion with REMIC insurance in effect of \$355.5 million.

INVESTMENT SUMMARY

As of October 31, 2022, REMIC reserves were invested in Certificates of Deposit, Money Market Funds, and U.S. Government and Agency securities. Details are provided below:

<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
Signature Bank Money Market	\$17,779,469.67	2.25%
Sterling National Bank Money Market	\$3,360,748.92	2.50%
Freddie Mac	\$4,401,101.11	0.70%
Freddie Mac	\$3,586,306.52	1.25%
Freddie Mac	\$10,489,094.40	1.40%
FFCB	\$6,495,095.00	0.67%
FFCB	\$1,348,677.32	0.70%
FFCB	\$5,979,830.11	1.00%
FFCB	\$3,950,092.50	1.23%
FFCB	\$8,608,501.11	1.30%
FFCB	\$4,142,124.72	1.33%
FFCB	\$1,683,336.67	1.40%
FFCB	\$19,105,231.11	1.94%
FHLB	\$4,311,656.67	1.25%
FHLB	\$11,641,081.33	1.30%
FHLB	\$10,380,906.00	1.35%
FHLB	\$2,411,216.00	1.50%
FHLB	\$3,173,896.00	1.62%
FHLB	\$10,189,764.00	1.74%
FHLB	\$12,220,088.11	1.81%
Daiwa Securities (Repo)	\$510,920.25	3.00%
NYS Muni Bond	\$785,725.28	1.77%
Total*	<u>\$146,554,862.80</u>	

*The total represents the fair market value of investments. HDC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

REVENUES & EXPENSES

The following is a review of REMIC's revenues and expenses for fiscal year 2022 with an explanation of each budget category:

(\$ Thousands)	FY2021	FY2022
<i>Operating Revenues:</i>		
Insurance Premiums & Fees	\$4,127	\$4,912
Investment Income	\$3,679	\$2,538
<i>Total Operating Revenues</i>	<i>\$7,806</i>	<i>\$7,450</i>
<i>Operating Expenses:</i>		
Reimbursement of HDC Overhead	\$572	\$606
Insurance Claims	\$52	\$
<i>Total Operating Expenses</i>	<i>\$624</i>	<i>\$606</i>
OPERATING SURPLUS	<i>\$7,182</i>	<i>\$6,844</i>
Capital Injection from HDC	\$0	\$0
Unrealized Gain/(Loss) on Investments*	(\$579)	(\$18,195)
CHANGE IN NET POSITION	<i>\$6,603</i>	<i>(\$11,351)</i>

*This represents the fair market value adjustment applied to investments held by REMIC. HDC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

EXPLANATION OF REVENUES & EXPENSES

Revenues

Insurance Premiums & Fees

Insurance premiums and fees represent collections for mortgage insurance and commitments issued by REMIC, as well as application and commitment extension fees. Insurance premiums and fees were \$4.9 million in 2022 versus \$4.1 million in 2021 and represented 66% of REMIC's total revenues.

Investment Income

Investment income represents income generated on REMIC's investment portfolio. For fiscal year 2022, investment income was \$2.5 million versus \$378 million for fiscal year 2021 and represented 34% of REMIC's total revenues.

Expenses

Reimbursement of HDC Overhead

The reimbursement back to HDC was \$606,000 for HDC overhead in accordance with the Servicing Agreement between HDC and REMIC. This amount covers the salary, fringe, and costs related to HDC staff assigned to REMIC matters.

Insurance Claims

During fiscal year 2022, REMIC did not pay any claims but received reimbursement payments totaling \$20,801.06, for claims paid on loans approved for mortgage forbearance under an agreement with PENY & Co. LLC.