



## MEMORANDUM

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To: Members of the Audit Committee

From: Mary Hom  
Chief Risk Officer

Date: September 20, 2023

Re: Counterparty Credit Risk Exposure

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Please find attached an unaudited report detailing the Corporation's counterparty exposure as of August 31, 2023. The previous report to the Audit Committee was dated April 30, 2023.

There were a couple of rating agency actions of note. In August, Moody's announced negative rating actions on a number of U.S. banks citing macro concerns affecting the entire U.S. banking sector. With respect to our counterparties, Moody's downgraded Webster Bank to A2 from A1 citing the Bank's lower capital and liquidity levels, increased reliance on market sensitive funding, and high concentration of commercial real estate exposure. Other affected banks on our counterparty list were Bank of New York and US Bank which were both placed on negative Watchlist.

Also in August, Fitch Ratings downgraded the U.S. to AA+ from AAA. In its action, Fitch noted the rising level of general government debt, expected fiscal deterioration in the next three years, and erosion of governance, particularly on fiscal and debt matters, relative to the U.S.' similarly-rated peers. This action brings Fitch's rating for the U.S. in line with S&P's AA+ rating on the U.S. Moody's continues to rate the U.S. at Aaa.

There were no new approved counterparties.

HDC's counterparty exposure remains diversified with the largest exposures being with FNMA, FHLMC, and Wells Fargo. The Wells Fargo exposure is primarily in the form of construction letters-of-credit covering 26 projects.

Investments rated double-A or higher were 51% of total investments, versus 56% at the last report. Investments rated triple-B or not rated were 36% of total investments, versus 31% at the last report. All investments rated triple-B or not rated are fully collateralized by high quality U.S. Treasury/Agency securities and/or FHLB letters-of-credit.

HDC exposure to liquidity providers was unchanged at approximately \$542 million.

In June, HDC entered into two interest rate swaps – one with Bank of New York for \$80 million, and one with PNC Bank for \$50 million.

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
**Counterparty Credit Risk Exposure Report as of August 31, 2023**  
**(UNAUDITED)**

<b>Counterparty</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Construction LOC</b>	<b>Permanent Enhancement</b>	<b>Investment</b>	<b>Liquidity Providers</b>	<b>Interest Rate Hedges (Notional Amount)</b>	<b>TOTAL COUNTERPARTY EXPOSURE</b>	<b>% Total Counterparty Exposure</b>
Bank of America NA	Aa1	A+	\$382,110,000	\$19,200,000				\$401,310,000	2.02%
Bank of New York Mellon NA	Aa1/Aa2	AA-	\$369,965,000				\$280,000,000	\$649,965,000	3.27%
Bank OZK (FHLB LOC)	A3	NR			\$87,578,259			\$87,578,259	0.44%
Barclays Bank	A1	A+				\$178,720,000		\$178,720,000	0.90%
Bayerische Landesbank	Aa3	NR			\$4,625,822			\$4,625,822	0.02%
Capital One NA	A1	BBB+		\$22,700,000				\$22,700,000	0.11%
Citibank NA	Aa3	A+	\$1,010,345,000	\$211,588,085	\$29,048,498		\$231,556,138	\$1,482,537,721	7.46%
Citizens Bank (FHLB LOC)	A1	A-			\$89,590,126			\$89,590,126	0.45%
Customers Bank (FHLB LOC)	NR	NR			\$390,388,685			\$390,388,685	1.96%
Daiwa Securities (TSY/AGCY)	A3	A-			\$88,407,000			\$88,407,000	0.44%
Deutsche Bank	A1	A-		\$55,000,000				\$55,000,000	0.28%
Dime Community/Bridgehampton Nat'l Bank (FHLB LOC)	A3	NR			\$472,756,177			\$472,756,177	2.38%
Dormitory Authority of the State of NY (DASNY)	Aa2	AA-			\$31,440,000			\$31,440,000	0.16%
East West Bank (FHLB LOC)	NR	BBB+			\$183,310,178			\$183,310,178	0.92%
Flushing Bank (FHLB LOC)	NR	NR			\$893,465			\$893,465	0.00%
Goldman Sachs Bank/Goldman Sachs Mitsui Marine	A1/Aa2	A+/AA-	\$532,595,000				\$70,145,000	\$602,740,000	3.03%
Hanover Bank (FHLB LOC)	NR	NR			\$85,349,155			\$85,349,155	0.43%
HDC	Aa2	AA	\$347,944,513					\$347,944,513	1.75%
JPMorgan Chase Bank NA	Aa1	A+	\$913,381,667	\$7,310,000				\$920,691,667	4.63%
Landesbank Baden-Wuerttemberg	Aa3	NR		\$70,000,000				\$70,000,000	0.35%
NYC GO	Aa2	AA			\$36,940,000			\$36,940,000	0.19%
NYC Transitional Finance Authority	Aa2	AAA			\$49,950,000			\$49,950,000	0.25%
NY Community Bk (Flagstar Bk) (FHLB LOC)	A3	BBB-			\$1,067,290,047			\$1,067,290,047	5.37%
NYS HFA	Aa2	NR			\$10,110,000			\$10,110,000	0.05%
NYS Urban Development Corp	Aa1	NR			\$20,000,000			\$20,000,000	0.10%
PNC Bank	Aa3/A2	A					\$463,720,000	\$463,720,000	2.33%
Promontory (FDIC-insured)	NR	NR			\$87,911,497			\$87,911,497	0.44%
REMIC	NR	AA		\$436,170,974				\$436,170,974	2.19%
REMIC/SONYMA Risk Share	NR	NR		\$74,377,157				\$74,377,157	0.37%
Royal Bank of Canada	Aa1	AA-				\$125,000,000	\$334,000,000	\$459,000,000	2.31%
Societe Generale	A1	A			\$878,494			\$878,494	0.00%
SONYMA	Aaa	NR		\$454,788,917	\$1,640,000			\$456,428,917	2.30%
TD Bank NA	Aa2	AA-	\$301,620,000		\$62,294,648	\$138,100,000		\$502,014,648	2.53%
UBS	Aa2	AA-				\$100,000,000		\$100,000,000	0.50%
<b>US Agency:</b>	<b>Aaa</b>	<b>AA+</b>		<b>\$4,356,388,564</b>	<b>\$2,583,414,103</b>			<b>\$6,939,802,667</b>	<b>34.91%</b>
FFCB					\$748,605,000			\$748,605,000	3.77%
FHA/HUD				\$812,320,162				\$812,320,162	4.09%
FHLB					\$989,490,000			\$989,490,000	4.98%
<b>FHLMC</b>				<b>\$1,517,652,967</b>	<b>\$695,787,699</b>			<b>\$2,213,440,666</b>	<b>11.13%</b>
<b>FNMA</b>				<b>\$2,026,415,435</b>	<b>\$132,900,000</b>			<b>\$2,159,315,435</b>	<b>10.86%</b>
GNMA					\$16,631,404			\$16,631,404	0.08%
US Treasury	Aaa	AA+			\$88,500,000			\$88,500,000	0.45%
Webster Bank (formerly Sterling Nat'l Bk) (FHLB LOC)	A2	BBB+			\$239,767,820			\$239,767,820	1.21%
<b>Wells Fargo Bank NA</b>	<b>Aa1/Aa2</b>	<b>A+</b>	<b>\$2,422,334,246</b>				<b>\$260,119,331</b>	<b>\$2,682,453,577</b>	<b>13.49%</b>
<b>TOTAL</b>			<b>\$6,280,295,426</b>	<b>\$5,707,523,697</b>	<b>\$5,712,083,974</b>	<b>\$541,820,000</b>	<b>\$1,639,540,469</b>	<b>\$19,881,263,566</b>	<b>100.00%</b>
<i>*Counterparty Exposures Above 10% Are Highlighted</i>									

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
**Counterparty Credit Risk Exposure Report as of August 31, 2023**  
**(UNAUDITED)**

<b>Municipal Investments:</b>				
<b>Issuer</b>			<b>Amount</b>	
Dormitory Authority of the State of NY			\$31,440,000	
NYC GO			\$36,940,000	
NYC TFA			\$49,950,000	
NYS HFA			\$10,110,000	
NYS Urban Dev Corp			\$20,000,000	
SONYMA			\$1,640,000	
<b>Total Municipal Investments</b>			<b>\$150,080,000</b>	
<b>Exposure to Counterparties Rated A-Minus and Below, or Not-Rated:</b>				
<b>Counterparty</b>	<b>Type of Exposure</b>		<b>Amount</b>	<b>% Total Counterparty Exposure</b>
Bank OZK (FHLB LOC)*	Money Market		\$87,578,259	0.44%
Capital One Bank	Permanent Enhancement		\$22,700,000	0.11%
Citizens Bank (FHLB LOC)*	Money Market		\$89,590,126	0.45%
Customers Bank (FHLB LOC)*	Money Market		\$390,388,685	1.96%
Daiwa Securities (TSY/AGCY)*	Repo		\$88,407,000	0.44%
Deutsche Bank	Perm Enhancement		\$55,000,000	0.28%
Dime Community Bk/Bridgehampton Nat'l Bk (FHLB LOC)*	Money Market		\$472,756,177	2.38%
East West Bank (FHLB LOC)*	Money Market		\$183,310,178	0.92%
Flushing Bank (FHLB LOC)*	Money Market		\$893,465	0.00%
Hanover Bank (FHLB LOC)*	Money Market		\$85,349,155	0.43%
NY Community Bk/Flagstar Bk (FHLB LOC)*	Money Market		\$1,067,290,047	5.37%
Promontory (FDIC-insured)	Money Market		\$87,911,497	0.44%
Webster Bank (formerly Sterling Nat'l Bk) (FHLB LOC)*	Money Market		\$239,767,820	1.21%
<b>TOTAL</b>			<b>\$2,870,942,409</b>	<b>14.44%</b>
<i>*Fully- or over-collateralized by FHLB LOC and/or US Treasury/Agency securities</i>				
<b>Country Exposure (Ex-U.S.):</b>				
<b>Country</b>	<b>Type</b>		<b>\$ Amount</b>	<b>% Total Counterparty Exposure</b>
Canada (TD Bank/Royal Bank of Canada)	LOC/GIC/Liq		\$961,014,648	4.83%
France (Societe Generale)	GIC		\$878,494	0.00%
Germany (Bayerische Landesbank/Deutsche/LBW)	GIC/LOC		\$129,625,822	0.65%
Japan (Daiwa)	RP		\$88,407,000	0.44%
UK (Barclays Bank)	Liq		\$178,720,000	0.90%
Switzerland (UBS)	Liq		\$100,000,000	0.50%
<b>TOTAL</b>			<b>\$1,458,645,964</b>	<b>7.34%</b>

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
**Credit Enhancement Diversification as of August 31, 2023**  
**(UNAUDITED)**

**CONSTRUCTION PROJECTS**

Provider	Moody's	S&P	Enhancement During Construction:			Expected Permanent Enhancement:		
			Number of Projects	Enhanced Amount	% of Total During Construction	Number of Projects	Expected Permanent Enhanced or Insured Amount	% of Total During Permanent
Bank of America	Aa1	A+	6	\$382,110,000	6.08%	0	\$0	0.00%
Bank of New York Mellon	Aa1	AA-	7	\$369,965,000	5.89%	0	\$0	0.00%
Citibank	Aa3	A+	14	\$1,010,345,000	16.09%	0	\$0	0.00%
FHA	Aaa	AA+	0	\$0	0.00%	30	\$1,606,980,500	72.26%
FHLMC*	Aaa	AA+	0	\$0	0.00%	4	\$312,128,500	14.03%
Goldman Sachs Bank	A1	A+	5	\$532,595,000	8.48%	0	\$0	0.00%
HDC	Aa2	AA	17	\$347,944,513	5.54%	0	\$0	0.00%
JPMorgan Chase	Aa1	A+	10	\$913,381,667	14.54%	0	\$0	0.00%
NONE	NR	NR	2	\$0	0.00%	0	\$0	0.00%
REMIC	NR	AA	0	\$0	0.00%	56	\$188,312,503	8.47%
SONYMA	Aaa	NR	0	\$0	0.00%	7	\$116,542,500	5.24%
TD Bank NA	Aa2	AA-	6	\$301,620,000	4.80%	0	\$0	0.00%
Wells Fargo	Aa1	A+	26	\$2,422,334,246	38.57%	0	\$0	0.00%
<b>TOTAL</b>			<b>93</b>	<b>\$6,280,295,426</b>	<b>100.00%</b>	<b>97</b>	<b>\$2,223,964,003</b>	<b>100.00%</b>

**In Construction:**

Rating	% of Total
AAA	0.00%
AA	16.23%
A	83.77%
<b>TOTAL</b>	<b>100.00%</b>

\*Three projects with FHLMC are risk share with HDC

**PERMANENT LOANS WITH ENHANCEMENT**

Provider	Moody's	S&P	Number of Projects	Current Principal Amount	Enhanced Amount	% of Total Permanent
						Enhanced Amount
Bank of America	Aa1	A+	1	\$19,200,000	\$19,200,000	0.34%
Capital One	A1	BBB+	1	\$22,700,000	\$22,700,000	0.40%
Citibank	Aa3	A+	20	\$211,588,085	\$211,588,085	3.71%
Deutsche Bank	A1	A-	1	\$55,000,000	\$55,000,000	0.96%
FHA	Aaa	AA+	50	\$1,195,680,291	\$812,320,162	14.23%
FHLMC	Aaa	AA+	28	\$1,566,758,814	\$1,517,652,967	26.59%
FNMA	Aaa	AA+	35	\$2,026,415,435	\$2,026,415,435	35.50%
JPMorgan Chase	Aa1	A+	2	\$7,310,000	\$7,310,000	0.13%
Landesbank Baden Wuer	Aa3	NR	1	\$70,000,000	\$70,000,000	1.23%
REMIC	NR	AA	279	\$2,159,495,432	\$436,170,974	7.64%
REMIC/SONYMA Risk Share	NR	NR	2	\$148,754,313	\$74,377,157	1.30%
SONYMA	Aaa	NR	75	\$750,398,022	\$454,788,917	7.97%
<b>TOTAL</b>			<b>495</b>	<b>\$8,233,300,392</b>	<b>\$5,707,523,697</b>	<b>100.00%</b>

**In Permanent:**

Rating	% of Total
AAA	0.00%
AA	94.47%
A	5.14%
BBB	0.40%
<b>TOTAL</b>	<b>100.00%</b>

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
*Investment Summary as of August 31, 2023*  
**(UNAUDITED)**

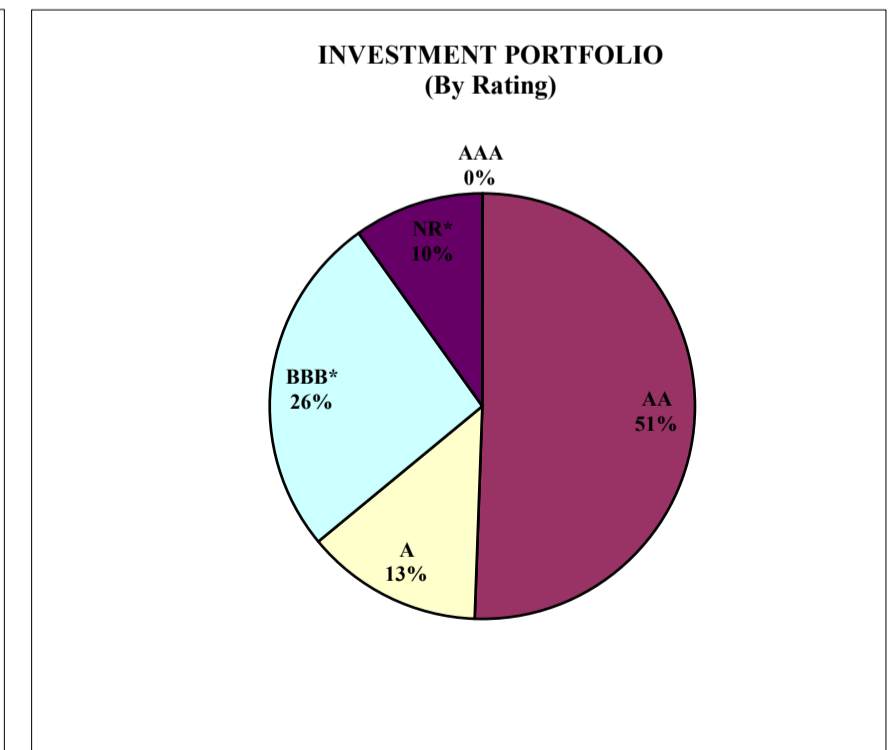
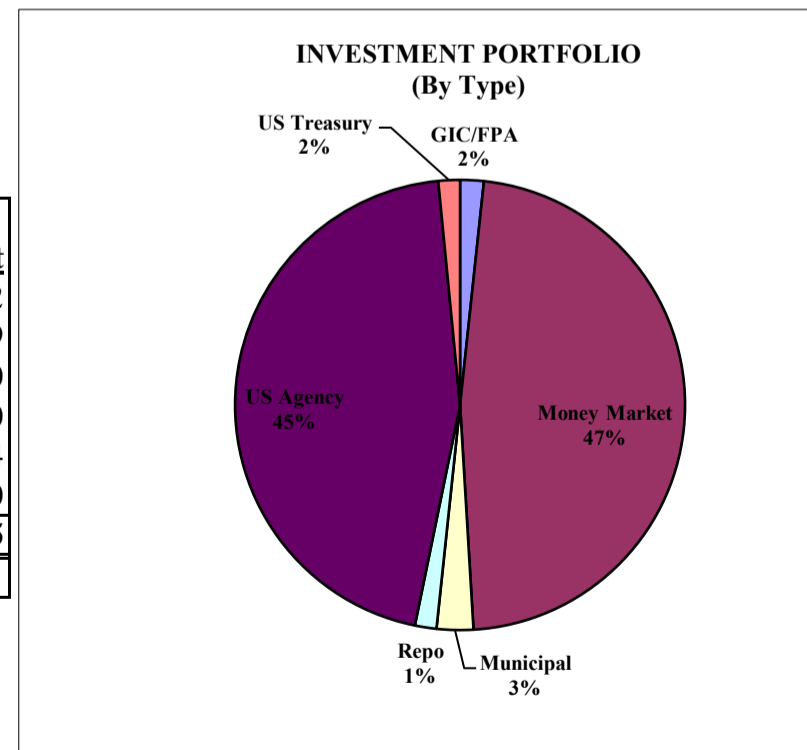
**Investment Securities & Repo-By Rating:**

Counterparty	Type	Amount	NRSRO Rating-August 31, 2023:				
			AAA	AA	A	BBB*	NR*
Bank OZK (FHLB LOC)*	MM	\$87,578,259			\$87,578,259		
Bayerische Landesbank	GIC	\$4,625,822		\$4,625,822			
Citibank NA	FPA	\$29,048,498			\$29,048,498		
Citizens Bank (FHLB LOC)*	MM	\$89,590,126			\$89,590,126		
Customers Bank (FHLB LOC)*	MM	\$390,388,685					\$390,388,685
Daiwa Securities (TSY/AGCY)*	REPO	\$88,407,000			\$88,407,000		
Dime Community Bank/Bridgehampton Natl Bank (FHLB LOC)*	MM	\$472,756,177			\$472,756,177		
Dormitory Authority of the State of NY	MUNI	\$31,440,000		\$31,440,000			
East West Bank (FHLB LOC)*	MM	\$183,310,178				\$183,310,178	
Flushing Bank (FHLB LOC)*	MM	\$893,465					\$893,465
Hanover Bank (FHLB LOC)*	MM	\$85,349,155					\$85,349,155
NYC GO	MUNI	\$36,940,000		\$36,940,000			
NYC TFA	MUNI	\$49,950,000		\$49,950,000			
NY Community Bank/Flagstar Bank (FHLB LOC)*	MM	\$1,067,290,047				\$1,067,290,047	
NYS HFA	MUNI	\$10,110,000		\$10,110,000			
NYS Urban Development Corp	MUNI	\$20,000,000		\$20,000,000			
Promontory (FDIC-insured)	MM	\$87,911,497					\$87,911,497
Societe Generale	GIC	\$878,494			\$878,494		
SONYMA	MUNI	\$1,640,000	\$1,640,000				
TD Bank	GIC	\$62,294,648		\$62,294,648			
US Agency	US Agency	\$2,583,414,104		\$2,583,414,104			
US Treasury	US Treasury	\$88,500,000		\$88,500,000			
Webster Bank (formerly Sterling National Bank) (FHLB LOC)*	MM	\$239,767,820				\$239,767,820	
		<b>\$5,712,083,975</b>	<b>\$1,640,000</b>	<b>\$2,887,274,574</b>	<b>\$768,258,554</b>	<b>\$1,490,368,045</b>	<b>\$564,542,802</b>
<b>% of Total</b>		<b>100.00%</b>	<b>0.03%</b>	<b>50.55%</b>	<b>13.45%</b>	<b>26.09%</b>	<b>9.88%</b>

\*Fully-collateralized by US Treasury/Agency securities and/or FHLB LOC

**Weighted Average Maturity (Years):** 2.63

<b>Investment Portfolio-By Type of Investment:</b>		
	<b>% Total</b>	<b>Amount</b>
GIC/FPA	1.70%	\$96,847,462
Money Market	47.35%	\$2,704,835,409
Municipal	2.63%	\$150,080,000
Repo	1.55%	\$88,407,000
US Agency	45.23%	\$2,583,414,104
US Treasury	1.55%	\$88,500,000
<b>Total</b>	<b>100.00%</b>	<b>\$5,712,083,975</b>



**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
*Liquidity Providers as of August 31, 2023*  
**(UNAUDITED)**

<b>BARCLAYS BANK (A1/A+)</b>		
<u>Issue</u>	<u>Expiration</u>	<u>Amount</u>
2021 F-3	6/23/2026	\$100,000,000
2021 K-3	12/21/2026	\$50,000,000
2022 C-3	6/18/2027	\$28,720,000
		<b>\$178,720,000</b>

<b>ROYAL BANK OF CANADA (Aa1/AA-)</b>		
<u>Issue</u>	<u>Expiration</u>	<u>Amount</u>
2019 A-4	4/18/2024	\$30,000,000
2019 E-3	6/25/2024	\$45,000,000
2020 E	8/19/2025	\$11,510,000
2020 F-2	8/19/2025	\$38,490,000
		<b>\$125,000,000</b>

<b>TD BANK (Aa2/AA-)</b>		
<u>Issue</u>	<u>Expiration</u>	<u>Amount</u>
2018 L-2	4/5/2028	\$58,100,000
2020 I-3	4/5/2028	\$80,000,000
		<b>\$138,100,000</b>

<b>UBS (Aa2/AA-)</b>		
<u>Issue</u>	<u>Expiration</u>	<u>Amount</u>
2022 F-3	12/15/2027	\$100,000,000
		<b>\$100,000,000</b>

<b>Diversification:</b>	<b>Amount</b>	<b>% Total</b>
Barclays Bank	\$178,720,000	32.99%
Royal Bank of Canada	\$125,000,000	23.07%
TD Bank	\$138,100,000	25.49%
UBS	\$100,000,000	18.46%
<b>TOTAL</b>	<b>\$541,820,000</b>	<b>100.00%</b>

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
*Interest Rate Hedges as of August 31, 2023*

<b>BANK OF NEW YORK (Aa2/AA-/AA)</b>		
<u>Effective</u>	<u>Termination</u>	
<u>Date</u>	<u>Date</u>	<u>Notional Amount</u>
12/1/2022	11/1/2042	\$50,000,000
6/9/2023	11/1/2053	\$80,000,000
7/1/2025	7/1/2045	\$150,000,000
		<b>\$280,000,000</b>

<b>CITIBANK (Aa3/A+/A+)</b>		
<u>Effective</u>	<u>Termination</u>	
<u>Date</u>	<u>Date</u>	<u>Notional Amount</u>
1/1/2021	11/1/2038	\$132,661,138
7/1/2022	5/1/2051	\$98,895,000
		<b>\$231,556,138</b>

<b>GOLDMAN SACHS MITSUI (Aa2/AA-/NR)</b>		
<u>Effective</u>	<u>Termination</u>	
<u>Date</u>	<u>Date</u>	<u>Notional Amount</u>
12/2/2005	5/1/2027	\$6,520,000
12/2/2005	11/1/2032	\$63,625,000
		<b>\$70,145,000</b>

<b>PNC BANK (A2/A/A+)</b>		
<u>Effective</u>	<u>Termination</u>	
<u>Date</u>	<u>Date</u>	<u>Notional Amount</u>
11/1/2014	11/1/2033	\$50,000,000
5/1/2018	11/1/2042	\$85,000,000
2/1/2019	5/1/2046	\$100,000,000
12/15/2022	12/1/2042	\$78,720,000
6/20/2023	11/1/2043	\$50,000,000
11/1/2024	5/1/2052	\$100,000,000
		<b>\$463,720,000</b>

<b>ROYAL BANK OF CANADA (Aa1/AA-/AA-)</b>		
<u>Effective</u>	<u>Termination</u>	
<u>Date</u>	<u>Date</u>	<u>Notional Amount</u>
12/1/2022	11/1/2042	\$150,000,000
5/1/2024	5/1/2050	\$184,000,000
		<b>\$334,000,000</b>

<b>WELLS FARGO (Aa2/A+/AA-)</b>		
<u>Effective</u>	<u>Termination</u>	
<u>Date</u>	<u>Date</u>	<u>Notional Amount</u>
2/1/2019	2/1/2036	\$67,347,730
5/1/2019	5/1/2059	\$75,000,000
8/1/2019	5/1/2047	\$63,645,280
2/1/2021	5/1/2048	\$54,126,321
		<b>\$260,119,331</b>

<b>Diversification:</b>	<b>Notional Amount</b>	<b>% Total</b>
Bank of New York	\$280,000,000	17.08%
Citibank	\$231,556,138	14.12%
Goldman Sachs Mitsui Marine	\$70,145,000	4.28%
PNC Bank	\$463,720,000	28.28%
Royal Bank of Canada	\$334,000,000	20.37%
Wells Fargo	\$260,119,331	15.87%
<b>TOTAL</b>	<b>\$1,639,540,469</b>	<b>100.00%</b>

*\*Depending on the International Swaps and Derivatives Association (ISDA) credit terms, the counterparty credit rating, and the aggregate mark-to-market value of the applicable swaps, the counterparty may be required to post collateral.*