Combined Financial Statements and Other Information

New York City Housing Development Corporation

October 31, 2023

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

New York City Housing Development Corporation

Combined Financial Statements and Additional Information

Year Ended October 31, 2023

Table of Contents

Ernst & Young LLP
One Manhattan West
New York, NY 10001-8604

Tel: +1 212 773 3000
ey.com

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Report of Independent Auditors

Management and the Members of the
New York City Housing Development Corporation

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of New York City Housing Development Corporation (the "Corporation"), a component unit of the City of New York, as of and for the years ended October 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Corporation at October 31, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matter

Report on Summarized Comparative Information

We have previously audited the Corporation's 2022 financial statements, and we expressed unmodified opinions on the respective financial statements of the business-type activities and the aggregate remaining fund information in our report dated January 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the Net OPEB Liability and Related Ratios, the Schedule of the Corporation's OPEB Contributions, the Schedule of the Corporation's OPEB Investment Return, the Schedule of the Corporation's Proportionate Share of the Net Pension Liability and the Schedule of the Corporation's Pension Contributions, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's financial statements. The accompanying Schedules of Net Position for the Housing Revenue Bond Program, Multi-Family Secured Mortgage Revenue Bond Program, Housing Impact Bond Program and Conduit Debt Program as of October 31, 2023 and 2022 and the Schedules of Revenues, Expenses and Changes in Net Position for the years then ended, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

January 29, 2024

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Management's Discussion and Analysis
Year Ended October 31, 2023

INTRODUCTION

The New York City Housing Development Corporation ("HDC" or the "Corporation") is a state public benefit corporation created pursuant to Article XII of the New York State Private Housing Finance Law ("PHFL") that finances affordable housing in New York City. HDC issues tax-exempt and taxable debt and uses the proceeds along with other monies of the Corporation to make loans to finance new residential construction and the rehabilitation of existing multi-family housing. HDC, which is financially self-supporting, also lends its own internally generated funds for these purposes. All these activities are reported in the financial statements under the heading "Housing Development Corporation".

HDC currently has two active subsidiaries that are presented as blended component units in the financial statements. The New York City Residential Mortgage Insurance Corporation ("REMIC") insures residential mortgages in New York City. The New York City Housing Assistance Corporation ("HAC") made mortgage loans for affordable housing in the 1980s. Presently, it provides rental subsidy assistance to one residential development.

The Corporation's annual financial report consists of four parts: *management's discussion and analysis,* the basic *financial statements, required supplementary information,* which includes the Schedule of Changes in the Net Postemployment Benefit Other Than Pensions ("OPEB") Liability and Related Ratios, the Schedule of the Corporation's OPEB Contributions, the Schedule of the Corporation's OPEB Investment Return, the Schedule of the Corporation's Proportionate Share of the Net Pension Liability, and the Schedule of the Corporation's Pension Contributions, and *supplementary information,* which includes the Schedule of Net Position and the Schedule of Revenues, Expenses and Changes in Net Position for the Housing Revenue Bond Program, the Multi-Family Secured Mortgage Revenue Bond Program, Housing Impact Bond Program and Conduit Debt Program. This follows directly after the notes to the financial statements.

This section of the Corporation's annual financial report presents our discussion and analysis of the Corporation's financial performance during the fiscal year that ended on October 31, 2023. This period is also referred to as fiscal year ("FY") 2023. Reported amounts have been rounded to facilitate reading.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Corporation is a self-supporting entity and follows enterprise fund reporting. An enterprise fund reports activity that is financed with debt that is secured solely by a pledge of the net revenue from that activity as well as activity that is not supported by taxes or similar revenues. HDC's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting matches revenues and expenses to the period in which they are earned or attributable, respectively, which may differ from the period in which the associated cash is received or expended.

Enterprise fund statements offer short-term and long-term financial information about the Corporation's activities. While detailed sub-fund information is not presented in the Corporation's financial statements, separate accounts are maintained for each bond issue and component unit, as well as the Corporation's general operating fund, known as the Corporate Services Fund. These sub-funds permit HDC to control and manage money for the purposes they were intended and to demonstrate that the Corporation is properly using specific resources. In addition, HDC also services construction and permanent loans on behalf of New York City's Department of Housing Preservation and Development ("HPD").

CORPORATE AND FINANCIAL HIGHLIGHTS

Despite the continued increase in interest rates by the Federal Reserve throughout fiscal year 2023, and the increasing volatility in the financial markets, the Corporation had another successful year in continuing the work of fulfilling its mission to increase the stock of affordable housing in New York City. The Corporation, in continuation of its support of the City's housing plan, and the *Permanent Affordability Commitment Together* ("PACT") program, issued $2.0 billion in bonds and debt obligations in FY 2023. The new bond issuances included thirteen series under the Housing Resolution Bond program for $1.7 billion, and two series of bonds under the Housing Impact Bond Resolution, in the amount of $320.3 million. This brings the total bonds issued under the PACT resolution to $1.1 billion since its inception in February 2020.

The new bond issuances provided financing for new construction and rehabilitation loans, with $1.8 billion in commitments in the Open Resolution, and $320.3 million for the Edenwald Houses PACT loan under the Housing Impact Resolution. HDC also committed $249.0 million for subsidy loans from a combination of corporate reserves and bond proceeds. The Corporation's subsidy loan program provides 1% interest loans to compliment the senior mortgage loan rates, reducing the borrowing cost, and increasing the affordability for the projects. The mortgage portfolio, which totaled $19.1 billion, continues to perform well as loan repayments have remained relatively strong. The delinquency rate throughout the year was below 3%, and there have been no material monetary defaults on any of the mortgages in the portfolio. HDC's Asset Management team continues to work with the few mortgagors facing temporary financial difficulties, by offering workouts and refinancing opportunities so they can remain current on their payments.

The Corporation's net position increased in FY 2023 by $416.4 million, compared to the loss of $16.8 million in FY 2022. This year's net income was not affected by the unrealized loss that was reported on the outstanding investment portfolio at FYE 2022. Operating revenues totaled $758.3 million, increasing by $78.1 million, or 11.5% from the prior year when it was $680.2 million. The increase was led by interest on loans, which grew by 16.8% from FY 2022, as a result of a $2.2 billion net increase in the mortgage loan portfolio and higher interest rates charged on new mortgages to offset the increased cost of borrowing. Operating expenses were $462.3 million, an increase of $78.9 million or 20.6% from FY 2022. The increase was primarily attributed to bond and other debt obligations' interest and amortization expense, increasing by $68.1 million due to the higher interest rate environment. Net operating income was $296.0 million, a slight decrease from FY 2022 when it was $296.8 million.

CONDENSED STATEMENT OF NET POSITION

The condensed statement of net position presents the Corporation's total assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of October 31, 2023, and 2022. The following table represents the changes in the Corporation's net position between October 31, 2023, and 2022 and should be read in conjunction with the financial statements. *(Dollar amounts are in thousands):*

	2023	2022	Change	Percent Change
Assets				
Cash and Investments	$4,111,080	$3,660,217	$450,863	12.32%
Mortgage Loans	15,200,661	13,578,306	1,622,355	11.95
Loan Housing Finance Fund (Section 661)	3,927,243	3,346,325	580,918	17.36
Loan Participation Receivable	450,908	455,271	(4,363)	(0.96)
Accrued Interest	355,176	268,617	86,559	32.22
Other Receivables	27,330	16,315	11,015	67.51
Leases and Other Capital Assets	74,382	3,824	70,558	1845.14
Interest Rate Swaps	295,661	176,467	119,194	67.54
Other Assets	36,212	36,154	58	0.16
Total Assets	**24,478,653**	**21,541,496**	**2,937,157**	**13.63**
Deferred Outflows of Resources	**11,049**	**10,609**	**440**	**4.15**
Liabilities				
Bonds Payable & Debt Obligations, net	13,274,362	12,010,752	1,263,610	10.52
Interest Payable	169,739	142,640	27,099	19.00
Payable to The City of New York:				
Loan Participation Agreements	450,908	455,271	(4,363)	(0.96)
Housing Finance Fund (Section 661)	4,705,591	3,846,911	858,680	22.32
Other	164,258	139,253	25,005	17.96
Payable to Mortgagors	398,586	186,877	211,709	113.29
Restricted Earnings on Investments	271	308	(37)	(12.01)
Accounts and Other Payables	246,404	271,801	(25,397)	(9.34)
Lease Liability	70,137	178	69,959	39302.81
Net Pension Liability	11,809	12,204	(395)	(3.24)
Net OPEB Liability	1,659	5,263	(3,604)	(68.48)
Unearned Revenues and Other Liabilities	580,207	606,040	(25,833)	(4.26)
Total Liabilities	**20,073,931**	**17,677,498**	**2,396,433**	**13.56**
Deferred Inflows of Resources	**310,980**	**186,194**	**124,786**	**67.02**
Net Position				
Net Investments in Capital Assets	74,382	3,824	70,558	1845.14
Restricted for Insurance Requirements	111,461	105,703	5,758	5.45
Restricted for Bond Obligations	3,498,258	3,154,604	343,654	10.89
Unrestricted	420,690	424,282	(3,592)	(0.85)
Total Net Position	**$4,104,791**	**$3,688,413**	**$416,378**	**11.29%**

Enterprise Fund - Assets of the Corporation

Assets consist largely of the following: cash and investments from bond proceeds, debt service and other reserves, funds designated for various housing programs, mortgage loans, other assets, which include participation interests in cash flows from pools of mortgage loans, and purpose investments. On October 31, 2023, HDC's total assets were $24.5 billion, a net increase of $2.9 billion or 13.63% from FY 2022. The increase was primarily a result of the Corporation's mortgage lending and bond financing activities. In FY 2022 total assets were $21.5 billion.

Cash and Investments: The Corporation ended the fiscal year with $4.1 billion in cash and investments held under the Enterprise Fund. Other than collateralized and purpose investments, investments were recorded at fair value. Approximately $2.3 billion of that balance was un-advanced construction loan monies already committed to fund mortgage loans that have already closed. Cash and investments increased by a net of $450.9 million or 12.3%.

Mortgage Loans: Mortgage loans comprised 78.14% of the Corporation's total assets. The mortgage loan portfolio at the end of the fiscal year was $19.1 billion, an increase of $2.2 billion or 13.0% from the previous year. On October 31, 2022, the mortgage loan portfolio was $16.9 billion. Mortgage loans funded from the proceeds of conduit bonds have been excluded as a result of the adoption of GASB Statement No. 91 in FY 2022. During FY 2023, mortgage loan activities included advances of $2.9 billion and principal repayments were $747.7 million.

Loan Participation Receivable: Loan participation receivable on October 31, 2023 was $450.9 million, a $4.4 million decrease from a year ago. The decrease was mainly due to principal repayments in the Mitchell-Lama loan participation portfolio.

Accrued Interest: Interest receivable increased from $268.6 million on October 31, 2022 to $355.2 million on October 31, 2023, an increase of $86.6 million or 32.2% from FY 2022. Interest receivable has increased comparable to the loan portfolio and the effect of higher interest rates on new loans closed during the fiscal year. Interest on loans this fiscal year was $657.4 million, collections were $536.5 million, and $36.6 million of accrued interest was capitalized.

Other Receivables: Other receivables were $27.3 million on October 31, 2023, an increase from October 31, 2022 when it was $16.3 million. The increase is primarily related to servicing fees billed on loans serviced for the City of New York (the "City") and other agencies.

Leases and Other Capital Assets: In July 2022, the Corporation executed a rental lease for new office space at 120 Broadway in New York City's Financial District. The office space lease is for a term of 20 years from the possession date. On June 16, 2023, the Corporation took possession and moved into its new office space. Under GASB 87, the statement requires the present value of lease payments to be recognized as a lease liability and a right to use asset. As a result, the Corporation recorded the initial lease liability and related asset of $69.0 million. Additionally, $0.5 million was recorded to the lease asset related to construction costs.

Interest Rate Swaps: The Corporation regularly enters into various interest rate swap contracts as a means of mitigating its exposure to its variable rate debt. In FY 2023, the Corporation entered into four additional interest rate swap agreements to manage the interest rate risk associated with its variable rate portfolio and further protect itself against rising interest rates. As interest rates change, it affects the underlying fair value on the interest rate swap instruments. During the fiscal year, the swap fair value continued its positive trend increasing from $176.5 million as of October 31, 2022, to $295.7 million on October 31, 2023, a net increase of $119.2 million. As of October 31, 2023, the Corporation had seventeen interest rate swap agreements outstanding, with five different counterparties, for a total notional amount of $1.6 billion. The Corporation's variable rate bonds outstanding were $2.5 billion.

Other Assets: Other assets are primarily comprised of the unamortized purchase price of a residual interest in the 2014 Series B and the 2018 Series B mortgage loan portfolios from a prior loan participation agreement with the City. Other assets also include the unamortized value of the purchased cash flow on a 2011 participation interest. The participation interest asset included the purchase of interest reduction payments in a pool of second mortgage loans owned by the City. The net change included $1.6 million amortization on the purchased participation interest and the balance was $36.2 million on October 31, 2023.

Deferred Outflows of Resources

Deferred outflows of resources ("deferred outflows") were $11.0 million on October 31, 2023, a net increase of $0.4 million from October 31, 2022 when deferred outflows were $10.6 million. Deferred outflows consist of (a) interest rate caps, purchased to mitigate the Corporation's exposure to its variable rate bonds in its General Resolution, (b) deferred outflows related to the pension plan liability and (c) deferred outflows related to the OPEB plan liability as calculated by the New York City Office of the Actuary ("NYCOA"). Deferred outflows related to pensions decreased by $0.7 million. There was a $1.0 million increase in deferred outflows related to OPEB in FY 2023.

Liabilities of the Corporation

Total liabilities related to the Enterprise Fund were $20.1 billion on October 31, 2023, an increase of $2.4 billion or 13.56%. On October 31, 2022, total liabilities were $17.7 billion. Liabilities are grouped into three main categories. The largest are HDC Bonds Payable (net) and Debt Obligations, which were approximately $13.3 billion on October 31, 2023, and accounted for approximately 66.13% of total liabilities. The second largest category is Payable to The City of New York. This includes the return at maturity of loans made by the Corporation with funds granted by the City acting through HPD under Section 661 of the PHFL. The last category of liabilities includes Payable to Mortgagors and Accounts and Other Payables, which are mainly comprised of unadvanced loan proceeds, and unearned revenues.

Bonds Payable and Debt Obligations: Bonds and outstanding debt obligations under the Enterprise Fund were $13.3 billion on October 31, 2023, an increase of $1.3 billion. On October 31, 2022, bonds and outstanding debt obligations were $12.0 billion. In FY 2023, HDC issued 15 new bond series for a total of $2.0 billion. Bond principal repayments this fiscal year amounted to $675.0 million. The Corporation's scheduled debt service principal payments were $225.8 million, and redemptions were $449.2 million. In addition, debt obligation repayments were $85.0 million and principal repayments to the FFB were $6.2 million. (See Note 11: "Bonds Payable and Debt Obligations")

Interest Payable: Accrued interest payable increased by $27.1 million to $169.7 million on October 31, 2023 from $142.6 million on October 31, 2022. This increase reflects the Corporation's bond issuances during the year, and higher interest rates on the variable rate bonds.

Payable to The City of New York: Payable to The City of New York on October 31, 2023, was $5.3 billion, a net increase of $879.3 million from FY 2022. Payable to the City of New York is grouped into three categories for reporting purposes: (1) HPD grant programs such as HPD Section 661 Grant Funds, (2) loan participation agreements, and (3) other. The HPD Section 661 Grant Funds had an outstanding balance of $4.7 billion, a net increase of $858.7 million as a result of funds received during the fiscal year. Under the program, the City, acting through HPD, grants monies to the Corporation pursuant to Section 661 of the PHFL for making loans on its behalf to developments that are also financed by HDC. Upon maturity of the Corporation's related senior loan, the subordinate loan made on behalf of the City is returned to the City. This liability is directly offset by the loan receivable balance in the program and the unadvanced grant funds held in investments. Loan participation agreements, including the Mitchell-Lama participation program, consist of a group of second mortgages originated by the City. HDC purchased a participating interest in the second mortgages. On October 31, 2023, the outstanding balance of the Mitchell Lama Restructuring Program ("MLRP") was $450.9 million, a net decrease of $4.4 million from partial repayments of loans in the portfolio. The last category, Other Payable to The City of New York, had a net increase of $25.0 million. There was a decrease of $7.2 million related to the Stuyvesant Town loan made by HAC on behalf of the City in December 2015, and a decrease of $1.8 million due to subsidy payments made on behalf of the City to one development. Additionally, there was a net increase of $34.0 million related to various swap agreements between HPD and the Corporation.

Payable to Mortgagors: Payable to mortgagors was $398.6 million on October 31, 2023, a net increase of $211.7 million from $186.9 million in 2022. The increase was primarily due to $328.4 million of escrow funds received as unadvanced proceeds, pursuant to the Rehabilitation Escrow Building and Project Loan Agreements related to the Housing Impact Bond program ("HIB"). This was offset by $132.4 million in advances during the fiscal year. Accumulated investment earnings on the unadvanced proceeds increased by $13.8 million in FY 2023. Additionally, there was $1.7 million in funds received for other escrows.

Accounts Payable: Accounts payable at fiscal year-end was $246.4 million a decrease from $271.8 million on October 31, 2022. The net decrease of $25.4 million was primarily due to the decrease of $54.3 million of collateral funds that were held on behalf of one development. The funds were used to redeem a portion of the related bonds at the permanent conversion of the project. There was an increase of $21.7 million due to funds received from NYCHA on a loan participation for the Harlem River PACT. There was an increase of $5.6 million in funds held and interest billed for other agencies. An increase of $1.6 million in bond issuance costs, mortgage insurance premiums payable, and salaries payable combined.

Restricted Earnings on Investments: Restricted earnings on investments represent cumulative amounts by which pass-through revenues exceed expenses. They represent accumulated earnings on investments that are credited to the mortgagors. This amount was $0.3 million at FY 2023, a minimal decrease from FY 2022.

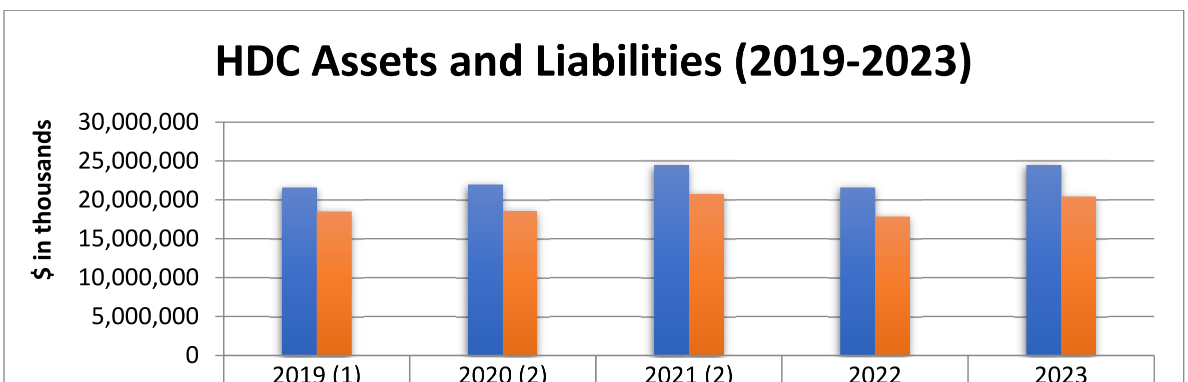
Net Pension and OPEB Liabilities: The accumulated amount of the Corporation's net pension liability as calculated by the NYCOA, amounted to $11.8 million as of October 31, 2023, a slight decrease of $0.4 million from 2022. The decrease in the liability was a result of an increase in the pension plan net assets related to the fair market valuation on the plan investments, as reported by New York City Employees' Retirement System ("NYCERS"). The Corporation's annual net pension expense was $2.6 million, up from $2.0 million a year ago. The Corporation recorded a net OPEB liability of $1.7 million as of October 31, 2023, a decrease of $3.6 million from $5.3 million in 2022. The net decrease was primarily due to changes in the discount rate used to determine the OPEB liability. The OPEB expense was $1.4 million for FY 2023.

Unearned Revenues and Other Liabilities: Unearned revenues and other liabilities were $580.2 million on October 31, 2023, a net decrease of $25.8 million from $606.0 million on October 31, 2022. The decrease included $18.3 million of earnings recognized on the deferred residual interest purchased from the City in fiscal year 2020, on a pool of mortgage loans previously owned by the City. There was a net decrease in deferred bond construction financing fees, bond financing fees, and commitment fees of $9.6 million mainly due to construction financing fees earned in the fiscal year. There was a $4.6 million increase in the accrued rebate and yield restriction liability on the bond portfolio. There was amortization of deferred guaranty and regulatory fees of $1.6 million.

Deferred Inflows of Resources

Deferred inflows of resources increased from $186.2 million to $311.0 million on October 31, 2023. The net increase of $124.8 million was mainly due to the continuing positive trend in the interest rate swap portfolio, which reached $295.7 million. There was also a $6.0 million increase related to changes in assumptions in the valuation of the OPEB plan, the difference between expected and actual experience, and the current year amortization. The increase in the valuation of the OPEB plan, was offset by a $0.5 million decrease related to the Corporation's pension liability.

The following chart presents the comparative data of the Corporation's assets including deferred outflows, and liabilities including deferred inflows, over the last five years:



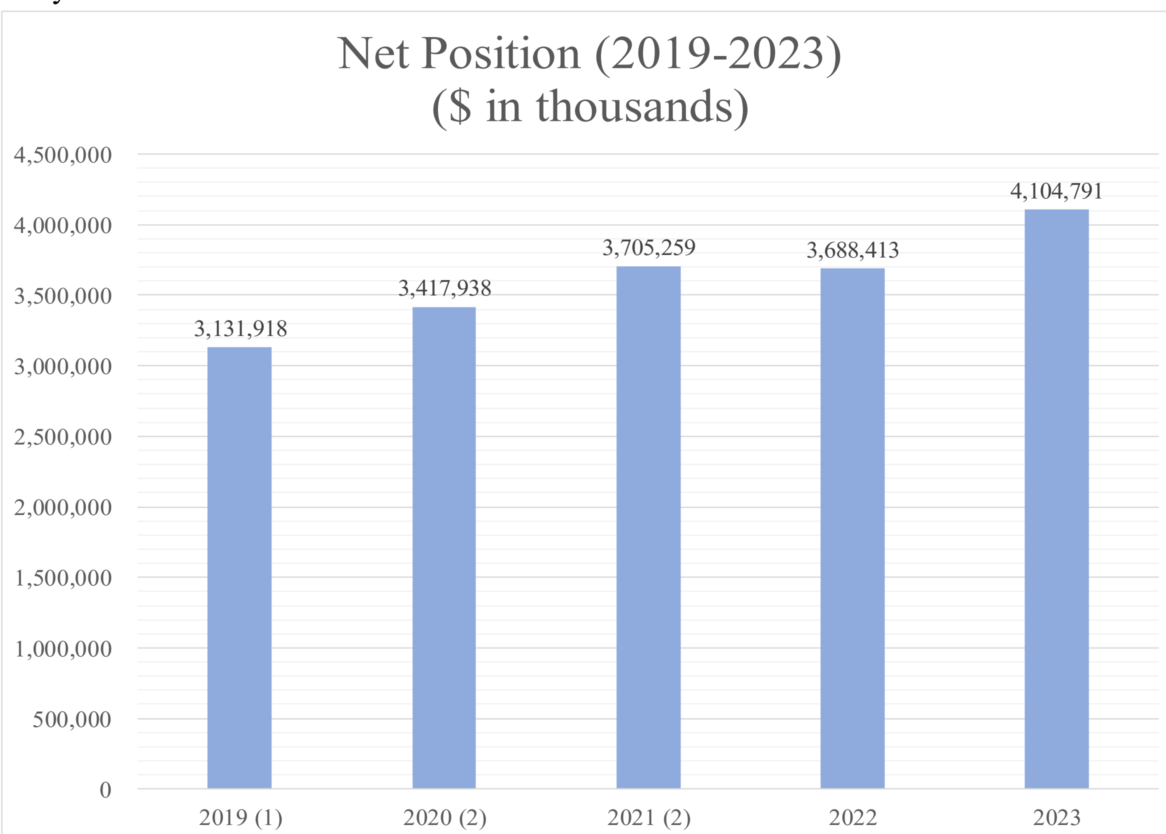
	2019 (1)	2020 (2)	2021 (2)	2022	2023
Assets	21,584,689	21,972,906	24,467,929	21,552,105	24,489,702
Liabilities	18,452,771	18,554,968	20,762,670	17,863,692	20,384,911

(1) These amounts do not reflect GASB 84, Fiduciary Activities and GASB 91, Conduit Debt Obligations
(2) These amounts do not reflect GASB 91, Conduit Debt Obligations

Net Position

Net position, the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources, totaled $4.1 billion as of October 31, 2023. This represents an increase of $416.4 million or 11.3% from the previous year. The increase was due to the slowing down of unrealized loss on the fair market value of investments, which were mostly U.S. Agency securities. In 2022, net position decreased by $16.8 million. Net position is classified as either restricted or unrestricted, with restricted net position being committed by law or contract for specific purposes. HDC's most significant restricted net position includes debt service reserves for HDC bond issues and undisbursed bond proceeds held prior to construction advances. Unrestricted net position may be classified as designated or undesignated. Designated net positions are those allocated by action or policy for specific purposes determined by HDC's Members, such as bond reserves (to support the Corporation's general obligation rating), and specific housing loan programs to which the Corporation has committed resources under the City's housing plan. Virtually all the Corporation's net position is either restricted or designated.

The following chart presents the comparative data of the Corporation's net position over the last five years:



(1) These amounts do not reflect GASB 84, Fiduciary Activities and GASB 91, Conduit Debt Obligations
(2) These amounts do not reflect GASB 91, Conduit Debt Obligations

Condensed Statement of Revenues, Expenses and Changes in Net Position

The condensed Statement of Revenues and Expenses and Changes in Net Position present the total revenues recognized in and expenses attributed to the fiscal year ended October 31, 2023. The table below summarizes the Corporation's revenues and expenses and presents comparative data. It should be read in conjunction with the financial statements. *(Dollar amounts are in thousands):*

	2023	2022	Change	Percent Change
Revenues				
Interest on Loans	$657,412	$562,941	$94,471	16.78%
Fees and Charges	75,642	78,779	(3,137)	(3.98)
Residual Interest Income	18,306	30,937	(12,631)	(40.83)
Income on Loan Participation Interests	5,101	6,348	(1,247)	(19.64)
Other Income	1,886	1,216	670	55.10
Total Operating Revenues	**758,347**	**680,221**	**78,126**	**11.49**
Expenses				
Bond Interest and Amortization	390,562	322,430	68,132	21.13
Salaries and Related Expenses	35,371	31,202	4,169	13.36
Trustees and Other Fees	14,617	12,816	1,801	14.05
Bond Issuance Costs	11,965	10,699	1,266	11.83
Corporate Operating Expenses	9,783	6,273	3,510	55.95
Total Operating Expenses	**462,298**	**383,420**	**78,878**	**20.57**
Operating Income	**296,049**	**296,801**	**(752)**	**(0.25)**
Non-Operating Revenues (Expenses)				
Earnings on Investments	109,198	52,758	56,440	106.98
Unrealized (Losses) on Investments	5,046	(368,443)	373,489	101.37
Other Non-Operating (Expenses) Revenues	(1,703)	272	(1,975)	(726.10)
Total Non-Operating Revenues (Expenses), net	**112,541**	**(315,413)**	**427,954**	**135.68**
Operating Transfers from Fiduciaries	7,788	1,766	6,022	341.00
Net (Loss) Income	**416,378**	**(16,846)**	**433,224**	**2571.67**
Change in Net Position	**416,378**	**(16,846)**	**433,224**	**2571.67**
Net Position, Beginning of the Year	3,688,413	3,705,259	(16,846)	(0.45)
Net Position, End of the Year	**$4,104,791**	**$3,688,413**	**$416,378**	**11.29%**

Revenues of the Corporation are classified as operating and non-operating. Interest income from mortgages represents the Corporation's major source of operating revenue. It also includes various loan and bond program fees such as commitment, bond financing, mortgage insurance and servicing fees. The Corporation's non-operating revenues consist primarily of earnings on investments. Earnings on investments accrues to the benefit of the program for which the underlying sources of funds are utilized.

HDC's expenses are also classified as operating and non-operating. Operating expenses consist primarily of interest on bonds, which accounted for 84.48% of operating expenses in FY 2023. Other operating expenses include corporate expenses (salaries, overhead and depreciation) and fees.

RESULTS OF OPERATIONS

Revenues

The Corporation had total revenues of $880.4 million, an increase of $143.6 million from a year ago. Operating revenues were $758.3 million in FY 2023 compared to $680.2 million in FY 2022, an increase of $78.1 million or 11.49%. Operating revenues were approximately 86.14% of total revenues in FY 2023. Net operating income for FY 2023 was $296.0 million. HDC recorded net non-operating revenues of $112.5 million, including the unrealized gain on the fair market value of the investment portfolio of $5.0 million.

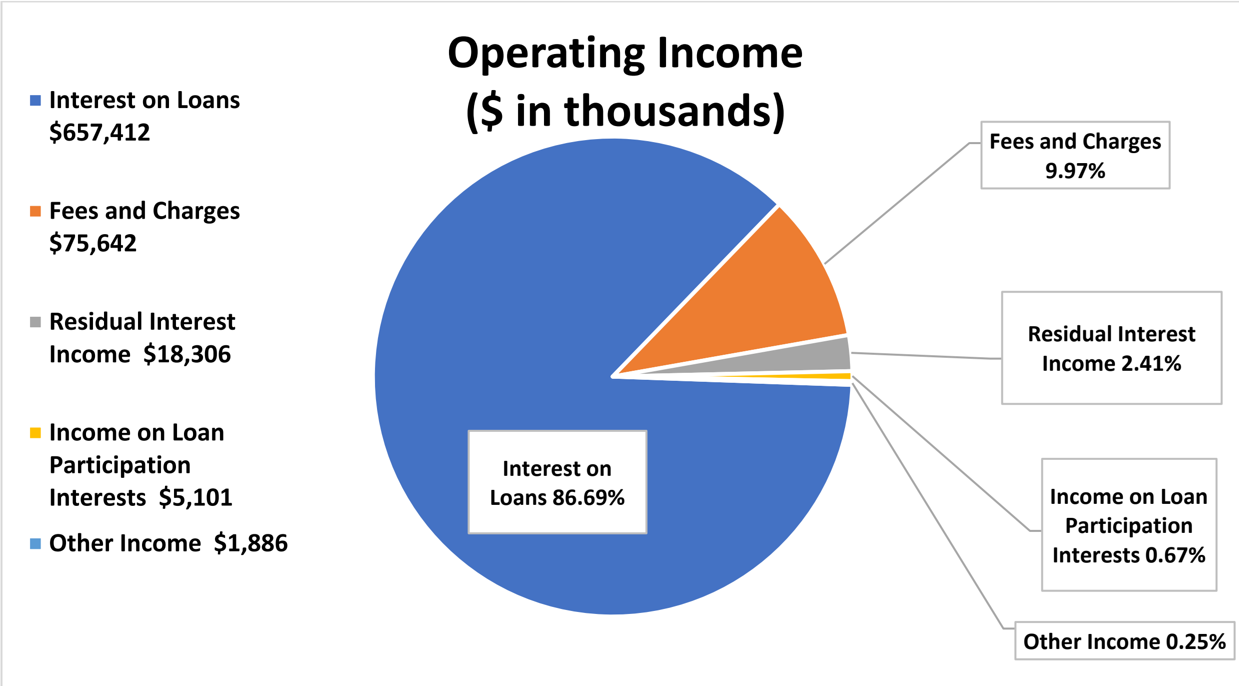
Interest on Loans: Interest on loans, the largest component of operating revenues, was $657.4 million, an increase of $94.5 million or 16.78% from FY 2022. In FY 2022, interest on loans was $562.9 million. The increase in FY 2023 was a result of higher mortgage loans receivable balances consistent with an increase in the Corporation's mortgage lending, changes in policy in how the Corporation charges the borrower on senior mortgage loans and higher interest rates on new loans to offset the increase in the Corporation's borrowing costs.

Fees and Charges: Fees and charges were $75.6 million compared to $78.8 million a year ago. The decrease was mainly due to a $10.6 million decrease from lower bond issuance fees recognized, loan satisfaction fees, and standby LOC fees. This decrease was partially offset by increases in commitment and financing fees, NYCHA PACT administration fee and deferred construction financing fees which totaled $9.5 million.

Residual Interest Income: Residual interest income is generated from the purchase of outstanding loan residuals from the City of New York through HPD from a previous loan participation agreement. Residual interest income is recognized from loan repayments that were previously distributed to the City through HPD. In FY 2023, HDC recognized $18.3 million compared to $30.9 million a year ago. The decrease was due to lower prepayments during this fiscal year.

Income on Loan Participation Interests: Loan participation income in FY 2023 was $5.1 million, a decrease of $1.2 million compared to $6.3 million the previous year. Loan participation income is driven by repayments or restructuring of the second mortgage loans in the MLRP.

Other Income: Other income in FY 2023 was $1.9 million compared to $1.2 million in FY 2022. Other income is mainly comprised of income on mortgage participations. The $0.7 million increase was mainly due to higher income on mortgage participation fees this year.



Expenses

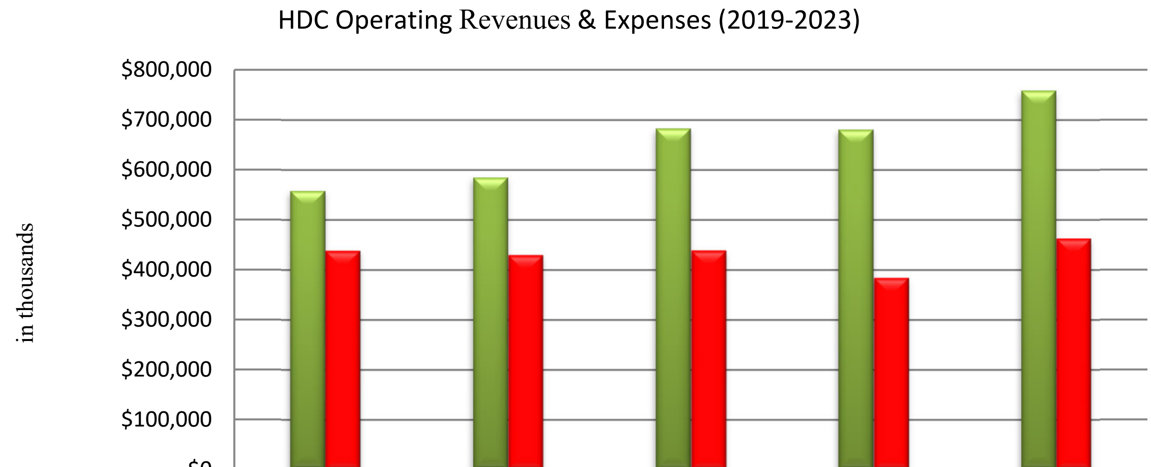
Operating Expenses: Operating expenses in FY 2023 were $462.3 million, an increase of $78.9 million or 20.57% compared to the previous year, when operating expenses amounted to $383.4 million.

Bond Interest and Amortization: Interest expense constituted 84.48% of the total operating expenses. Total bond interest, net of amortization, was $390.6 million, an increase of $68.2 million from FY 2022 when it was $322.4 million. This trend increase was aligned with a 10.52% increase in bonds outstanding, and higher interest rates on the variable rate bonds portfolio and new borrowings in the current rate environment.

Salaries and Related Expenses: Salaries and related expenses were $35.4 million in FY 2023, an increase of $4.2 million from the $31.2 million in FY 2022. The increase was mainly attributable to an increase in wages and fringe benefits as a result of new hires. The Corporation's commitment to the NYCHA PACT program has created a need for additional staff on both the financing side as well as asset management. The pension expense increased by $0.6 million and OPEB expense increased by $0.4 million.

Bond Issuance and Other Expenses: Trustees' and other fees, mortgage insurance premiums, bond issuance costs and corporate operating expenses increased by a net of $6.6 million. Bond issuance costs were $12.0 million during FY 2023 compared to $10.7 million in FY 2022. The $1.3 million increase was due to higher bond issuances. In FY 2023, HDC issued $2.0 billion in bonds compared to $1.5 billion in FY 2022. Corporate operating expenses increased from $6.3 million in FY 2022 to $9.8 million in FY 2023, largely due to amortization of lease assets at the current office space as well as various expenses related to the move.

The following chart presents the comparative data of the Corporation's operating revenues and expenses over the last five years:



	2019 (1)	2020 (2)	2021 (2)	2022	2023
Operating Revenues	557,634	584,543	682,678	680,221	758,347
Operating Expenses	437,816	429,112	438,253	383,420	462,298

(1) These amounts do not reflect GASB 84, Fiduciary Activities and GASB 91, Conduit Debt Obligations
(2) These amounts do not reflect GASB 91, Conduit Debt Obligations

Non-Operating Revenues (Expenses)

The Corporation ended FY 2023 with $4.1 billion of investments and cash equivalents under management related to the Enterprise Fund. The Corporation diligently balances maintaining its liquidity needs while also maximizing returns by investing in short-term investments whose rates are higher. Realized investment income was $109.2 million, an increase of $56.4 million or 106.98% from a year ago.

Earnings on Investments and Unrealized Losses: Earnings on investments are recognized as non-operating income. Investment income, including the fair value adjustment on outstanding investments, was a net gain of $114.2 million in FY 2023 compared with a net loss of $315.7 million in FY 2022. The increase was mainly due to higher interest rates and the deceleration of fair market depreciation on U.S. Agency securities, which comprised 47.24% of the total investment portfolio. However, realized earnings increased from $52.8 million to $109.2 million due to rising short term interest rates. As of October 31, 2023, 44.02% of the investment portfolio was in demand deposit accounts, which are not subject to fair market value adjustments.

Other Non-Operating Revenues (Expenses): Other non-operating expenses were $1.7 million. This is mainly due to $1.7 million amortization of the deferred residual interest purchase price of the 2014 Series and 2018 Series loan portfolio and the amortization on the 2011 participation interests purchased cash flow as a result of repayments and restructuring of loans in the portfolio. The funding agreement between the Corporation and Battery Park City Authority (BPCA) expired in FY 2022. As a result, the Corporation no longer receives any funds from BPCA.

Change in Net Position

Change in net position for FY 2023 was $416.4 million, an increase of $433.2 million from a negative $16.8 million the previous year due to the fair market value adjustment on investments explained above.

DEBT ADMINISTRATION

At year-end, the Corporation had approximately $13.3 billion of bond principal and debt obligations outstanding in the Enterprise Fund, an increase of 10.52% over the prior year, net of discount and premium.

The following table summarizes the changes in bonds payable and debt obligations between October 31, 2023, and October 31, 2022. *(Dollar amounts are in thousands)*:

	2023	**2022**	**Percentage increase FY 2022 to 2023**
Bonds Payable & Debt Obligations	$13,274,362	$12,010,752	10.52%

In FY 2023, all variable rate demand obligation ("VRDO") bond series were successfully remarketed, and no bonds were tendered to become bank bonds. Additional information about HDC's debt is presented in Note 11 to the financial statements.

NEW BUSINESS

In FY 2023, the Corporation issued thirteen new Housing Revenue Bonds series totaling $1.7 billion, two series of Housing Impact Bonds for $320.3 million and two series of debt obligations for $54.9 million. Of the seventeen series issued, fifteen series totaling $1.9 billion were tax-exempt bonds and debt obligations and two series were taxable bonds totaling $154.6 million. The Corporation also made low interest loans from its net position.

Subsequent to October 31, 2023, bonds issued during the Corporation's normal business activities were $425,935,000 in the Housing Revenue Bond resolution.

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the resources at its disposal. If you have questions about this report or need additional financial information, contact the Public Information Officer, New York City Housing Development Corporation, 120 Broadway, New York, NY 10271. The Corporation also maintains information on its website at www.nychdc.com.

New York City Housing Development Corporation
Statement of Net Position
Proprietary Fund Type - Enterprise Fund

At October 31, 2023 (with comparative summarized financial information as of October 31, 2022) ($ in thousands)

	HDC and Component Units				
	New York City Housing Development Corporation	**New York City Housing Assistance Corporation**	**New York City Residential Mortgage Insurance Corporation**	**Total 2023**	**Total 2022**
Assets					
Current Assets:					
Cash and cash equivalents (note 3)	$ 634,675	$ -	$ -	$ 634,675	$ 703,663
Investments (note 3)	47,990	-	-	47,990	46,011
Receivables:					
Mortgage loans (note 4)	415,582	-	-	415,582	616,206
Accrued interest	83,918	1	-	83,919	65,948
Other (note 7)	17,064	-	-	17,064	6,684
Total Receivables	516,564	1	-	516,565	688,838
Leases and other capital assets (note 9)	3,118	-	-	3,118	163
Other assets	11	-	-	11	150
Total Current Assets	**1,202,358**	**1**	**-**	**1,202,359**	**1,438,825**
Noncurrent Assets:					
Restricted cash and cash equivalents (note 3)	1,406,500	322	14,374	1,421,196	650,313
Restricted investments (note 3)	1,850,195	1,161	139,258	1,990,614	2,243,143
Purpose investments (note 2)	16,605	-	-	16,605	17,087
Mortgage loans (note 4)	337,006	-	-	337,006	318,298
Restricted receivables:					
Mortgage loans (note 4)	13,851,569	93,483	-	13,945,052	12,134,257
Mortgage loan housing finance fund (Section 661) (note 4)	3,927,243	-	-	3,927,243	3,346,325
Mortgage loan participation - Federal Financing Bank (note 4)	503,021	-	-	503,021	509,545
Loan participation receivable - The City of NY (note 6)	450,908	-	-	450,908	455,271
Accrued interest	271,257	-	-	271,257	202,669
Other (note 7)	10,266	-	-	10,266	9,631
Total Restricted Receivables	19,014,264	93,483	-	19,107,747	16,657,698
Leases and other capital assets (note 9)	71,264	-	-	71,264	3,661
Interest rate swaps (note 10)	295,661	-	-	295,661	176,467
Other assets (note 8)	36,264	(45)	(18)	36,201	36,004
Total Noncurrent Assets	**23,027,759**	**94,921**	**153,614**	**23,276,294**	**20,102,671**
Total Assets	**24,230,117**	**94,922**	**153,614**	**24,478,653**	**21,541,496**
Deferred Outflows of Resources					
Deferred outflows related to interest rate caps (note 10)	2,566	-	-	2,566	2,510
Deferred outflows related to pensions (note 14)	6,416	-	-	6,416	7,081
Deferred outflows related to OPEB (note 15)	2,067	-	-	2,067	1,018
Total Deferred Outflows of Resources	**$ 11,049**	**$ -**	**$ -**	**$ 11,049**	**$ 10,609**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Statement of Net Position (continued)
Proprietary Fund Type - Enterprise Fund

At October 31, 2023 (with comparative summarized financial information as of October 31, 2022) ($ in thousands)

	HDC and Component Units				
	New York City Housing Development Corporation	**New York City Housing Assistance Corporation**	**New York City Residential Mortgage Insurance Corporation**	**Total 2023**	**Total 2022**
Liabilities					
Current Liabilities:					
Bonds payable (net) (note 11)	$ 224,362	$ -	$ -	$ 224,362	$ 319,939
Debt obligations payable (note 11)	1,050	-	-	1,050	1,007
Loan participation payable to Federal Financing Bank (note 11)	6,525	-	-	6,525	6,225
Accrued interest payable	169,739	-	-	169,739	142,640
Restricted earnings on investments	271	-	-	271	308
Accounts and other payables	246,404	-	-	246,404	271,801
Lease liability (note 9)	3,588	-	-	3,588	178
Total Current Liabilities	**651,939**	**-**	**-**	**651,939**	**742,098**
Noncurrent Liabilities:					
Bonds and debt obligations payable:					
Bonds payable (net) (note 11)	12,395,369	-	-	12,395,369	10,999,843
Debt obligations payable (note 11)	144,061	-	-	144,061	174,207
Loan participation payable to Federal Financing Bank (note 11)	502,995	-	-	502,995	509,531
Payable to The City of New York:					
Loan participation agreements (note 13)	450,908	-	-	450,908	455,271
Housing finance fund (Section 661) (note 13)	4,705,591	-	-	4,705,591	3,846,911
Other (note 13)	69,097	95,161	-	164,258	139,253
Payable to mortgagors	398,586	-	-	398,586	186,877
Net pension liabilities (note 14)	11,809	-	-	11,809	12,204
OPEB liability (note 15)	1,659	-	-	1,659	5,263
Lease liability (note 9)	66,549	-	-	66,549	-
Unearned revenues and other liabilities	575,360	-	-	575,360	605,306
Due to the United States Government (note 16)	4,847	-	-	4,847	734
Total Noncurrent Liabilities	**19,326,831**	**95,161**	**-**	**19,421,992**	**16,935,400**
Total Liabilities	**19,978,770**	**95,161**	**-**	**20,073,931**	**17,677,498**
Deferred Inflows of Resources					
Deferred inflows related to pensions (note 14)	391	-	-	391	848
Deferred inflows related to OPEB (note 15)	14,928	-	-	14,928	8,879
Deferred inflows related to interest rate swaps (note 10)	295,661	-	-	295,661	176,467
Total Deferred Inflows of Resources	**310,980**	**-**	**-**	**310,980**	**186,194**
Net Position					
Net investment in capital assets	74,382	-	-	74,382	3,824
Restricted for bond obligations (note 20)	3,498,497	(239)	-	3,498,258	3,154,604
Restricted for insurance requirement and others	-	-	111,461	111,461	105,703
Unrestricted (note 20)	378,537	-	42,153	420,690	424,282
Total Net Position	**$ 3,951,416**	**$ (239)**	**$ 153,614**	**$ 4,104,791**	**$ 3,688,413**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund Type - Enterprise Fund

For the year ended October 31, 2023 (with comparative summarized financial information for the year ended October 31, 2022) ($ in thousands)

	HDC and Component Units				
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	Total 2023	Total 2022
Operating Revenues					
Interest on loans (note 4)	$ 657,402	$ 10	$ -	$ 657,412	$ 562,941
Fees and charges (note 7)	70,552	-	5,090	75,642	78,779
Residual interest income	18,306	-	-	18,306	30,937
Income on loan participation interests (note 6)	5,101	-	-	5,101	6,348
Other	1,823	-	63	1,886	1,216
Total Operating Revenues	**753,184**	**10**	**5,153**	**758,347**	**680,221**
Operating Expenses					
Interest and amortization of bond premium and discount (note 11)	390,562	-	-	390,562	322,430
Salaries and related expenses	35,371	-	-	35,371	31,202
Trustees' and other fees	14,550	-	67	14,617	12,816
Bond issuance costs	11,965	-	-	11,965	10,699
Corporate operating expenses (note 12)	9,783	-	-	9,783	6,273
Total Operating Expenses	**462,231**	**-**	**67**	**462,298**	**383,420**
Operating Income	**290,953**	**10**	**5,086**	**296,049**	**296,801**
Non-operating Revenues (Expenses)					
Earnings on investments (note 3)	106,314	-	2,884	109,198	52,758
Unrealized gains (losses) on investments (note 3)	4,960	299	(213)	5,046	(368,443)
Other non-operating (expenses) revenues, net (note 7)	(1,703)	-	-	(1,703)	272
Payments from REMIC subsidiary to HDC	679	-	(679)	-	-
Other	10	(10)	-	-	-
Total Non-operating Revenues (Expenses), net	**110,260**	**289**	**1,992**	**112,541**	**(315,413)**
Income (Loss) before Transfers from Custodial Funds	**401,213**	**299**	**7,078**	**408,590**	**(18,612)**
Transfers from Custodial Funds	7,788	-	-	7,788	1,766
Changes in Net Position	**409,001**	**299**	**7,078**	**416,378**	**(16,846)**
Total net position - beginning of year	3,542,415	(538)	146,536	3,688,413	3,705,259
Total Net Position - End of Year	**$ 3,951,416**	**$ (239)**	**$ 153,614**	**$ 4,104,791**	**$ 3,688,413**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Statement of Cash Flows
Proprietary Fund Type - Enterprise Fund

Year ended October 31, 2023 (with comparative summarized financial information for the year ended October 31, 2022) ($ in thousands)

	HDC and Component Units				
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	Total 2023	Total 2022
Cash Flows From Operating Activities					
Mortgage loan repayments	$ 747,702	$ -	$ -	$ 747,702	$ 722,547
Mortgage interest receipts	536,505	-	-	536,505	472,302
Receipts from fees and charges	57,029	-	79	57,108	66,889
Mortgage loan advances	(2,918,038)	-	-	(2,918,038)	(2,330,109)
Payments to employees	(33,924)	-	-	(33,924)	(30,617)
Payments to suppliers for corporate operating expenses	(7,068)	-	-	(7,068)	(6,276)
Project contributions and funds received from NYC	897,562	-	-	897,562	314,685
Advances and other payments for NYC	(17,613)	-	-	(17,613)	(913)
Bond cost of issuance	(13,819)	-	-	(13,819)	(12,697)
Other receipts	747,573	-	62	747,635	196,806
Other payments	(573,561)	(1,848)	(67)	(575,476)	(253,513)
Net Cash (Used in) Provided by Operating Activities	**(577,652)**	**(1,848)**	**74**	**(579,426)**	**(860,896)**
Cash Flows From Non Capital Financing Activities					
Proceeds from sale of bonds	1,975,675	-	-	1,975,675	1,531,368
Proceeds from loan participation - FFB	-	-	-	-	46,600
Proceeds from debt obligations	54,905	-	-	54,905	-
Retirement of bonds	(766,232)	-	-	(766,232)	(1,161,137)
Interest paid	(369,084)	-	-	(369,084)	(315,306)
Grant proceeds from BPCA	-	-	-	-	1,965
Payments from/to component units	1,242	-	4,332	5,574	1,958
Net Cash Provided by Non Capital Financing Activities	**896,506**	**-**	**4,332**	**900,838**	**105,448**
Cash Flows From Capital and Related Financing Activities					
Purchase of capital assets	(2,859)	-	-	(2,859)	(3,315)
Net Cash (Used in) Capital and Related Financing Activities	**(2,859)**	**-**	**-**	**(2,859)**	**(3,315)**
Cash Flows From Investing Activities					
Sale of investments	16,951,709	5,003	30,158	16,986,870	13,289,807
Purchase of investments	(16,664,443)	(3,403)	(44,637)	(16,712,483)	(13,060,387)
Interest and dividends collected	106,113	46	2,796	108,955	53,566
Net Cash Provided by (Used in) Investing Activities	**393,379**	**1,646**	**(11,683)**	**383,342**	**282,986**
Increase (Decrease) in cash and cash equivalents	709,374	(202)	(7,277)	701,895	(475,777)
Cash and cash equivalents at beginning of year	1,331,801	524	21,651	1,353,976	1,829,753
Cash and Cash Equivalents at End of Year	**$ 2,041,175**	**$ 322**	**$ 14,374**	**$ 2,055,871**	**$ 1,353,976**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Statement of Cash Flows (continued)
Proprietary Fund Type - Enterprise Fund

Year ended October 31, 2023 (with comparative summarized financial information for the year ended October 31, 2022) ($ in thousands)

	HDC and Component Units				
	New York City Housing Development Corporation	**New York City Housing Assistance Corporation**	**New York City Residential Mortgage Insurance Corporation**	**Total 2023**	**Total 2022**
Reconciliation of Operating Income to Net Cash (Used in) Provided by Operating Activities:					
Operating Income	**$ 290,953**	**$ 10**	**$ 5,086**	**$ 296,049**	**$ 296,801**
Adjustments to Reconcile Operating Income to Net Cash (Used in) Provided by Operating Activities:					
Depreciation expense	1,737	-	-	1,737	2,478
Amortization of bond discount and premium	(737)	-	-	(737)	(639)
Non-operating bond interest payment	369,084	-	-	369,084	315,305
Changes in Assets & Liabilities:					
Mortgage loans	(2,208,403)	7,152	-	(2,201,251)	(1,621,510)
Loan participation receivable - NYC	2,162	-	-	2,162	2,720
Accrued interest receivable	(86,380)	-	-	(86,380)	(79,331)
Other receivables	(11,016)	-	-	(11,016)	(1,735)
Primary government/component unit receivable (payable)	5,013	-	(5,012)	1	(359)
Other assets	(119,636)	-	-	(119,636)	(75,135)
Payable to The City of New York	888,179	(9,010)	-	879,169	301,940
Payable to mortgagors	197,921	-	-	197,921	(82,113)
Accounts and other payables	(24,814)	-	-	(24,814)	(54,646)
Restricted earnings on investments	(49)	-	-	(49)	-
Unearned revenues and other liabilities	91,235	-	-	91,235	125,504
Accrued interest payable	27,099	-	-	27,099	9,824
Net Cash (Used in) Provided by Operating Activities	**$ (577,652)**	**$ (1,848)**	**$ 74**	**$ (579,426)**	**$ (860,896)**
Non Cash Investing Activities:					
Increase (decrease) in fair value of investments	$ 4,960	$ 299	$ (213)	$ 5,046	$ (368,443)

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Statement of Fiduciary Net Position

At October 31, 2023 (with comparative summarized financial information as of October 31, 2022) ($ in thousands)

	Custodial Funds	Other Employee Benefit Trust Fund	Total 2023	Total 2022
Assets				
Cash and cash equivalents	$ 694,054	$ 192	$ 694,246	$ 597,210
Investments at fair value:				
Bonds	364,723	11,525	376,248	304,311
Total investments	364,723	11,525	376,248	304,311
Receivables:				
Mortgage loans	689,790	-	689,790	665,810
Accrued interest	42,844	-	42,844	38,575
Other	23,445	-	23,445	21,508
Total Receivables	756,079	-	756,079	725,893
Primary government/component unit receivable	(1,269)	-	(1,269)	940
Total Assets	**1,813,587**	**11,717**	**1,825,304**	**1,628,354**
Net Position				
Restricted for:				
Mortgagors	983,688	-	983,688	811,576
The City of New York	829,683	-	829,683	803,681
Other entities	216	-	216	1,208
Postemployment benefits other than pensions	-	11,717	11,717	11,889
Total Net Position	**$ 1,813,587**	**$ 11,717**	**$ 1,825,304**	**$ 1,628,354**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the year ended October 31, 2023 (with comparative summarized financial information for the year ended October 31, 2022) ($ in thousands)

	Custodial Funds	Other Employee Benefit Trust Fund	Total 2023	Total 2022
Additions				
Interest on loans	$ 205	$ -	$ 205	$ 205
Investment earnings:				
Interest, dividends and other	7,583	295	7,878	(22)
Total investment earnings	7,583	295	7,878	(22)
Mortgage escrow receipts - Mortgagors	522,728	-	522,728	375,442
Funds received for The City of New York	89,701	-	89,701	105,708
Others	-	-	-	5,004
Total Additions	**620,217**	**295**	**620,512**	**486,337**
Deductions				
Benefit payments	-	467	467	206
Mortgage escrow disbursements - Mortgagors	350,617	-	350,617	378,767
Payments to The City of New York	63,699	-	63,699	65,908
Transfers to Enterprise Fund	7,787	-	7,787	1,757
Others	992	-	992	-
Total Deductions	**423,095**	**467**	**423,562**	**446,638**
Net Increase (decrease) in Fiduciary Net Position	**197,122**	**(172)**	**196,950**	**39,699**
Net position - beginning of year	1,616,465	11,889	1,628,354	1,588,655
Net Position - End of Year	**$ 1,813,587**	**$ 11,717**	**$ 1,825,304**	**$ 1,628,354**

See accompanying notes to the basic financial statements.

Note 1: Organization

The New York City Housing Development Corporation (the "Corporation" or "HDC") is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York (the "State"). The Corporation is also a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation was established in 1971 under the provisions of Article XII of the Private Housing Finance Law (the "Act") of the State and is to continue in existence for at least as long as bonds, notes or other obligations of the Corporation are outstanding.

The Corporation was created to encourage the investment of private capital through low-interest mortgage loans in order to increase the supply of safe and sanitary dwelling accommodations for families and persons whose need for housing accommodations cannot be provided by unassisted private enterprise. To accomplish its objectives, the Corporation is empowered to finance housing through new construction or rehabilitation and to provide permanent financing for multi-family residential housing. The Corporation finances significant amounts of its activities through the issuance of bonds, notes and debt obligations. The bonds, notes, and debt obligations of the Corporation are not debts of either the State or The City of New York (the "City").

Pursuant to Governmental Accounting Standards Board ("GASB") Codification 2100, *Defining the Financial Reporting Entity*, the Corporation's financial statements are included in the City's financial statements as a component unit for financial reporting purposes.

<u>Primary Government Entity</u>

For the purpose of these financial statements, the Corporation is the primary government entity. Financial activity in HDC's bond and loan programs and in its Corporate Services Fund are aggregated and reported in the financial statements under Housing Development Corporation. The Corporation sells bonds, administers bond proceeds and manages bond revenues and repayments in accordance with bond resolutions adopted by its Board Members (see Note 11: "Bonds Payable and Debt Obligations"). Bond proceeds are used to make loans and provide for related costs and reserves, and loan repayments are applied to pay principal and interest on the related bonds (see Note 4: "Mortgage Loans"; Note 5: "Notes Receivable"; and Note 6: "Loan Participation Receivable for The City of New York"). Corporation resources that are not pledged under or governed by a bond resolution are managed in the Corporate Services Fund. This fund accounts for (1) fees and earnings transferred from the bond and loan programs; (2) fees earned on loans serviced for HDC and for the City; (3) compliance monitoring fees; (4) income from Corporate Services Fund investments; (5) grant revenues; (6) payments of the Corporation's operating expenses; and (7) loans made with corporate funds.

The Corporation currently has four blended component units, two of which are inactive.

The New York City Housing Assistance Corporation ("HAC") and the New York City Residential Mortgage Insurance Corporation ("REMIC") are active subsidiaries and together with HDC, the Housing New York Corporation ("HNYC") and the Real Estate Owned Corporation comprise the reporting entity. HAC and REMIC have been included in the Corporation's financial statements as blended component units of HDC. All of these entities have been reported as component units because HDC's Members comprise all or a controlling majority of the Board for each entity and HDC's staff provides all services for each entity.

Component Units

(A) New York City Housing Assistance Corporation

HAC is a public benefit corporation established pursuant to Section 654-b of the Act as a subsidiary of the Corporation.

HAC is empowered to receive monies from any source, including, but not limited to, the Corporation, the City or the State, for the purpose of assisting rental developments to maintain rentals affordable to low and moderate-income persons for whom the ordinary operation of private enterprise cannot supply safe, sanitary and affordable housing accommodations. In order to accomplish this objective, HAC may transfer, lend, pledge or assign these monies to any rental development or assist the Corporation in financing such developments. As a subsidiary of HDC, HAC's functions are administered by the Corporation and its Board Members substantially overlap with HDC's Board Members, so it is reported as a blended component unit in HDC's financial statements.

(B) New York City Residential Mortgage Insurance Corporation

REMIC is a public benefit corporation established pursuant to Section 654-d of the Act as a subsidiary of HDC. REMIC is the successor entity to the New York City Rehabilitation Mortgage Insurance Corporation ("Old REMIC"), which was dissolved on January 27, 1993. REMIC has the authority to insure residential mortgage loans throughout the City in order to promote the preservation of neighborhoods which are blighted, are becoming blighted or may become blighted, to discourage divestment and encourage the investment of mortgage capital in such neighborhoods and to provide safe, sanitary and affordable housing accommodations to persons and families for whom the ordinary operations of private enterprise cannot supply such accommodations.

REMIC currently maintains two reserves, the Housing Insurance Fund and the Premium Reserve Fund. The Housing Insurance Fund can be used as a revolving fund solely for the payment of liabilities arising from housing insurance contracts issued by REMIC. The Housing Insurance Fund requirement (as of any particular date) is established by statute and must be in an amount equal to the aggregate of (i) one hundred percent of the insured amounts due and payable pursuant to housing insurance contracts, plus (ii) twenty percent of the insured amounts under housing insurance contracts other than insured amounts which are due and payable pursuant to (i) above, plus (iii) twenty percent of the amounts to be insured under REMIC's commitments to insure. The Housing Insurance Fund requirement as of October 31, 2023 is $111,461,000.

Any income or interest earned on the Housing Insurance Fund in excess of its respective requirements is transferred at least annually to the Premium Reserve Fund. The Premium Reserve Fund must also be maintained to provide for the payment of REMIC's liabilities arising from its operations, including liabilities arising from housing insurance contracts. REMIC also maintains an Operating Fund for operation purposes. As a component unit of HDC, REMIC functions are administered by the Corporation. The Premium Reserve Fund and Operating Fund have a combined balance of $42,153,000 as of October

31, 2023. REMIC is a blended component unit because HDC's Members comprise a controlling majority of the Board and HDC's staff provides all services for REMIC.

Inactive Component Units

(C) Real Estate Owned Corporation

The NYC HDC Real Estate Owned Corporation ("REO Subsidiary Corporation") was established under Section 654-a of the Act on September 20, 2004. The REO Subsidiary Corporation has the power to hold property whenever, in the sole discretion of the Corporation, it has become necessary to acquire a project in the case of sale under foreclosure or in lieu of foreclosure to effectuate the purposes of the Act. There was no activity undertaken by this subsidiary during fiscal year 2023 and it did not have any assets or liabilities as of October 31, 2023. The REO Subsidiary Corporation is treated as a blended component unit of HDC.

(D) Housing New York Corporation

The HNYC is a public benefit corporation established pursuant to Section 654-c of the Act as a subsidiary of the Corporation. Authorization for the funding of the Housing New York Program ended on July 1, 1995. Consequently, HNYC can no longer issue bonds or notes to fund the Housing New York Program.

Upon repayment of all the outstanding HNYC bonds on November 3, 2003, HNYC became an inactive subsidiary of the Corporation, and its remaining funds were transferred out of HNYC. However, HNYC is not expected to be dissolved.

Note 2: Summary of Significant Accounting Policies

The Corporation follows the principles of fund accounting, with a sub-fund for each bond series, for the Corporate Services Fund, and for each component unit. Each fund's assets, liabilities and net position are accounted for as separate entities and follow enterprise fund reporting. Certain individual funds are aggregated into larger categories for the purpose of financial reporting. The accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred. In its accounting and financial reporting, the Corporation follows the pronouncements of the GASB.

Other significant accounting policies are:

A. Revenue and Expense Recognition

The Corporation's operating revenues consist of earnings on loans and loan participation interests, fees and charges associated with both financing and servicing mortgages and loans, and other revenues that are received to cover the costs of raising capital. All other revenue, which is primarily earnings on investments and grant revenue are considered non-operating. Revenues are recognized when earned. Operating expenses include bonding costs, expenses for administering the various bond resolutions, personnel expenses, corporate operating expenses, bond issuance and financing costs, and depreciation expense. The Corporation reports all other expenses, including distributions of first mortgage earnings to the City in connection with loan participations and the payment, if necessary, of mortgage loan principal receipts on bond payments, as non-operating expenses. Expenses are recognized as incurred.

Virtually all resources are either restricted or designated. Net position has been restricted in accordance with terms of an award, agreement or by state law. Designated net position is committed for specific purposes pursuant to HDC policy and/or Board directives (see Note 20: "Net Position" for more detailed information).

B. Cash Equivalents and Investments

Short-term bank deposits and investments with stated maturities of 90 days or less are reported as Cash and Cash Equivalents. All investments are reported at fair value, except for certificates of deposit and investment agreements. The Corporation's investment agreements, which can take the form of open time deposits or fixed repurchase agreements, are reported at an amount equal to principal and accrued interest.

Generally Accepted Accounting Principles ("GAAP") require that restricted assets be reported as non-current assets. In the case of cash equivalents and investments, this treatment generally causes restricted investments with maturities less than one year to be reported as non-current. However, to more accurately report the alignment of HDC's current liability for payment of bond principal and interest with funds available to satisfy these liabilities, HDC has included cash, cash equivalents and investments totaling $580,888,000 under current assets as of October 31, 2023, to cover the payment of bond principal and interest due in the following year.

C. Purpose Investments

As part of its financing activities, HDC has made two housing development loans that are secured by GNMA certificates rather than mortgages on the related properties. The GNMA certificates provide payments at such times and in such amounts as to fully repay the respective HDC loans and are the only source of repayment for these loans. The GNMA certificates are treated under U.S. Treasury regulations as acquired program obligations. The GNMA certificates are classified in the financial statements as purpose investments and identified separately from other investments and restricted investments in the financial statements. However, interest earned on the GNMA certificates is included in earnings on investments.

It is the Corporation's policy to record GNMA certificates at amortized cost, which amounted to $16,605,000 as of October 31, 2023. The fair value of these purpose investments amounted to $15,219,000 as of October 31, 2023.

D. Mortgage Loans

As part of the Corporation's major financing activities, mortgage loans are funded from bond and debt obligation proceeds and corporate reserves. The mortgage loans funded from bond proceeds and debt obligations are generally classified as restricted receivables because the loan repayments of all such loans are pledged to cover the debt service on the related bonds and obligations. The loans funded from corporate reserves are not restricted but designated for a specific purpose.

E. Allowance for Credit Losses

HDC's loans are underwritten according to standards the Corporation believes prudent and are closely monitored for payment and for management of the associated housing developments. In addition, many of the Corporation's mortgages have credit enhancements through letters of credit, mortgage insurance and other supports. Therefore, HDC believes that the likelihood of experiencing material credit losses relating to its bonded mortgage programs is remote. Management has determined that current charges against income are not required.

F. Summarized Financial Information

The basic financial statements include summarized comparative information as of and for the year ended October 31, 2022 in total but not by reporting unit. Such information does not include enough detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended October 31, 2022 from which the summarized information was derived (which are available from the Corporation and on its website).

G. Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position provide information on the Corporation's fiduciary activities in (1) Custodial Funds and (2) the Other Post-Employment Benefits Trust ("OPEB") Fund. The Custodial Funds report assets held by the Corporation on behalf of mortgagors and the City. These assets are derived from the servicing of the Corporation's permanent loans, and construction and permanent loans serviced on behalf of the New York City Department of Housing Preservation and Development ("HPD"), using funds provided by mortgagors and HPD. All such funds are the property of the mortgagors and HPD and thus are reported as restricted net position for mortgagors and the City in the fiduciary statement of net position. Investment earnings on monies held for the City, project reserves for replacement and certain other project escrows are reported as additions to restricted net position in the Fiduciary Fund. The Other Employee Benefit Trust Fund reports resources that are required to be held in trust for the members and beneficiaries of the Corporation's OPEB plan.

H. Recent and Upcoming Accounting Pronouncements

Accounting Standards Issued and Adopted

There were no accounting standards adopted this fiscal year.

Accounting Standards Issued and Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
99	*Omnibus 2022*	2024
100	*Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*	2024
101	*Compensated Absences*	2025
102	*Certain Risk Disclosures*	2024

Note 3: Investments and Deposits

The Corporation is authorized to engage in investment activity pursuant to the Act and the Corporation's respective bond resolutions. Investment policies are set for the Corporation by the Members of the Corporation on an annual basis, through the annual adoption of written investment guidelines. Investments are reviewed on a periodic basis by the Corporation's Audit Committee. Day-to-day investment decisions are made by the Corporation's Investment Committee. The Corporation principally invests in securities of the United States and its agencies, open time deposits ("OTDs") in the form of investment agreements, demand accounts, repurchase agreements, and certificates of deposits. In fiscal year 2023, HDC continued investing in taxable municipal bonds of the State and the City, consistent with the Corporation's enabling statute and investment guidelines. The Corporation did not enter into any reverse repurchase agreements during the year ended October 31, 2023. The Corporation is not aware of any violations of any provisions of the foregoing policies.

All securities, other than securities held by the respective trustees for the benefit of the bondholders, were held by the Corporation or its agents in the Corporation's name. Bond program investments are held by the trustee of the applicable program.

All investment transactions are recorded on the trade date. Investments, other than purpose investments, which are reported at fair value as of October 31, 2023, were as follows:

Enterprise Fund - HDC and Component Units

		Investment Maturities as of October 31, 2023 (in Years)			
Investment Type	2023	Less than 1	1-5	6-10	More than 10
(in thousands)					
Money Market and NOW Accounts	$1,975,521	$1,975,521	$ —	$ —	$ —
FHLB Bonds	678,085	37,890	524,008	84,965	31,222
FFCB Bonds	522,374	48,679	304,240	169,455	—
FHLMC Bonds	447,344	9,880	199,721	235,433	2,310
NYS/NYC Municipal Bonds *	108,662	1,052	84,535	23,075	—
FNMA Bonds	58,973	—	12,577	33,056	13,340
Fixed Repurchase Agreements	42,028	42,028	—	—	—
Total	3,832,987	2,115,050	1,125,081	545,984	46,872
Less amounts classified as cash equivalents	(2,017,549)	(2,017,549)	—	—	—
Total investments	$1,815,438	$ 97,501	$1,125,081	$545,984	$46,872

* *Note: Municipal Bonds are at fixed rates.*

Fiduciary Funds

Investment Type-Custodial Funds	2023	Investment Maturities as of October 31, 2023 (in Years) Less than 1	1-5	6-10	More than 10
(in thousands)					
Money Market and NOW Accounts	$691,556	$691,556	$ —	$ —	$ —
FHLB Bonds	120,268	2,005	113,230	5,033	—
FHLMC Bonds	94,547	—	29,283	65,264	—
FFCB Bonds	84,991	—	70,746	14,245	—
FNMA Bonds	36,636	—	27,735	5,808	3,093
NYS/NYC Municipal Bonds *	19,096	—	17,091	2,005	—
Fixed Repurchase Agreements	779	779	—	—	—
Total	1,047,873	694,340	258,085	92,355	3,093
Less amounts classified as cash equivalents	(692,335)	(692,335)	—	—	—
Total investments	$355,538	$ 2,005	$258,085	$ 92,355	$ 3,093

** Note: Municipal Bonds are at fixed rates.*

Enterprise Fund - HDC and Component Units

Total investments recorded on the Statement of Net Position as of October 31, 2023 of $2,038,604,000 is made up the following: (a) investments recorded at fair value of $1,815,438,000 (b) certificates of deposits in the amount of $178,429,000, and (c) OTDs in the amount of $44,737,000.

Fiduciary Fund

Total custodial fund investments recorded on the Statement of Net Position as of October 31, 2023 of $364,723,000 is made up the following: (a) investments recorded at fair value of $355,538,000, (b) certificates of deposits in the amount of $6,160,000 and (c) OTDs in the amount of $3,025,000.

Enterprise Fund - HDC and Component Units

As required by GASB No. 31, the Corporation has recorded a fair value adjustment in its investment portfolio. HDC recorded a net appreciation of $5,046,000 for the year ended October 31, 2023.

Under Statement No. 72, *Fair Value Measurement and Application,* HDC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. The Corporation does not hold any securities valued using Level 3 inputs as of October 31, 2023.

The Corporation has the following recurring fair value measurements as of October 31, 2023:

- NYC/NYS Municipal securities of $108,662,000 are valued using quoted market prices. (Level 1 inputs)
- U.S. Agency securities of $1,706,776,000 are valued based on models using observable inputs. (Level 2 inputs)

Money Market and NOW accounts of $1,975,521,000 are valued at cost. In addition to the investments identified above, as of October 31, 2023, the Corporation held $38,322,000 uninvested as cash in various trust and other accounts.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Corporation's investment guidelines charge the Investment Committee with "…determining appropriate investment instruments…based on…length of time funds are available for investment purposes..." among other factors. Thus, maturities are matched to the Corporation's liquidity needs. As part of the Corporation's investment policies, it looks to invest its bond and corporate related reserves in long-term securities that carry a higher yield, with the intent to hold the investments to maturity.

Credit Risk: The Corporation's investment guidelines and policies are designed to protect principal by limiting credit risk. This is accomplished by making decisions based on a review of ratings, collateral, and diversification requirements that vary according to the type of investment.

As of October 31, 2023, investments in Federal National Mortgage Association ("FNMA" or "Fannie Mae"), Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"), Federal Home Loan Bank ("FHLB") and Federal Farm Credit Bank ("FFCB") were rated by Standard & Poor's and/or Moody's Investors Service (Fannie Mae, Freddie Mac, FHLB and FFCB are collectively referred to as "Agency"). Standard & Poor's ratings for long-term and short-term ranged from AA+ to A-1+, respectively. Moody's long-term and short-term ratings ranged from Aaa to P-1, respectively. Some investments were not rated. Investments in Fannie Mae, Freddie Mac, FHLB and FFCB are implicitly guaranteed by the U.S. government. They carry ratings equivalent to the credit ratings for the U.S. government. Some investments were not rated by Fitch Ratings. Of the investments that were rated by Fitch Ratings, they carried ratings ranging from AA+ for long-term and F1+ for short-term. Money market accounts and certificates of deposits are either backed by collateral held by the provider or letters of credit provided by third parties.

A small portion of HDC's investment portfolio consists of NYS/NYC municipal bonds. Standard & Poor's ratings for those investments ranged from AAA to AA-; Moody's ratings ranged from Aa1 to Aa2 and Fitch Ratings ranged from AAA to AA. Some investments were not rated. Money market, open time deposits and repurchase agreements in the form of OTDs are not rated; however, the providers are rated.

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Corporation, and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the Corporation. The Corporation manages custodial credit risk by limiting its investments to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Corporation.

As of October 31, 2023, repurchase agreements in the amount of $42,028,000, demand accounts in the amount of $1,975,521,000, and certificates of deposits in the amount of $178,429,000 were collateralized by high quality instruments. The collateral consisted of U.S. Treasury Notes, U.S. Treasury Bills, Agency investments, FHLB letters of credit, and letters of credits held by the Corporation's agent in the name of the Corporation.

For deposits, custodial credit risk is the risk that in the event of a bank failure the Corporation's deposit may not be returned to it. HDC bank deposits amounted to $41,235,000 as of October 31, 2023, of which $40,483,000 was uninsured by the Federal Deposit Insurance Corporation ("FDIC") and uncollateralized. Correspondingly, $37,431,000 was secured in trust accounts, which are protected under state law and $3,804,000 was held in demand deposit accounts ("DDA"). HDC limits its deposits to highly rated institutions, and such deposits are either in trust accounts or partially insured through the FDIC. The maximum coverage of $250,000 is available to depositors under the FDIC's general deposit insurance rules. All the Corporation's funds held in the DDA are subject to this provision.

Concentration of Credit Risk: The Corporation follows its annually adopted investment guidelines in accordance with concentration limits and reviews its credit concentration monthly. The Corporation's Credit Risk unit monitors concentration risk amongst issuers and reports regularly to the Members of the Corporation's Audit Committee.

The following tables shows issuers that represent 5% or more of total investments as of October 31, 2023 *(in thousands):*

<u>Enterprise Fund - HDC and Component Units</u>

Issuer	Dollar Amount	Percentage
FHLB	$678,086	16.72%
FFCB	520,992	12.84
NY Community Bank (*)	449,807	11.09
FHLMC	447,344	11.03
Customers Bank (*)	404,833	9.98
Flagstar Bank (*)	319,021	7.87
Sterling National Bank (*)	208,529	5.14

**Note: Either fully or partially covered by FNMA, FHLMC, GNMA, FHLB securities that are held by a third party and/or FHLB letter of credit collateral held by the Corporation.*

Fiduciary Funds

Issuer	Dollar Amount	Percentage
Dime Community Bank (*)	$245,826	23.26%
Flagstar Bank (*)	241,255	22.82
NY Community Bank (*)	121,284	11.47
FHLB	120,268	11.38
FHLMC	94,549	8.94
FFCB	84,990	8.04
Customers Bank (*)	65,904	6.23

**Note: Either fully or partially covered by FNMA, FHLMC, GNMA, FHLB securities that are held by a third party and/or FHLB letter of credit collateral held by the Corporation.*

Note 4: Mortgage Loans

The Corporation had outstanding, under various loan programs, mortgage loans of $22,480,363,000 as of October 31, 2023. Of the total loans outstanding above, $355,750,000 of loans funded from corporate reserves were not restricted assets as they were not pledged to any specific bonds or under any bond resolutions. However, they are considered designated as defined under Note 20: "Net Position". The portion of mortgage loans that have not yet been advanced is recorded as investments and amounted to $2,296,682,000 as of October 31, 2023 (see Note 17: "Commitments").

In fiscal year 2022, the Corporation adopted GASB 91. The Corporation issues bonds and notes to fund mortgage loans for multi-family residential developments. In a conduit bond financing, HDC assigns the mortgage loan to the credit enhancer that provides security for the bonds. Therefore, the developer is not liable to HDC for the mortgage loan but to the letter of credit issuer. For reporting purposes, HDC presents the conduit mortgage loans in a separate section.

Changes in Mortgage Loans

The changes in Mortgage Loans are as follows:						
(in thousands)	Total Mortgage Loans	Loan Participation Receivable – The City of New York	Mortgage Loans (net)	Conduit Loans	Fiduciary Funds	Enterprise Fund- Mortgage Loans Net of Conduit & Fiduciary Funds
Mortgage Loans Outstanding at Beginning of the Year	$20,813,393	$436,774	$20,376,619	$2,786,178	$665,810	$16,924,631
Mortgage Advances	2,918,038	—	2,918,038	—	—	2,918,038
Other Additions*	63,080	—	63,080	—	24,213	38,867
Principal Collections	(881,564)	(4,183)	(877,381)	(123,509)	(233)	(753,639)
Discount/Premium Amortized	7	—	7	—	—	7
Mortgage Loans Outstanding at End of the Year	22,912,954	432,591	22,480,363	2,662,669	689,790	19,127,904
NYC Loan Participation Interest Receivable	18,317	18,317	—	—	—	—
Total	$22,931,271	$450,908	$22,480,363	$2,662,669	$689,790	$19,127,904

**Loan assignments and capitalized interest.*

Of the mortgage loans outstanding as of October 31, 2023, $689,790,000 was related to fiduciary funds.

(A) New York City Housing Development Corporation

(i) The HDC mortgage loans listed above were originally repayable over terms of 2 to 65 years and bear interest at rates from 0.25% to 10.36% per annum. Almost all mortgage loans receivable are collateralized by first or second mortgages on the property of the housing sponsors and contain exculpatory clauses with respect to the liability of the principals of such housing sponsors. The table above does not include loans which are not secured by mortgages, which include a military housing loan and a loan to NYCHA, each of which are secured by notes (see Note 5: "Notes Receivable"), and loans secured by GNMA certificates (see Note 2C: "Purpose Investments"). Of the total HDC mortgages, including those that are in the Mitchell-Lama programs held as of October 31, 2023, 55% are first mortgages and 45% are subordinate loans.

(ii) Of the total $22,931,271,000 mortgage loans reported above, $3,927,243,000 was related to mortgage loans made with funds received from HPD under Section 661 of the PHFL. When HDC and HPD co-lend on a project, HPD grants funds to HDC to fund their subordinate loan. HDC then makes the subordinate loan in its name co-terminus with the senior HDC loan to ultimately be assigned back to HPD at maturity.

(iii) Under the FFB program, the Corporation acts as servicer of the loans and receives the monthly mortgage payments from the borrower as per the schedule of the Certificates of Participation. The monthly loan principal and interest payment will be remitted to the FFB as per the schedule of the Certificates of Participation.

The mortgage loan participation program with the FFB had a payable balance of $509,520,000 as of October 31, 2023. For more details on the loans included in the FFB Loan Participation program, see Note 11: "Bonds Payable and Debt Obligations".

(B) Housing Assistance Corporation

The Housing Assistance Corporation financed construction and capitalized interest costs for eight affordable housing projects during the period of 1986 to 1990. These loans, funded by the City, accrue interest at the rate of 0 - 1% per annum.

The cash flows from these loans were used to provide funding for City directed subsidy programs. Beginning in 2003, the cash flows from mortgage loan interest and the investment portfolio were not sufficient to meet the payment requirements for the subsidy program. HDC's Members approved fund transfers from the Corporation to HAC for an amount at any one time not to exceed $10,000,000 in total to cover the shortfall of payments required.

In order to continue to fund the City subsidy program for the project named Ruppert/Yorkville ("RY Subsidy Program") and to repay HDC for the obligations, HAC's Board Members approved the sale of the remaining five mortgage loans in the HAC loan portfolio to HDC at its meeting on September 19, 2017. The total outstanding balance on these loans at the time of the loan sale was $32,400,000. The sale raised $23,800,000 for HAC. This amount represented the discounted value of the future cash flow on the purchased loans. A portion of the sale proceeds was used to repay HDC for outstanding obligations and the remainder should be enough to continue to provide funds for the RY Subsidy Program through September 30, 2024.

In fiscal year 2016, the City requested that the Corporation help facilitate the implementation of the new affordable housing regime for Stuyvesant Town-Peter Cooper Village. On December 15, 2015, HDC and Wells Fargo Bank entered into a Participation Agreement whereby HDC funded a $143,236,000 subordinate loan to the purchasers of Stuyvesant Town-Peter Cooper Village. The Corporation executed this transaction through its subsidiary HAC. Pursuant to a memorandum of understanding with the City, HDC was to be reimbursed for this transaction and in fiscal year 2022, HDC received its final reimbursement from the City and was made whole. Under the memorandum of understanding, this subordinate loan bears no interest and is forgiven at the rate of 1/20 per annum over its 20-year term. Accordingly, $7,162,000 of the Stuyvesant Town-Peter Cooper Village loan was forgiven in fiscal year 2023. This reduced the mortgage loan balance to $93,103,000 as of October 31, 2023.

The total mortgage loan outstanding balance in HAC was $93,483,000 as of October 31, 2023.

Note 5: Notes Receivable

Under GASB 91, notes receivable and the related bonds of conduit debt obligations are no longer included in HDC's Enterprise Fund financial statement reporting. However, the following required disclosures are presented in the footnotes in accordance with the disclosure requirements.

HDC has loans outstanding that are secured by notes and pledged revenues. Military Housing notes receivable of $47,545,000 was received in connection with the 2004 Series A Class I & II Military Housing Revenue Bond (Fort Hamilton LLC Project) issuance. The notes are secured by pledged revenues of the development under a Master Trust Indenture. The interest rate on the mortgage loan is a blended rate of 6.32% which is equal to the bond interest rate. The interest on the mortgage is collected semi-annually on the debt service date. As of October 31, 2023, the outstanding Military Housing notes receivable was $41,350,000.

During fiscal year 2022, notes receivable from NYCHA received in connection with the Corporation's 2013 Series A and the 2013 Series B Capital Fund Program Revenue Bonds were refunded upon the issuance of the 2022 Series A Capital Fund Program Revenue Bonds (the "2022 Series A Bonds") (see Note 11: Bonds Payable and Debt Obligations). As of October 31, 2023, the outstanding NYCHA notes receivable relating to the 2022 Series A Bonds was $353,250,000.

The 2022 Series A notes receivable is secured by a first priority pledge of NYCHA's capital grant money provided by the United States Department of Housing and Urban Development ("HUD").

Note 6: Loan Participation Receivable for The City of New York

In fiscal year 2002, the Corporation acquired interests in two real estate mortgage investment trusts in connection with its housing activities. In addition, the Corporation entered into various agreements with the City whereby HDC sold bonds and used the bond proceeds to purchase from the City interests in various mortgage loans and pools of mortgage loans.

In each of fiscal years 2002 and 2003, HDC used bond proceeds from its Multi-Family Housing Revenue Bonds, 2002 Series D (the "2002 Series D Bonds"), and Multi-Family Housing Revenue Bonds, 2003 Series D (the "2003 Series D Bonds"), to purchase a subordinated position in a 100% participation interest in a portion of the cash flows from a pool of mortgage loans the City had previously securitized in 1996. This pool is known as the Sheridan Trust II and HDC's purchased asset is the Sheridan Trust II Class B Certificate. Upon completion of the 2003 transaction, HDC's participation interest included the City's total cash flow from the Sheridan Trust II. In September 2005, the senior lien interests were satisfied and HDC became the primary beneficiary of the Sheridan Trust II. At that time, therefore, the loan asset was added to HDC's Statement of Net Position and was valued at its principal amount.

In 2006, the Corporation issued its Multi-Family Housing Revenue Bonds, 2006 Series A (the "2006 Series A Bonds"), which refinanced its 2002 Series D and 2003 Series D Bonds. On May 1, 2014, the 2006 Series A Bonds were fully redeemed. Simultaneously, the Corporation issued the Multi-Family Housing Revenue Bonds, 2014 Series B-1 and 2014 Series B-2 (collectively, the "2014 Series B Bonds") to re-securitize the remaining underlying loan portfolio, which included the Sheridan Trust II Class B Certificate. At that time, the Sheridan Trust II had a balance of $57,372,000. The Sheridan Trust II, along with the other remaining underlying loans under the 2006 Series A Bonds totaling $246,698,000, were transferred to the 2014 Series B Bonds.

In April 2018, the Corporation issued its Multi-Family Housing Revenue Bonds, 2018 Series B Bonds. The proceeds were used to purchase and securitize a 100% participation interest in various pools of City mortgage loans totaling $671,611,000.

In October 2020, at the request of the City, the Corporation purchased the City's residual interest in the Loan Participation Receivable related to the 2014 Series B and 2018 Series B Bonds mortgage portfolio including the Sheridan Trust II for a purchase price of $40,000,000. The Loan Participation agreement was amended, and the amended agreement "eliminated the reversion of ownership of the mortgage portfolio under the agreement to the City" after the full repayment of the underlying 2014 Series B and 2018 Series B Bonds. As of the purchase date, the amount of the participation interest of $586,357,000 was reduced to offset against the Payable to the City.

As of October 31, 2023, the balance included under "Loan Participation Receivable – The City of New York" totaled $450,908,000 is related to the Corporation's Mitchell-Lama loan participating program. "Loan Participation Receivable - The City of New York" are pledged to the associated bonds but revert to the City when such bonds are retired (see Note 13: "Payable to The City of New York and Mortgagors").

Note 7: Other Receivables

Other receivables of $27,330,000 represents mortgage related fees, servicing fees receivable, Corporate Services Fund loans not secured by mortgages on the properties, bond interest receivable from HUD, and servicing fees receivable on HPD loans serviced (but not owned) by HDC.

Under Fiduciary Funds, other receivables were $23,445,000 as of October 31, 2023. This primarily consisted of deferred interest receivable, interest and mortgage servicing fees billed for HPD serviced loans.

Note 8: Other Non-Current Assets

On June 27, 2011, a trust created by the City was dissolved and the Corporation and the City entered into the 2011 Participation Agreement. The trust when created consisted of a pledge of the income from Interest Reduction Payment Contract ("Section 236 Contract") from HUD on 32 developments. Under the 2011 Participation Agreement, the Corporation holds a 100% participation interest in the second mortgages and related Section 236 Contract on the remaining properties. The Corporation paid the City $10,266,000 as the purchase price, which represents the discounted value of the future cash flows (monthly interest reduction payments). In September 2023, it was fully amortized and no balance remains as of October 31, 2023.

In October 2020, at the request of the City, the Corporation purchased the residual interest in the 2014 Series B and the 2018 Series B loan participation interest, for a purchase price of $40 million. This amount represented the present value of future residual interest through the final bond maturity date, November 1, 2046, and will be amortized on a straight-line basis accordingly. During fiscal year 2023, $1,564,000 of the purchase price was amortized and recorded as a non-operating expense. The unamortized value of the Deferred NYC Loan Participation Residual Interest was $35,309,000 as of October 31, 2023.

Note 9: Leases

The Corporation accounts for lease agreements in accordance with GASB 87. In July 2022, the Corporation executed a rental lease for new office space and took possession of the office space in June 2023. The lease term is 20 years, with a rent-free period, and rental payments that escalate every five years. The Corporation recorded an initial lease asset and related liability in an amount of $68,980,000, and an additional amount of $546,000 for final construction costs was added to the lease asset subsequently. The remaining $163,000 of the lease asset from the old office space was fully amortized in fiscal year 2023. In fiscal year 2023, amortization on the new lease asset was $1,039,000. As of October 31, 2023, the balance of the lease asset and the related lease liability were $68,487,000 and $70,137,000, respectively.

Leased Assets	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being amortized				
Leased office space	$ —	$69,526,000	$ —	$69,526,000
Less: accumulated amortization for				
Leased office space	—	(1,039,000)	—	(1,039,000)
Leased assets, net	$ —	$68,487,000	$ —	$68,487,000

Required office space lease payments by the Corporation for the next five years and thereafter are as follows:

Future Lease Payment Maturity Schedule			
Year Ending Oct. 31	Principal Payments	Interest Payments	Total
2024*	$ —	$ —	$ —
2025*	—	—	—
2026	1,616,000	3,816,000	5,432,000
2027	1,730,000	3,732,000	5,462,000
2028	1,818,000	3,644,000	5,462,000
2029 – 2033	12,353,000	16,591,000	28,944,000
2034 – 2038	18,961,000	12,714,000	31,675,000
2039 – 2043	27,442,000	6,963,000	34,405,000
2044 – 2046	13,578,000	661,000	14,239,000
Total	$77,498,000	$48,121,000	$125,619,000

**Covered under the rent-free period.*

Note 10: Deferred Inflows/Outflows of Resources

(A) Interest Rate Caps

The Corporation uses interest rate caps to mitigate its exposure to rising interest rates on its variable rate debt.

As of October 31, 2023, the fair values of all the interest rate caps were:

Trade Date	Bonds	Current Notional Amount	Counterparty	Effective Date	Termination Date	Cap Strike	Cap Ceiling	Fair Value at 10/31/23
11/29/2005	2008 Series K, as well as similar outstanding variable rate bonds	$5,825,000	Goldman Sachs	12/2/2005	5/1/2027	7.35%	14.85%	$2,094
11/29/2005	2008 Series K, as well as similar outstanding variable rate bonds	58,170,000	Goldman Sachs	12/2/2005	11/1/2032	7.35%	14.85%	298,990
10/23/2014	2014 Series B-2, as well as similar outstanding variable rate bonds	50,000,000	PNC	11/1/2014	11/1/2033	4.50%	7.50%	2,264,341
Total Caps		$113,995,000						$2,565,425

(B) Interest Rate Swaps

HDC has entered certain interest rate swap contracts to manage the risk associated with the variable rate bonds in its portfolio.

In December 2022, HDC executed a forward starting interest rate swap agreement with PNC Bank National Association ("PNC"). The notional amount is $78,720,000. HDC will pay 2.3090% and will receive 75% of Secured Overnight Financing Rate ("SOFR"). The effective date is December 15, 2022, and the termination date is December 1, 2042.

In June 2023, HDC executed a forward starting interest rate swap agreement with PNC Bank National Association ("PNC"). The notional amount is $50,000,000. HDC will pay 2.3992% and will receive 70% of SOFR. The effective date is June 20, 2023, and the termination date is November 1, 2043.

In June 2023, HDC executed a forward starting interest rate swap agreement with the Bank of New York Mellon ("BNYM"). The notional amount is $80,000,000. HDC will pay 2.5885% and will receive 70% of SOFR. The effective date is June 9, 2023, and the termination date is November 1, 2053.

In October 2023, HDC executed a forward starting interest rate swap agreement with Wells Fargo. The notional amount is $125,000,000. HDC will pay 4.3450% and will receive 100% of SOFR. The effective date is October 27, 2023, and the termination date is November 1, 2033.

As of October 31, 2023, the fair value balances of the interest rate swaps were recognized as assets, offset by deferred inflows of resources. The fair value for the derivative instruments is the estimated exit price that assumes a transaction takes place in the market.

The fair value recorded was derived from a third-party source as listed below as of October 31, 2023.

Trade Date	Counter Party	Description	Classification	Fair Value Amount	Classif-ication	Current Notional Amount
		Cash flow hedges:				
7/26/2016	Wells Fargo	Pay-Fixed interest rate swap	Deferred Inflow	$15,597,000	Debt	$63,483,000
11/2/2016	PNC Bank	Pay-Fixed interest rate swap	Deferred Inflow	24,045,000	Debt	85,000,000
7/5/2017	Wells Fargo	Pay-Fixed interest rate swap	Deferred Inflow	14,208,000	Debt	54,126,000
4/5/2018	PNC Bank	Pay-Fixed interest rate swap	Deferred Inflow	15,475,000	Debt	100,000,000
8/10/2018	Wells Fargo	Pay-Fixed interest rate swap	Deferred Inflow	9,461,000	Debt	67,348,000
8/10/2018	Wells Fargo	Pay-Fixed interest rate swap	Deferred Inflow	18,687,000	Debt	75,000,000
12/14/2018	Royal Bank Canada	Pay-Fixed interest rate swap	Deferred Inflow	25,479,000	Debt	184,000,000
12/18/2018	Citibank	Pay-Fixed interest rate swap	Deferred Inflow	20,405,000	Debt	98,895,000
12/19/2018	Citibank	Pay-Fixed interest rate swap	Deferred Inflow	22,275,000	Debt	132,661,000
7/01/2021	Bank of New York Mellon	Pay-Fixed interest rate swap	Deferred Inflow	39,778,000	Debt	150,000,000
3/29/2022	PNC Bank	Pay-Fixed interest rate swap	Deferred Inflow	29,008,000	Debt	100,000,000
6/6/2022	Bank of New York Mellon	Pay-Fixed interest rate swap	Deferred Inflow	7,662,000	Debt	50,000,000
6/7/2022	Royal Bank Canada	Pay-Fixed interest rate swap	Deferred Inflow	28,231,000	Debt	150,000,000
12/7/2022	PNC Bank	Pay-Fixed interest rate swap	Deferred Inflow	11,228,000	Debt	78,720,000
6/8/2023	Bank of New York Mellon	Pay-Fixed interest rate swap	Deferred Inflow	8,791,000	Debt	80,000,000
6/8/2023	PNC Bank	Pay-Fixed interest rate swap	Deferred Inflow	5,187,000	Debt	50,000,000
10/27/2023	Wells Fargo	Pay-Fixed interest rate swap	Deferred Inflow	144,000	Debt	125,000,000
Total Swaps				$295,661,000		$1,644,233,000

As of October 31, 2023, the total fair value of the interest rate swaps amounted to $295,661,000 and were valued using other significant observable inputs (Level 2 inputs).

The following table displays the objectives and terms of HDC's interest rate swaps outstanding as of October 31, 2023.

Trade Date	Type	Objective	Current Notional Amount	Counter-party	Term	Effective Date	Termination Date	Counter-party Rating Moody's /S&P
7/26/2016	Pay-Fixed interest rate swap	Hedge of changes in cash flows for 2008-2018 Consolidated Series bond	$63,483,000	Wells Fargo	Pay 2.089%; receive 100% SOFR +0.26161% CXL-8/1/2036 (1)	8/1/2019	5/1/2047	Aa2/A+
11/2/2016	Pay-Fixed interest rate swap	Hedge of changes in cash flows for 2008-2018 Consolidated Series bond, as well as similar outstanding variable rate bonds	85,000,000	PNC Bank	Pay 1.921%; receive 100% SOFR+0.26161% Ceiling (2) (3)	5/1/2018	11/1/2042	A2/A
7/5/2017	Pay-Fixed interest rate swap	Hedge of changes in cash flows for 2008-2018 Consolidated Series bond	54,126,000	Wells Fargo	Pay 2.6910%; receive 100% SOFR + 0.26161% CXL-11/1/2036 (4)	2/1/2021	5/1/2050	Aa2/A+
4/5/2018	Pay-Fixed interest rate swap	Hedge of changes in cash flows for 2008-2018 Consolidated Series bond	100,000,000	PNC Bank	Pay 2.8909%; receive 100% SOFR +0.26161%; CXL-2/1/2039 (5)	2/1/2019	5/1/2046	A2/A
8/10/2018	Pay-Fixed interest rate swap	Hedge of changes in cash flows for variable rate bonds	67,348,000	Wells Fargo	Pay 3.022%; receive 100% SOFR + 0.26161%	2/1/2019	2/1/2036	Aa2/A+
8/10/2018	Pay-Fixed interest rate swap	Hedge of changes in cash flows for variable rate SIFMA index bonds	75,000,000	Wells Fargo	Pay 2.367%; receive 100% SIFMA; CXL-8/1/2039 (6)	5/1/2019	5/1/2059	Aa2/A+
12/14/2018	Pay-Fixed interest rate swap	Hedge of changes in cash flow for outstanding variable rate bonds	184,000,000	Royal Bank Canada	Pay 2.24%; receive 77.5% SOFR+.088722% CXL-12/1/2045 (7)	5/1/2024	5/1/2050	Aa1/AA-
12/18/2018	Pay-Fixed interest rate swap	Hedge of changes in cash flows for outstanding variable rate bonds	98,895,000	Citibank	Pay 2.1934%; receive 77.5% SOFR+.088722% CXL-12/1/2043 (8)	7/1/2022	5/1/2051	Aa3/A+
12/19/2018	Pay-Fixed interest rate swap	Hedge of changes in cash flows for outstanding variable rate bonds	132,661,000	Citibank	Pay 2.9563%; receive 100% SOFR+0.26161%	1/1/2021	11/1/2038	Aa3/A+
7/1/2021	Pay-Fixed interest rate swap	Hedge of changes in cashflows for variable rate bonds 2020 Series I-3 and 2021 Series F-3	150,000,000	Bank of New York	Pay 1.7365%; receive 100% SIFMA	7/1/2021	7/1/2045	Aa2/AA-
3/29/2022	Pay-Fixed interest rate swap	Hedge future FHLB bonds or existing unhedged bonds	100,000,000	PNC Bank	Pay 1.90%; receive 100% SOFR (9)	11/1/2024	5/1/2052	A2/A
6/6/2022	Pay-Fixed interest rate swap	Hedge of changes in cashflows for 2022 Series C-3 and other variable rate bonds	50,000,000	Bank of New York	Pay 2.226%; receive 75% SOFR	12/1/2022	12/1/2042	Aa2/AA-

Trade Date	Type	Objective	Current Notional Amount	Counter-party	Term	Effective Date	Termination Date	Counter-party Rating Moody's /S&P
6/7/2022	Pay-Fixed interest rate swap	Hedge of changes in cashflows for 2022 Series C-3 and 2022 Series D	150,000,000	Royal Bank Canada	Pay 2.767%; receive 100% SOFR (10)	12/1/2022	11/1/2042	Aa1/AA-
12/7/2022	Pay-Fixed interest rate swap	Hedge of changes in cashflows for 2022 Series F-3	78,720,000	PNC Bank	Pay 2.3090%; receive 75% SOFR	12/15/2022	12/1/2042	A2/A
6/8/2023	Pay-Fixed interest rate swap	Hedge of changes in cash flows for 2020 Series I-3	80,000,000	Bank of New York	Pay 2.5885%; receive 70% SOFR	6/9/2023	11/1/2053	Aa2/AA-
6/8/2023	Pay-Fixed interest rate swap	Hedge of changes in cash flows for 2023 Series A-3	50,000,000	PNC	Pay 2.3992%: receive 70% SOFR	6/20/2023	11/1/2043	A2/A
10/27/2023	Pay-Fixed interest rate swap	Hedge of changes in cash flows for 2023 Series C	125,000,000	Well Fargo	Pay 4.345%; receive 100% SOFR (11)	10/27/2023	11/1/2033	Aa2/A+
Total Swaps			$1,644,233,000					

1) Modified on 6/17/20 to push out option exercise date from 8/1/2031 to 8/1/2036.
2) Modified on 6/11/20 to push out amortization and maturity from 11/1/2035 to 11/1/2042 (excluding cap component).
3) Floating leg has 100% SOFR + 0.26% rate ceiling of 7.50% which expires on 11/1/2035.
4) Modified on 6/18/20 to push out amortization and maturity from 5/1/2048 to 5/1/2050, and option exercise date from 2/1/2033 to 11/1/2036.
5) Modified on 7/9/20 to push out option exercise date from 2/1/2034 to 2/1/2039.
6) Modified on 8/15/19 to push out amortization and maturity from 11/1/2043 to 5/1/2059, and option exercise date from 5/1/2034 to 8/1/2039.
7) Modified on 6/18/20 to push out option exercise date from 12/1/2038 to 12/1/2045.
8) Modified on 7/16/20 to push out option exercise date from 12/1/2038 to 12/1/2043.
9) Floating leg has 100% SOFR rate ceiling of 7.50% which expires on 5/1/2052.
10) Floating leg has 100% SOFR rate ceiling of 7.50% which expires on 11/1/2042.
11) Floating leg has 100% SOFR rate ceiling of 8.50% which expires on 11/1/2033.

Credit Risk: HDC is exposed to credit risk of its counterparties on hedging derivative instruments. To mitigate the risk, HDC requires the swap to be collateralized by the counterparty if the counterparty's credit rating falls below Baa1/BBB+. As of October 31, 2023, two of the counterparty ratings were below the threshold; therefore, collateral was posted and held at a third party in HDC's name.

Termination Risk: HDC or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If at the time of the termination, the fair value of the swap is negative, HDC would be liable to the counterparty for a payment equal to the fair value of the instrument. To mitigate this termination risk, the swap agreement provides that the counterparty may terminate the swap only if HDC's rating falls below investment grade (Baa3 or BBB-) for PNC, (Baa2 or BBB) for Wells Fargo, (Baa2 or BBB) for Bank of New York Mellon, (Baa3 or BBB-) for Citibank and (Baa2 or BBB) for RBC. HDC's current ratings are Aa2 and AA+, respectively.

Interest Rate Risk: HDC is exposed to interest rate risk on the pay-fixed, receive-variable interest rate swaps. As the variable rate increases or decreases, HDC's net payments on such swaps change accordingly. All HDC's London Interbank Offered Rate ("LIBOR") interest swap holdings were converted to SOFR under the International Swaps and Derivatives Association ("ISDA") on June 30, 2023.

Basis Risk: HDC is exposed to basis risk on its pay-fixed interest rate swaps because the variable-rate payments received by HDC on these derivative instruments are on a rate other than rates HDC pays on its hedged variable-rate debt. Under the terms of its fixed rate swap transactions, HDC pays a variable rate on its bonds based on the SIFMA and U.S. Treasury but generally receives a variable rate on the swaps based on a percentage of SOFR plus basis points.

Rollover Risk: HDC is exposed to rollover risk on hedging derivative instruments should a termination event occur prior to the maturity of the hedged debt.

(C) Deferred Loss on Early Retirement of Debt

On September 10, 2013, the 2005 Series A Capital Fund Program Revenue Bonds (NYCHA) were retired through an advance refunding and the Corporation incurred a loss in the amount of $8,958,000 which will be amortized over the shorter of the life of the old bonds or the new bonds. As of October 31, 2023, the balance of the unamortized deferred loss on early retirement of debt was $3,405,000. Since the adoption of GASB 91, this is now excluded from the Enterprise Fund financial statements and is part of the conduit bond reporting.

(D) Pension

As of October 31, 2023, the Corporation's pension contribution after the measurement date was $2,275,000. The Corporation recorded a net decrease in Deferred Outflows of Resources in the amount of $665,000 (as per New York City Employees' Retirement System ("NYCERS") pension report).

This amount represents the net difference between expected and actual experience, the change in assumptions, changes in proportionate share and the net difference between projected and actual investment earnings on pension plan investments. The outstanding balance of Deferred Outflows of Resources was $6,416,000 as of October 31, 2023.

The Corporation recorded a net decrease in Deferred Inflows of Resources related to pensions in the amount of $457,000.

This amount represents the net difference between expected and actual experience, the change in assumptions, changes in proportionate share and the net difference between projected and actual investment earnings on pension plan investments. The outstanding balance of Deferred Inflows of Resources was $391,000 as of October 31, 2023.

(E) OPEB

As of November 1, 2016, HDC adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. HDC reported Deferred Outflows of Resources of $2,067,000 and Deferred Inflows of Resources of $14,928,000 related to OPEB as of October 31, 2023 (see Note 15: "Postemployment Benefits Other Than Pensions" for more details).

Note 11: Bonds Payable and Debt Obligations

The Corporation's authority to issue bonds and notes for any corporate purpose is limited by the Act to the extent that (i) the aggregate principal amount outstanding may not exceed $19.0 billion, exclusive of refunding bonds or notes, and (ii) the maximum Capital Reserve Fund requirement may not exceed $85 million. No bonds are currently subjected to the Capital Reserve Fund requirement. These limits may be changed from time to time through State legislation. During the year ended October 31, 2023, the statutory debt limit on the aggregate principal amount outstanding was increased from $18.0 billion to $19.0 billion.

Enterprise Fund Bond Programs

The Corporation issues bonds and notes to fund mortgage loans for multi-family residential developments under the bond programs described below. In fiscal year 2022, the Corporation adopted GASB 91 and, as such, the Conduit Fund Bond Programs are now reported separately. As of October 31, 2023, the Corporation had bonds outstanding in the Enterprise Fund bond programs in the aggregate principal amount of $12,616,786,000.

All the bonds are separately secured, except for the bonds issued under the General Resolution which are equally and ratably secured by the assets pledged under the General Resolution (see "*A. Housing Revenue Bond Program*" below). None of the bonds under the bond programs described in "*B. Pass-Through Revenue Bond Program"* and "*C. Housing Impact Bond Program"* provide security under the General Resolution, and none of the bonds under these programs are secured by the General Resolution.

A. Housing Revenue Bond Program Under its Housing Revenue Bond Program, the Corporation may issue bonds payable solely from and secured by the assets held under its General Resolution which include a pool of mortgage loans, some of which are construction loans (which pool contains FHA-insured mortgage loans, REMIC-insured mortgage loans, State of New York Mortgage Agency ("SONYMA") insured mortgage loans, GNMA mortgage-backed securities, other mortgage loans and participation interests in mortgage loans), the revenues received on account of all such loans and securities, and other assets pledged under such resolution and any supplemental resolution for a particular series of bonds. Certain of the projects, which secure a portion of the mortgage loans, receive the benefits of subsidy payments.

B. Pass-Through Revenue Bond Program Under this program, the Corporation has issued bonds to finance loans evidenced by a note and secured by a mortgage of privately-owned multi-family housing. All repayments and prepayments derived from the associated mortgage loans, including a payment of insurance, if any, are passed through to the bondholder to redeem the bonds on a monthly basis.

C. Housing Impact Bond Program Under this program, the Corporation has issued bonds to finance mortgage loans for public housing developments under the City's "Permanent Affordability Commitment Together" ("PACT") Program. Under the Housing Impact Bond Program, the Corporation has issued tax-exempt and taxable bonds for NYCHA-owned public housing developments receiving financing through the PACT Program so that they may be preserved, rehabilitated and improved. Under the PACT Program, the developments are converted from public housing to Section 8 assisted housing. NYCHA leases the developments to for-profit and/or not-for-profit mortgagors in order to provide for the ownership, financing, and rehabilitation of the developments.

Conduit Fund Bond Programs

In fiscal year 2022, the Corporation adopted GASB 91. HDC's conduit debt is usually issued for a stand-alone development with a third party guaranteeing the obligation. In a conduit bond program, the developer is not liable to HDC for the mortgage loan but to a letter of credit issuer. HDC bears no direct risk on the bonds since most of the conduit debt is enhanced by a direct pay letter of credit, with Fannie Mae and Freddie Mac as the largest providers. Also included in HDC's conduit debt are the Military Housing Bonds and the NYCHA Capital Fund Bonds with their note payables secured by the pledged revenues of the development under a Master Trust Indenture and the priority pledge of NYCHA's capital grant money provided by HUD, respectively. For reporting purposes, HDC presents the bonds payable in two separate sections, the HDC Enterprise Fund bonds and the Conduit bonds.

A. Multi-Family Mortgage Revenue Bond Program The Corporation established its Multi-Family Program to develop privately-owned multi-family housing, all or a portion of which is reserved for low-income tenants. The following describes the Corporation's activities under its Multi-Family Program.

(1) Rental Projects; Fannie Mae or Freddie Mac Enhanced: The Corporation has issued tax-exempt and/or taxable bonds which either (i) are secured by mortgage loan payments, which payments are secured by obligations of Fannie Mae under various collateral agreements, (ii) are secured by a Direct Pay Credit Enhancement Instrument issued by Fannie Mae or (iii) are secured by a Direct Pay Credit Enhancement Agreement with Freddie Mac.

(2) Rental Projects; Letter of Credit Enhanced: The Corporation has issued tax-exempt and/or taxable bonds to finance a number of mixed income projects and entirely low-income projects, which bonds are secured by letters of credit issued by investment-grade rated commercial lending institutions.

(3) Residential Housing; Credit Enhanced: The Corporation has issued bonds to provide financing for residential facilities for hospital staff and for post-secondary students, faculty and staff, which bonds are secured by letters of credit issued by investment-grade rated institutions.

(4) Rental Projects; Not Rated: The Corporation has issued bonds and obligations to provide financing for rental projects, which bonds and obligations are not rated by a rating agency and were not publicly offered.

(5) Commercial Mortgage-Backed Security Program: Under this program, the Corporation has issued bonds structured as commercial mortgage-backed securities to refinance a multi-family housing development.

B. Military Housing Revenue Bond Program Under this program, the Corporation has issued taxable obligations in order to fund a portion of the cost of the design, demolition, renovation, construction and operation of housing units in residential family housing areas located at Fort Hamilton.

C. Liberty Bond Program In accordance with Section 301 of the Job Creation and Worker Assistance Act of 2002, the Corporation has issued tax-exempt and taxable bonds, each secured by a letter of credit to finance the development of multi-family housing within an area of lower Manhattan designated in such legislation as the "Liberty Zone".

D. Capital Fund Revenue Bond Program Under this program, the Corporation has issued tax-exempt obligations in order to assist NYCHA with the execution of a multi-year construction initiative that addressed critical capital improvement needs of their aging housing portfolio.

Changes in Enterprise Fund Bonds Payable:
(in thousands)

The summary of changes in Bonds Payable was as follows:

Bonds Payable outstanding at beginning of the year	$11,319,782
Bonds Issued	1,975,675
Bond Principal Retired	(674,989)
Net Premium/Discount on Bonds Payable	(737)
Bonds Payable outstanding at end of the year	$12,619,731

Details of changes in HDC bonds payable in the Enterprise Fund for the year ended October 31, 2023 were as follows:

Description of Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
HOUSING REVENUE BOND PROGRAM:				
Multi-Family Mortgage Revenue Bonds Under the Corporation's General Resolution, assets pledged to bondholders in a pool of mortgage loans.				
1998 Series A (Federally Taxable) – 6.84% Fixed Rate Term Bonds due 2030	$ 100	$ —	$ —	$ 100
1998 Series B – 3.75% to 5.25% Fixed Rate Serial and Term Bonds due 2031	100	—	—	100
1999 Series A-1 (Federally Taxable) – 5.83% to 6.06% Fixed Rate Term Bonds due 2022	585	—	(585)	—
1999 Series C (AMT) – 4.40% to 5.70% Fixed Rate Serial and Term Bonds due 2031	95	—	(10)	85

Description of Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
1999 Series E – 4.40% to 6.25% Fixed Rate Serial and Term Bonds due 2036	100	—	—	100
2002 Series C (Federally Taxable) – 4.48% to 5.75% Index Floating Rate Term Bonds due 2034	32,235	—	(1,785)	30,450
2003 Series B-2 (AMT) – 2.00% to 4.60% Fixed Rate Serial and Term Bonds due 2036	100	—	—	100
2006 Series J-1 – 3.50% Term Rate Term Bonds due 2046	99,460	—	(430)	99,030
2007 Series A (Federally Taxable) – 5.26% to 5.52% Fixed Rate Term Bonds due 2041	20,985	—	(605)	20,380
2008 Series E (Federally Taxable) – 4.48% to 5.75% Index Floating Rate Term Bonds due 2037	77,190	—	(2,770)	74,420
2008 Series F (Federally Taxable) – 4.48% to 5.75% Index Floating Rate Term Bonds due 2041	65,760	—	(1,735)	64,025
2012 Series L-2-A – 0.30% to 4.00% Fixed Rate Serial and Term Bonds due 2044	94,800	—	(22,050)	72,750
2012 Series L-2-B (AMT) – 2.30% to 3.60% Fixed Rate Serial and Term Bonds due 2026	1,140	—	(280)	860
2012 Series M-2 – 1.10% to 4.00% Fixed Rate Serial and Term Bonds due 2047	8,690	—	(210)	8,480
2012 Series M-3 – 1.40% to 4.65% Fixed Rate Serial and Term Bonds due 2047	9,395	—	(225)	9,170

Description of Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2013 Series B-1-A – 1.10% to 4.60% Fixed Rate Term Bonds due 2045	74,150	—	(44,650)	29,500
2013 Series B-1-B – 0.35% to 4.60% Fixed Rate Serial and Term Bonds due 2045	37,480	—	(36,860)	620
2013 Series D-1 (Federally Taxable) – 0.70% to 3.78% Fixed Rate Serial and Term Bonds due 2028	20,260	—	(3,140)	17,120
2013 Series E-1-A – 0.25% to 4.90% Fixed Rate Serial and Term Bonds due 2038	30,915	—	(30,915)	—
2013 Series E-1-B – 0.75% to 4.95% Fixed Rate Term Bonds due 2043	14,060	—	(14,060)	—
2013 Series E-1-C – 0.75% to 4.95% Fixed Rate Term Bonds due 2046	45,025	—	(28,330)	16,695
2013 Series F-1 – 1.25% to 4.50% Fixed Rate Serial and Term Bonds due 2047	27,040	—	(465)	26,575
2014 Series A – 0.20% to 4.35% Fixed Rate Serial and Term Bonds due 2044	6,235	—	(105)	6,130
2014 Series B-1 (Federally Taxable) – 0.25% to 3.69% Fixed Rate Serial Bonds due 2024	540	—	(540)	—
2014 Series C-1-A – 0.70% to 4.30% Fixed Rate Serial and Term Bonds due 2047	89,060	—	(2,045)	87,015
2014 Series C-1-C – 1.10% to 4.00% Fixed Rate Serial and Term Bonds due 2047	11,440	—	(265)	11,175

Description of Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2014 Series D-1 (Federally Taxable) – 0.40% to 4.10% Fixed Rate Serial and Term Bonds due 2027	6,475	—	(2,425)	4,050
2014 Series E – 2.90% to 3.75% Fixed Rate Serial and Term Bonds due 2035	27,195	—	—	27,195
2014 Series G-1 – 0.20% to 4.00% Fixed Rate Serial and Term Bonds due 2048	191,670	—	(4,510)	187,160
2014 Series G-2 – 0.25% to 4.00% Fixed Rate Serial and Term Bonds due 2048	3,075	—	(70)	3,005
2014 Series H-1 (Federally Taxable) – 0.76% to 4.32% Fixed Rate Serial and Term Bonds due 2035	30,140	—	(7,280)	22,860
2015 Series A-1 – 0.70% to 4.00% Fixed Rate Serial and Term Bonds due 2048	9,050	—	(140)	8,910
2015 Series A-2 – 2.25% to 3.75% Fixed Rate Serial and Term Bonds due 2035	2,155	—	(105)	2,050
2015 Series B-1 (Federally Taxable) – 0.60% to 3.53% Fixed Rate Serial Bonds due 2027	11,160	—	(2,495)	8,665
2015 Series D-1-A – 1.30% to 4.35% Fixed Rate Serial and Term Bonds due 2048	59,760	—	(1,175)	58,585
2015 Series D-1-B – 0.85% to 4.35% Fixed Rate Serial and Term Bonds due 2048	129,060	—	(2,400)	126,660

Description of Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2015 Series D-2 – 0.45% to 4.00% Fixed Rate Serial and Term Bonds due 2035	37,330	—	(5,505)	31,825
2015 Series E-1 – 0.30% to 4.05% Fixed Rate Serial and Term Bonds due 2047	32,090	—	(795)	31,295
2015 Series E-2 – 0.30% to 3.75% Fixed Rate Serial and Term Bonds due 2035	2,970	—	(775)	2,195
2015 Series G-1 (SNB) – 0.30% to 3.95% Fixed Rate Serial and Term Bonds due 2049	51,035	—	(1,160)	49,875
2015 Series G-2 (SNB) – 1.45% to 3.95% Fixed Rate Serial and Term Bonds due 2049	31,180	—	(645)	30,535
2015 Series H (SNB) – 2.95% Term Rate Term Bonds due 2026	136,470	—	—	136,470
2015 Series I (SNB) – 2.95% Term Rate Term Bonds due 2026	60,860	—	—	60,860
2016 Series A (SNB) – 0.35% to 3.75% Fixed Rate Serial and Term Bonds due 2047	34,775	—	(725)	34,050
2016 Series D (SNB) – 0.50% to 3.75% Fixed Rate Serial and Term Bonds due 2047	46,230	—	(1,610)	44,620
2016 Series C-1-A (SNB) – 1.20% to 3.45% Fixed Rate Serial and Term Bonds due 2050	80,140	—	(1,950)	78,190
2016 Series C-1-B (SNB) – 1.38% to 3.40% Fixed Rate Term Bonds due 2047	20,520	—	—	20,520

Description of Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2016 Series E-1-A (SNB) – 0.40% to 5.00% Fixed Rate Serial and Term Bonds due 2047	45,530	—	(2,770)	42,760
2016 Series E-1-B (SNB) – 1.30% to 3.40% Fixed Rate Term Bonds due 2047	37,855	—	—	37,855
2016 Series F-1-A (SNB) – 1.95% to 3.37% Fixed Rate Serial and Term Bonds due 2051	15,765	—	(3,490)	12,275
2016 Series F-1-B (SNB) – 2.75% to 3.15% Fixed Rate Term Bonds due 2041	17,695	—	(7,510)	10,185
2016 Series G-1(Federally Taxable) (SNB) – 0.85% to 2.82% Fixed Rate Serial Bonds due 2027	5,600	—	(200)	5,400
2016 Series I-1-A (SNB) – 1.80% to 4.30% Fixed Rate Serial and Term Bonds due 2050	106,805	—	(2,430)	104,375
2016 Series I-1-B (SNB) – 3.60% to 4.30% Fixed Rate Term Bonds due 2050	36,300	—	—	36,300
2016 Series J-1 (Federally Taxable) (SDB) – 4.53% to 5.84% Index Floating Rate Term Bonds due 2052	158,000	—	—	158,000
2017 Series A-1-A (SNB) – 1.45% to 4.05% Fixed Rate Serial and Term Bonds due 2052	49,560	—	(1,025)	48,535
2017 Series A-1-B (SNB) – 3.80% to 4.05% Fixed Rate Term Bonds due 2052	11,165	—	—	11,165

Description of Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2017 Series B-1 (Federally Taxable) (SNB) – 1.60% to 3.81% Fixed Rate Serial and Term Bonds due 2029	15,570	—	(2,195)	13,375
2017 Series C-1 (SNB) – 1.20% to 3.85% Fixed Rate Serial and Term Bonds due 2057	136,275	—	(1,200)	135,075
2017 Series E-1 (SNB) – 1.50% to 3.55% Fixed Rate Serial and Term Bonds due 2043	58,450	—	(4,210)	54,240
2017 Series E-2 (SNB) – 1.20% to 3.35% Fixed Rate Serial and Term Bonds due 2036	1,310	—	—	1,310
2017 Series G-1 (SNB) – 1.15% to 3.85% Fixed Rate Serial and Term Bonds due 2057	189,745	—	(3,465)	186,280
2018 Series A-1 (SNB) – 1.55% to 3.90% Fixed Rate Serial and Term Bonds due 2048	47,800	—	(955)	46,845
2018 Series B-1 (Federally Taxable) (SNB) – 2.32% to 3.65% Fixed Rate Serial Bonds due 2028	64,355	—	(17,835)	46,520
2018 Series C-1-A (SNB) – 2.10% to 4.13% Fixed Rate Serial and Term Bonds due 2058	223,150	—	(4,590)	218,560
2018 Series C-1-B (SNB) – 3.70% to 4.00% Fixed Rate Term Bonds due 2053	156,550	—	—	156,550
2018 Series D (Federally Taxable) (SNB) – 3.26% to 4.10% Fixed Rate Serial and Term Bonds due 2038	58,395	—	(8,040)	50,355

Description of Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
2018 Series E-1 (Draper Hall) – 1.25% to 4.00% Fixed Rate Serial and Term Bonds due 2048	15,685	—	(465)	15,220
2018 Series F (SNB) – 3.20% to 3.80% Fixed Rate Serial and Term Bonds due 2047	11,060	—	—	11,060
2018 Series E-2 (Stanley Commons) – 1.25% to 4.00% Fixed Rate Serial and Term Bonds due 2048	8,170	—	(245)	7,925
2018 Series H (SNB) – 4.00% to 4.05% Fixed Rate Term Bonds due 2048	84,765	—	—	84,765
2018 Series I (Federally Taxable) (SNB) – 3.22% to 4.48% Fixed Rate Serial and Term Bonds due 2038	26,525	—	(5,720)	20,805
2018 Series N (Federally Taxable) (Avalon Morningside Apartments) – 3.95% Term Rate Term Bonds due 2046	12,500	—	—	12,500
2018 Series E-3 (3475 Third Avenue - La Casa del Mundo) – 1.65% to 4.35% Fixed Rate Serial and Term Bonds due 2048	5,395	—	(110)	5,285
2018 Series E-4 (MHANY) – 1.30% to 4.05% Fixed Rate Serial and Term Bonds due 2049	4,745	—	(100)	4,645
2018 Series K (SNB) – 1.75% to 4.20% Fixed Rate Serial and Term Bonds due 2058	250,400	—	(46,255)	204,145
2018 Series L-1 (SNB) – 2.75% Term Rate Term Bonds due 2050	125,000	—	—	125,000

Description of Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
2018 Series L-2 (SNB) – 2.08% to 4.49% Variable Rate Term Bonds due 2050	59,000	—	(900)	58,100
2019 Series A-1 (SNB) – 4.15% to 4.25% Fixed Rate Term Bonds due 2043	83,215	—	(5,645)	77,570
2019 Series A-2 (SNB) – 3.90% Fixed Rate Term Bonds due 2033	24,475	—	(1,655)	22,820
2019 Series A-3-A (SNB) – 1.50% to 3.95% Fixed Rate Serial and Term Bonds due 2049	97,015	—	(11,860)	85,155
2019 Series A-3-B (SNB) – 3.90% to 4.05% Fixed Rate Term Bonds due 2054	35,100	—	—	35,100
2019 Series A-4 (SNB) – 1.62% to 4.47% Variable Rate Term Bonds due 2058	30,000	—	—	30,000
2019 Series B-1-A (SNB) – 1.40% to 3.85% Fixed Rate Serial and Term Bonds due 2058	103,195	—	(1,300)	101,895
2019 Series B-1-B (SNB) – 3.40% to 3.75% Fixed Rate Term Bonds due 2054	29,560	—	—	29,560
2019 Series B-2 (SNB) – 2.10% Fixed Rate Term Bonds due 2058	20,270	—	(20,270)	—
2019 Series D-1 (Prospect Plaza III) – 1.30% to 3.80% Fixed Rate Serial and Term Bonds due 2049	7,040	—	(150)	6,890
2019 Series E-1 (SNB) – 1.45% to 3.45% Fixed Rate Serial and Term Bonds due 2059	359,640	—	(43,720)	315,920

Description of Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2019 Series E-2 (SNB) – 1.75% Fixed Rate Term Bonds due 2059	130,955	—	(130,955)	—
2019 Series E-3 (SNB) – 1.68% to 4.45% Variable Rate Term Bonds due 2059	45,000	—	—	45,000
2019 Series F (Federally Taxable) (SNB) – 2.02% to 3.77% Fixed Rate Serial and Term Bonds due 2044	160,960	—	(8,520)	152,440
2019 Series G-1-A (SNB) – 1.10% to 2.25% Fixed Rate Serial Bonds due 2031	57,170	—	(9,165)	48,005
2019 Series G-1-B (SNB) – 2.55% to 3.05% Fixed Rate Term Bonds due 2050	99,050	—	(5,540)	93,510
2019 Series G-2 (AMT) (SNB) – 1.75% to 2.10% Fixed Rate Serial Bonds due 2027	8,460	—	—	8,460
2019 Series J (SNB) – 1.25% to 3.35% Fixed Rate Serial and Term Bonds due 2065	243,170	—	(28,330)	214,840
2019 Series L (Federally Taxable) (SNB) – 1.83% to 3.74% Fixed Rate Serial and Term Bonds due 2055	69,050	—	(2,465)	66,585
2020 Series A-1-A (SNB) – 0.75% to 2.90% Fixed Rate Serial and Term Bonds due 2059	19,455	—	(3,090)	16,365
2020 Series A-2 (SNB) – 1.10% Fixed Rate Term Bonds due 2059	52,735	—	(30,240)	22,495
2020 Series A-1-B (SNB) – 0.90% to 5.00% Fixed Rate Serial and Term Bonds due 2045	25,715	—	—	25,715

Description of Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
2020 Series A-1-C (SNB) – 2.35% to 3.00% Fixed Rate Term Bonds due 2055	133,745	—	—	133,745
2020 Series A-3 (SNB) – 1.13% Fixed Rate Term Bonds due 2060	99,370	—	—	99,370
2020 Series C (One Flushing) – 2.10% to 4.40% Fixed Rate Term Bonds due 2055	41,865	—	(635)	41,230
2020 Series D-1-A (SNB) – 0.15% to 2.30% Fixed Rate Serial and Term Bonds due 2045	40,875	—	(2,540)	38,335
2020 Series D-1-B (SNB) – 2.00% to 2.50% Fixed Rate Term Bonds due 2055	120,710	—	—	120,710
2020 Series D-2 (SNB) – 0.70% Fixed Rate Term Bonds due 2060	25,000	—	—	25,000
2020 Series E (AMT) (SNB) – 1.71% to 4.48% Variable Rate Term Bonds due 2050	11,510	—	—	11,510
2020 Series F-1 (Federally Taxable) (SNB) – 1.45% to 3.10% Fixed Rate Serial and Term Bonds due 2045	72,500	—	—	72,500
2020 Series F-2 (Federally Taxable) (SNB) – 3.75% to 5.35% Variable Rate Term Bonds due 2060	38,490	—	—	38,490
2020 Series H (SNB) – 1.85% to 2.75% Fixed Rate Serial and Term Bonds due 2060	64,035	—	—	64,035
2020 Series I-1 (SDB) – 0.50% to 2.80% Fixed Rate Serial and Term Bonds due 2060	315,345	—	—	315,345

Description of Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
2020 Series I-2 (SDB) – 0.70% Fixed Rate Term Bonds due 2060	137,605	—	—	137,605
2020 Series I-3 (SDB) – 1.60% to 4.49% Variable Rate Term Bonds due 2060	80,000	—	—	80,000
2021 Series A-1 (SDB) – 0.90% to 2.45% Fixed Rate Serial and Term Bonds due 2041	90,955	—	—	90,955
2021 Series A-2 (AMT) (SDB) – 0.90% to 1.15% Fixed Rate Serial Bonds due 2026	9,190	—	—	9,190
2021 Series B (Federally Taxable) (SDB) – 0.52% to 3.05% Fixed Rate Serial and Term Bonds due 2046	212,000	—	—	212,000
2021 Series C-1 (SDB) – 0.37% to 2.65% Fixed Rate Serial and Term Bonds due 2060	124,395	—	—	124,395
2021 Series C-2 (SDB) – 0.70% Fixed Rate Term Bonds due 2060	87,940	—	—	87,940
2021 Series D (Federally Taxable) (SDB) – 0.11% to 3.18% Fixed Rate Serial and Term Bonds due 2051	147,925	—	(4,160)	143,765
2021 Series E (Federally Taxable) (SDB) – 4.74% to 6.05% Index Floating Rate Term Bonds due 2050	39,825	—	—	39,825
2021 Series F-1 (SDB) – 0.15% to 2.70% Fixed Rate Serial and Term Bonds due 2061	258,310	—	(600)	257,710
2021 Series F-2 (SDB) – 0.60% Fixed Rate Term Bonds due 2061	241,895	—	(4,295)	237,600

Description of Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2021 Series F-3 (SDB) – 1.65% to 4.50% Variable Rate Term Bonds due 2061	100,000	—	—	100,000
2021 2008-2018 CONSOLIDATED Series (Federally Taxable) (SDB) – 4.74% to 6.05% Index Floating Rate Term Bonds due 2050	646,515	—	—	646,515
2021 Series G (SDB) – 0.10% to 2.45% Fixed Rate Serial and Term Bonds due 2045	175,155	—	(6,105)	169,050
2021 Series J (Federally Taxable) (SDB) – 0.46% to 2.88% Fixed Rate Serial and Term Bonds due 2041	125,000	—	(1,110)	123,890
2021 Series I (SDB) – 0.75% to 2.80% Fixed Rate Serial and Term Bonds due 2056	43,295	—	—	43,295
2021 Series K-1 (SDB) – 0.85% to 2.75% Fixed Rate Serial and Term Bonds due 2051	134,080	—	—	134,080
2021 Series K-2 (SDB) – 0.90% Fixed Rate Term Bonds due 2060	185,105	—	—	185,105
2021 Series K-3 (SDB) – 1.65% to 4.50% Variable Rate Term Bonds due 2060	50,000	—	—	50,000
2021 Series L (Federally Taxable) (SDB) – 4.75% to 6.06% Index Floating Rate Term Bonds due 2061	100,000	—	—	100,000
2022 Series A (SDB) – 0.90% to 3.50% Fixed Rate Serial and Term Bonds due 2057	180,400	—	(4,130)	176,270

Description of Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
2022 Series B-1 (SDB) – 1.60% to 4.15% Fixed Rate Serial and Term Bonds due 2052	51,960	—	(205)	51,755
2022 Series B-2 (SDB) – 2.01% to 4.82% Index Floating Rate Term Bonds due 2061	11,000	—	—	11,000
2022 Series C-1 (SDB) – 2.60% to 4.30% Fixed Rate Serial and Term Bonds due 2057	115,705	—	—	115,705
2022 Series C-2-A (SDB) – 2.85% Fixed Rate Term Bonds due 2062	112,195	—	—	112,195
2022 Series C-2-B (SDB) – 2.85% Fixed Rate Term Bonds due 2062	112,200	—	—	112,200
2022 Series C-3 (SDB) – 1.64% to 4.47% Variable Rate Term Bonds due 2062	28,720	—	—	28,720
2022 Series D (Federally Taxable) (SDB) – 4.89% to 6.20% Index Floating Rate Term Bonds due 2062	150,000	—	—	150,000
2022 Series E-1 (SDB) – 1.55% to 5.00% Fixed Rate Serial and Term Bonds due 2045	110,010	—	(2,000)	108,010
2022 Series E-2 (SDB) – 4.00% to 4.30% Fixed Rate Term Bonds due 2045	41,330	—	—	41,330
2022 Series F-1 (SDB) – 3.20% to 4.90% Fixed Rate Serial and Term Bonds due 2057	—	141,100	—	141,100
2022 Series F-2-A (SDB) – 3.40% Fixed Rate Term Bonds due 2062	—	202,035	—	202,035

Description of Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2022 Series F-2-B (SDB) – 3.40% Fixed Rate Term Bonds due 2062	—	152,035	—	152,035
2022 Series F-3 (SDB) – 1.64% to 4.47% Variable Rate Term Bonds due 2062	—	100,000	—	100,000
2022 Series G (SDB) – 3.20% to 4.95% Fixed Rate Serial and Term Bonds due 2058	—	53,645	—	53,645
2022 Series H (SDB) – 3.63% Fixed Rate Term Bonds due 2029	—	48,000	(325)	47,675
2023 Series A-1 (SDB) – 3.10% to 5.00% Fixed Rate Serial and Term Bonds due 2063	—	172,855	—	172,855
2023 Series A-2 (SDB) – 3.70% to 3.73% Fixed Rate Term Bonds due 2063	—	419,870	—	419,870
2023 Series A-3 (SDB) – 2.14% to 4.49% Variable Rate Term Bonds due 2063	—	50,000	—	50,000
2023 Series B-1 (SDB) – 3.70% to 5.30% Fixed Rate Serial and Term Bonds due 2053	—	100,810	—	100,810
2023 Series B-2 (SDB) – 4.10% Variable Rate Term Bonds due 2054	—	50,000	—	50,000
2023 Series B-3 (SDB) – 2.50% to 4.00% Fixed Rate Serial and Term Bonds due 2048	—	40,020	—	40,020
2023 Series C (Federally Taxable) (SDB) – 6.06% Index Floating Rate Term Bonds due 2063	—	125,000	—	125,000

Description of Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
Multi-Family Secured Mortgage Revenue Bonds				
2017 Series A-1 (Federally Taxable) (SNB) Secured Mortgage Revenue Bonds – 1.37% to 3.48% Fixed Rate Serial Bonds due 2029	14,530	—	(1,945)	12,585
Federal New Issue Bond Program (NIBP)				
2009 Series 1-5-A HRB (NIBP) – 2.47% Fixed Rate Term Bonds due 2048	87,130	—	—	87,130
2009 Series 1-5-B HRB (NIBP) (AMT) – 2.47% Fixed Rate Term Bonds due 2041	7,310	—	—	7,310
2009 Series 2-5 HRB (NIBP) – 2.47% Fixed Rate Term Bonds due 2048	10,250	—	—	10,250
Total Housing Revenue Bond Program	10,496,005	1,655,370	(670,490)	11,480,885
Pass-Through Revenue Bond Program				
2014 Series A (Federally Taxable) – 3.05% Fixed Rate Term Bonds due 2036	3,772	—	(171)	3,601
2017 Series A (Federally Taxable) (SNB) – 3.10% Fixed Rate Term Bonds due 2046	49,363	—	(963)	48,400
Total Pass-Through Revenue Bond Program	53,135	—	(1,134)	52,001

Description of Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
Housing Impact Bond Program				
2020 Series A HIB NYCHA – 2.55% to 2.80% Fixed Rate Term Bonds due 2050	296,380	—	—	296,380
2020 Series B (Federally Taxable) HIB NYCHA – 1.65% to 3.12% Fixed Rate Serial and Term Bonds due 2038	77,265	—	(3,365)	73,900
2020 Series C HIB NYCHA – 2.15% to 2.75% Fixed Rate Term Bonds due 2052	257,535	—	—	257,535
2020 Series D (Federally Taxable) HIB NYCHA – 1.10% to 2.75% Fixed Rate Serial Bonds due 2033	31,530	—	—	31,530
2022 Series A HIB NYCHA – 1.55% to 3.25% Fixed Rate Serial and Term Bonds due 2051	104,250	—	—	104,250
2023 Series A HIB NYCHA – 4.45% to 4.80% Fixed Rate Term Bonds due 2053	—	290,725	—	290,725
2023 Series B (Federally Taxable) HIB NYCHA – 5.13% to 5.44% Fixed Rate Serial and Term Bonds due 2039	—	29,580	—	29,580
Total Housing Impact Bond Program	766,960	320,305	(3,365)	1,083,900
Total Bonds Payable Prior to Net Premium Unamortized (Discount) on Bonds Payables	11,316,100	1,975,675	(674,989)	12,616,786
Net Premium (Discount) on Bonds Payables	3,682	—	(737)	2,945
Total Bonds Payable (Net)	$11,319,782	$1,975,675	($675,726)	$12,619,731

Interest on the Corporation's variable rate debt is based on the SIFMA rate and is reset daily and/or weekly.

Changes in Conduit Bonds Payable:
(in thousands)

The summary of changes in Conduit Bonds Payable was as follows:

Conduit Bonds Payable outstanding at beginning of the year	$3,227,967
Bonds Issued	—
Bond Principal Retired	(169,065)
Net Premium/Discount on Bonds Payable	1
Conduit Bonds Payable outstanding at end of the year	$3,058,903

Details of changes in HDC's Conduit Bonds Payable for the year ended October 31, 2023 were as follows:

Description of Conduit Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
MULTI-FAMILY MORTGAGE REVENUE BOND PROGRAM:				
Multi-Family Rental Housing Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced				
1999 Series A (AMT) Brittany Development Project – 1.70% to 4.75% Variable Rate Bonds due upon demand through 2029	$ 48,600	$ —	$ (1,000)	$ 47,600
2000 Series A (AMT) Related West 89th Street Development – 1.60% to 4.45% Variable Rate Bonds due upon demand through 2029	53,000	—	—	53,000
2001 Series A Queenswood Refunding – 1.67% to 4.75% Variable Rate Bonds due upon demand through 2031	8,800	—	(8,800)	—
2002 Series A (AMT) The Foundry – 1.70% to 4.83% Variable Rate Bonds due upon demand through 2032	55,100	—	(500)	54,600

Description of Conduit Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2003 Series A (AMT) Related-Sierra Development – 1.70% to 4.83% Variable Rate Bonds due upon demand through 2033	56,000	—	—	56,000
2004 Series A (AMT) Related-Westport Development – 1.70% to 4.80% Variable Rate Bonds due upon demand through 2034	110,000	—	—	110,000
2004 Series B (Federally Taxable) Related-Westport Development – 3.77% to 5.35% Variable Rate Bonds due upon demand through 2034	6,100	—	(1,500)	4,600
2005 Series A Royal Charter Properties – 1.67% to 4.83% Variable Rate Bonds due upon demand through 2035	79,000	—	(3,500)	75,500
2005 Series A (AMT) Atlantic Court Apartments – 1.70% to 4.83% Variable Rate Bonds due upon demand through 2035	83,700	—	—	83,700
2005 Series A The Nicole – 3.42% Fixed Rate Term Bonds due 2035	54,600	—	—	54,600
2006 Series A (AMT) Rivereast Apartments – 1.68% to 4.54% Variable Rate Bonds due upon demand through 2036	50,000	—	(50,000)	—
2007 Series A (AMT) Ocean Gate Development – 1.78% to 4.54% Variable Rate Bonds due upon demand through 2040	8,445	—	(100)	8,345
2007 Series B (AMT) Ocean Gate Development – 4.80% to 5.35% Fixed Rate Term Bonds due 2025	3,955	—	(1,240)	2,715

Description of Conduit Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
2007 Series A (AMT) 155 West 21st Street Apartments – 1.60% to 4.45% Variable Rate Bonds due upon demand through 2037	37,900	—	—	37,900
2007 Series B (Federally Taxable) 155 West 21st Street Apartments – 3.80% to 5.35% Variable Rate Bonds due upon demand through 2037	4,900	—	(1,300)	3,600
2008 Series A (AMT) Linden Plaza – 1.78% to 4.54% Variable Rate Bonds due upon demand through 2043	49,560	—	(1,545)	48,015
2009 Series A The Balton – 1.70% to 4.50% Variable Rate Bonds due upon demand through 2049	29,750	—	—	29,750
2014 Series A-1 NYCHA Triborough Preservation Development – 0.55% to 3.95% Fixed Rate Serial and Term Bonds due 2044	209,495	—	(3,850)	205,645
2019 Series A (Federally Taxable) The Nicole – 3.90% Fixed Rate Term Bonds due 2035	4,400	—	—	4,400
Multi-Family Mortgage Revenue Bonds – Rental Project; Fannie Mae or Freddie Mac Enhanced				
2004 Series A (AMT) State Renaissance Court – 1.68% to 4.54% Variable Rate Bonds due upon demand through 2037	35,200	—	(7,700)	27,500
2004 Series A (AMT) Ogden Avenue Apartments – 1.69% to 4.55% Variable Rate Bonds due upon demand through 2038	4,560	—	(100)	4,460

Description of Conduit Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2004 Series A (AMT) Nagle Courtyard Apartments – 1.69% to 4.55% Variable Rate Bonds due upon demand through 2038	4,100	—	(200)	3,900
2005 Series A (AMT) Ogden Avenue Apartments II – 1.70% to 4.75% Variable Rate Bonds due upon demand through 2038	2,300	—	(2,300)	—
2005 Series A (AMT) White Plains Courtyard Apartments – 1.70% to 4.75% Variable Rate Bonds due upon demand through 2038	4,500	—	(4,500)	—
2005 Series A (AMT) 89 Murray Street Development – 1.70% to 4.75% Variable Rate Bonds due upon demand through 2039	49,800	—	—	49,800
2006 Series A (AMT) Reverend Ruben Diaz Gardens Apartments – 1.68% to 4.54% Variable Rate Bonds due upon demand through 2038	6,400	—	(6,400)	—
2006 Series A (AMT) Linden Boulevard Apartments – 3.90% to 4.75% Fixed Rate Serial and Term Bonds due 2039	10,365	—	(395)	9,970
2006 Series A (AMT) Markham Garden Apartments – 1.70% to 4.75% Variable Rate Bonds due upon demand through 2040	16,000	—	—	16,000
2008 Series A 245 East 124th Street – 2.10% Fixed Rate Term Bonds due 2046	35,400	—	—	35,400
2008 Series A Bruckner by the Bridge – 1.61% to 4.44% Variable Rate Bonds due upon demand through 2048	36,800	—	—	36,800

Description of Conduit Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2008 Series A Hewitt House Apartments – 1.50% to 4.35% Variable Rate Bonds due upon demand through 2048	4,100	—	—	4,100
2010 Series A Eliot Chelsea Development – 1.61% to 4.48% Variable Rate Bonds due upon demand through 2043	40,750	—	—	40,750
2011 Series A (AMT) West 26th Street Development – 1.68% to 4.52% Variable Rate Bonds due upon demand through 2041	26,300	—	(1,300)	25,000
2011 Series B West 26th Street Development – 1.65% to 4.47% Variable Rate Bonds due upon demand through 2045	8,470	—	—	8,470
2012 Series A West 26th Street Development – 1.65% to 4.47% Variable Rate Bonds due upon demand through 2045	41,530	—	—	41,530
Multi-Family Mortgage Revenue Bonds – Rental Project; Letter of Credit Enhanced				
2003 Series A (AMT) Related-Upper East – 1.72% to 4.45% Variable Rate Bonds due upon demand through 2036	67,000	—	—	67,000
2003 Series B (Federally Taxable) Related-Upper East – 3.80% to 5.60% Variable Rate Bonds due upon demand through 2036	3,000	—	—	3,000
2004 Series A (AMT) Manhattan Court Development – 1.68% to 4.54% Variable Rate Bonds due upon demand through 2036	17,500	—	—	17,500

Description of Conduit Bonds as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
2004 Series A (AMT) East 165th Street Development – 1.68% to 4.54% Variable Rate Bonds due upon demand through 2036	7,665	—	(7,665)	—
2005 Series A (AMT) 2007 LaFontaine Avenue Apartments – 1.69% to 4.55% Variable Rate Bonds due upon demand through 2037	3,425	—	(100)	3,325
2005 Series A (AMT) La Casa del Sol Apartments – 1.69% to 4.56% Variable Rate Bonds due upon demand through 2037	3,650	—	(100)	3,550
2005 Series A (AMT) 15 East Clarke Place Apartments – 1.70% to 4.55% Variable Rate Bonds due upon demand through 2037	4,730	—	(1,100)	3,630
2005 Series A (AMT) Urban Horizons II Development – 1.69% to 4.56% Variable Rate Bonds due upon demand through 2038	4,665	—	(500)	4,165
2005 Series A (AMT) 1090 Franklin Avenue Apartments – 1.72% to 4.75% Variable Rate Bonds due upon demand through 2037	2,220	—	(2,220)	—
2006 Series A (AMT) Granville Payne Apartments – 1.69% to 4.55% Variable Rate Bonds due upon demand through 2039	5,360	—	(200)	5,160
2006 Series A (AMT) Beacon Mews Development – 1.70% to 4.45% Variable Rate Bonds due upon demand through 2039	23,500	—	(5,300)	18,200

Description of Conduit Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2006 Series A (AMT) Granite Terrace Apartments – 1.69% to 4.55% Variable Rate Bonds due upon demand through 2038	3,960	—	(200)	3,760
2006 Series A (AMT) Intervale Gardens Apartments – 1.69% to 4.55% Variable Rate Bonds due upon demand through 2038	3,015	—	(100)	2,915
2006 Series A (AMT) 1405 Fifth Avenue Apartments – 1.69% to 4.55% Variable Rate Bonds due upon demand through 2039	13,490	—	(400)	13,090
2007 Series A (AMT) Susan's Court – 1.70% to 4.75% Variable Rate Bonds due upon demand through 2039	24,000	—	—	24,000
2007 Series A (AMT) The Dorado Apartments – 1.70% to 4.75% Variable Rate Bonds due upon demand through 2040	3,470	—	(100)	3,370
2007 Series A (AMT) Boricua Village Apartments Site A-2 – 1.70% to 4.45% Variable Rate Bonds due upon demand through 2042	4,250	—	—	4,250
2007 Series A (AMT) Cook Street Apartments – 1.72% to 4.75% Variable Rate Bonds due upon demand through 2040	3,680	—	(100)	3,580
2008 Series A (AMT) Las Casas Development – 1.77% to 4.53% Variable Rate Bonds due upon demand through 2040	19,200	—	—	19,200

Description of Conduit Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2010 Series A 101 Avenue D Apartments – 2.97% to 5.78% Variable Rate Bonds due upon demand through 2043	22,700	—	—	22,700
Residential Revenue Bonds – Residential Housing; Letter of Credit Enhanced				
2012 Series A College of Staten Island Residences – 2.00% to 4.15% Fixed Rate Serial and Term Bonds due 2046	59,770	—	(1,540)	58,230
Multi-Family Mortgage Revenue Bonds – Rental Project; Not Rated				
2007 Series A Queens Family Courthouse Apartments – 5.41% Fixed Rate Term Bonds due 2047	40,000	—	—	40,000
2016 Series A (Federally Taxable) Queens Family Courthouse Apartments – 5.97% Fixed Rate Term Bonds due 2047	15,000	—	—	15,000
2019 Series A 535 Carlton Avenue – 4.08% to 6.35% Term Rate Term Bonds due 2027	73,000	—	—	73,000
2020 Series A 38 Sixth Avenue – 4.38% Term Rate Term Bonds due 2059	83,240	—	—	83,240
Multi-Family Commercial Mortgage-Backed Securities				
2014 Series A, B and C - 8 Spruce Street (Federally Taxable) – 3.71% to 3.93% Fixed Rate Term Bonds due 2048	346,100	—	—	346,100
Total Multi-Family Mortgage Revenue Bonds	2,137,470	—	(115,855)	2,021,615

Description of Conduit Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
MILITARY HOUSING REVENUE BOND PROGRAM:				
2004 Series A (Federally Taxable) Class I & II Fort Hamilton Housing LLC Project – 5.60% to 6.72% Fixed Rate Term Bonds due 2049	41,945	—	(595)	41,350
Total Military Housing Revenue Bond Program	41,945	—	(595)	41,350
LIBERTY BOND PROGRAM:				
Multi-Family Mortgage Revenue Bonds				
2005 Series A 90 Washington Street – 1.61% to 4.46% Variable Rate Bonds due upon demand through 2035	74,800	—	—	74,800
2006 Series A 90 West Street – 1.55% to 4.35% Variable Rate Bonds due upon demand through 2036	104,000	—	—	104,000
2006 Series B (Federally Taxable) 90 West Street – 3.80% to 5.35% Variable Rate Bonds due upon demand through 2036	4,800	—	(900)	3,900
2006 Series A - 2 Gold Street – 1.55% to 4.43% Variable Rate Bonds due upon demand through 2036	162,000	—	—	162,000
2006 Series B (Federally Taxable) - 2 Gold Street – 3.80% to 5.45% Variable Rate Bonds due upon demand through 2036	17,600	—	(5,500)	12,100
2006 Series A 201 Pearl Street – 1.55% to 4.43% Variable Rate Bonds due upon demand through 2041	65,000	—	—	65,000

Description of Conduit Bonds as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
2006 Series B (Federally Taxable) 201 Pearl Street – 3.80% to 5.45% Variable Rate Bonds due upon demand through 2041	18,200	—	(1,200)	17,000
2014 Series Classes D, E and F (8 Spruce Street) – 3.00% to 4.50% Fixed Rate Term Bonds due 2048	203,900	—	—	203,900
Total Liberty Bond Program	650,300	—	(7,600)	642,700
CAPTIAL FUND PROGRAM REVENUE BONDS (New York City Housing Authority ('NYCHA'))				
2022 Series A (Federally Taxable) (SDB) Capital Fund Program – 2.32% to 4.10% Fixed Rate Serial Bonds due 2033	398,265	—	(45,015)	353,250
Total Capital Fund Program Revenue Bonds	398,265	—	(45,015)	353,250
Total Bonds Payable Prior to Net Premium Unamortized (Discount) on Bonds Payables	3,227,980	—	(169,065)	3,058,915
Net Premium (Discount) on Bonds Payables	(13)	—	1	(12)
Total Conduit Bonds Payable (Net)	$3,227,967	$—	($169,064)	$3,058,903

Interest on the Corporation's variable rate debt is based on the SIFMA rate and is reset daily and/or weekly.

Bonds Issued in Fiscal Year 2023

On December 15, 2022, five Multi-Family Housing Revenue Bonds series were issued in an amount totaling $648,815,000. The fixed rate 2022 Series F-1 Bonds were issued in the amount of $141,100,000, the fixed rate 2022 Series F-2-A Bonds were issued in the amount of $202,035,000, the fixed rate 2022 Series F-2-B Bonds were issued in the amount of $152,035,000, the variable rate 2022 Series F-3 Bonds were issued in the amount of $100,000,000, and the term rate 2022 Series G Bonds were issued in the amount of $53,645,000. The 2022 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to finance other corporate purposes of the Corporation.

On December 21, 2022, the fixed rate Multi-Family Housing Revenue Bonds, 2022 Series H, were issued in an amount of $48,000,000. The bonds were issued to finance the construction and equipping of a multi-family residential development located in the Borough of Manhattan, New York, and to finance other corporate purposes of the Corporation.

On June 20, 2023, three Multi-Family Housing Revenue Bonds series were issued in an amount totaling $642,725,000. The fixed rate 2023 Series A-1 Bonds were issued in the amount of $172,855,000, the fixed rate 2023 Series A-2 Bonds were issued in the amount of $419,870,000, and the variable rate 2023 Series A-3 Bonds were issued in the amount of $50,000,000. The 2023 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to finance other corporate purposes of the Corporation.

On June 27, 2023, two Housing Impact Bonds series were issued in an amount totaling $320,305,000. The fixed rate 2023 Series A Bonds were issued in the amount of $290,725,000, and the fixed rate 2023 Series B (Federally Taxable) Bonds were issued in the amount of $29,580,000. The bonds were issued to finance a mortgage loan to the borrower for the purpose of paying a portion of the costs of acquiring, rehabilitating, and equipping forty public housing buildings located in the Borough of the Bronx, New York, and to pay for certain other related costs.

On October 26, 2023, three Multi-Family Housing Revenue Bonds series were issued in an amount totaling $275,810,000. The fixed rate 2023 Series B-1 Bonds were issued in the amount of $100,810,000, the variable rate 2023 Series B-2 Bonds were issued in the amount of $50,000,000, and the index floating rate 2023 Series C (Federally Taxable) Bonds were issued in the amount of $125,000,000. The 2023 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to finance other corporate purposes of the Corporation.

Pursuant to the Forward Bond Purchase Agreement (the "FBPA"), dated December 19, 2018, executed by HDC and Citibank, on October 26, 2023, the Corporation issued the fixed rate Multi-Family Housing Revenue Bonds, 2023 Series B-3 in the amount of $40,020,000 via Direct Purchase with Citibank. The proceeds of the bonds were used to refund a portion of the project MEC's 2018 governmental debt obligations.

All the bonds listed above are subject to regular redemption and certain issues are also subject to special redemption provisions as well. The parameters under which the redemptions may occur are set forth in the respective bond resolutions.

In fiscal year 2010, the U.S. Department of the Treasury, as part of the Housing Finance Agency ("HFA") initiative used authority provided to it pursuant to the Housing and Economic Recovery Act of 2008 ("HERA") to help expand resources to provide affordable mortgages for low- and middle-income households, and to support the development and rehabilitation of affordable housing units. In this program, the Corporation issued bonds under the New Issue Bond Program ("NIBP") in the amount of $500 million. HDC issued two programs under the NIBP. The variable rate 2009 Housing Revenue Bonds Series 1 (Federally Taxable) Bonds were issued in the amount of $415,000,000 and the 2009 Housing Revenue Bonds Series 2 (Federally Taxable) Bonds were issued in the amount of $85,000,000 on December 23, 2009. During the period between June 2010 and December 2011, all the principal amount of the 2009 Series 1 (NIBP) Bonds and the 2009 Series 2 (NIBP) Bonds were converted to fixed rate tax exempt bonds. These bonds were designated as the "Converted Bonds". As of October 31, 2023, portions of the NIBP Converted Bonds in the amount of $395,310,000 were redeemed and $104,690,000 remain outstanding.

Debt Obligations Program

The Corporation entered into funding loan agreements with Citibank and Jones Lang LaSalle to finance mortgage loans under its Multi-Family Mortgage Revenue Debt Obligations Program. Under the agreements, Citibank and Jones Lang LaSalle will provide the funds to the Corporation, which the Corporation will then use to advance to the project. This is also referred to as "Back-to-Back".

Changes in Debt Obligations Payable:
(in thousands)

Debt Obligations Payable outstanding at beginning of the year	$175,214
Debt Obligations Issued	54,905
Debt Obligations Principal Retired	(85,008)
Debt Obligations Payable outstanding at end of the year	$145,111

Details of changes in HDC debt obligations for the year ended October 31, 2023 were as follows:

Description of Debt Obligations as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
MFMR Debt Obligations (Harlem Dowling Residential) – 2.49% to 5.21% Fixed Rate due 2047	$ 4,671	$ —	($120)	$ 4,551

Description of Debt Obligations as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
MFMR Debt Obligations (1133 Manhattan) – 3.86% Fixed Rate due 2027	45,600	—	—	45,600
MFMR Debt Obligations (1133 Manhattan) (Federally Taxable) – 3.86% Fixed Rate due 2027	14,128	—	(888)	13,240
MFMR Debt Obligations (Far Rockaway) – 3.65% Fixed Rate due 2058	25,800	—	—	25,800
MFMR Debt Obligations (MEC 125 Parcel B West) – 6.52% to 8.20% Variable Rate due 2052	54,395	29,605	(84,000)	—
MFMR Debt Obligations (Caton Flats) – 4.95% to 5.67% Fixed Rate due 2053	30,620	25,300	—	55,920
Total Debt Obligations Payable	$175,214	$54,905	($85,008)	$145,111

Federal Financing Bank Loan Participation Certificates Payable

In fiscal year 2014, the Corporation entered into a new financing agreement with the FFB for selling beneficial ownership interests in mortgage loans originated by housing finance agencies and insured with FHA/HFA Risk Sharing mortgage insurance. The Corporation was selected to be the first housing finance agency to participate in this new federal initiative to reduce costs of capital for affordable housing, whereby, the Corporation will sell beneficial ownership interest in its mortgages to the FFB. Beneficial ownership interest in mortgage loans that the Corporation sells to the FFB will be evidenced by certificates of participation from the Corporation. The participation proceeds were recorded as payable to the FFB. The monthly mortgage payments from the borrower will be used to repay the interest to the FFB and principal payments will reflect the scheduled mortgage principal payments.

The aggregate FFB Loan Participation Certificates Payable balance as of October 31, 2023, was $509,520,000 (see Note 4: "Mortgage Loans").

Changes in FFB Loan Participation Certificates Payable:

The summary of changes in FFB Loan Participation Certificates Payable was as follows:
(in thousands)

FFB Loan Participation Certificates payable outstanding at beginning of the year	$515,756
FFB Loan Participation Proceeds	—
Repayments to FFB	(6,236)
FFB Loan Participation Certificates payable outstanding at end of the year	$509,520

Details of changes in FFB loan participation certificates payable for the year ended October 31, 2023 were as follows:

Description of FFB Loan Participation as Issued	Balance at beginning of the year	Issued	Retired	Balance at end of the year
(in thousands)				
FFB Loan Participation - Arverne View Apt – 3.32% Fixed Rate Certificate Pass-Through due 2049	$65,892	$—	($1,001)	$64,891
FFB Loan Participation - 2629 Sedgwick Avenue – 3.28% Fixed Rate Certificate Pass-Through due 2051	2,637	—	(50)	2,587
FFB Loan Participation - Marseilles Apartments – 2.85% Fixed Rate Certificate Pass-Through due 2051	16,529	—	(320)	16,209
FFB Loan Participation - Sons of Italy Apartments – 2.76% Fixed Rate Certificate Pass-Through due 2051	7,550	—	(152)	7,398
FFB Loan Participation - Stevenson Commons – 2.96% Fixed Rate Certificate Pass-Through due 2057	98,484	—	(1,029)	97,455
FFB Loan Participation - Independence House – 3.04% Fixed Rate Certificate Pass-Through due 2057	6,903	—	(85)	6,818

Description of FFB Loan Participation as Issued	**Balance at beginning of the year**	**Issued**	**Retired**	**Balance at end of the year**
(in thousands)				
FFB Loan Participation - Carol Gardens – 3.02% Fixed Rate Certificate Pass-Through due 2058	20,978	—	(213)	20,765
FFB Loan Participation - La Cabana Houses – 3.35% Fixed Rate Certificate Pass-Through due 2053	53,544	—	(656)	52,888
FFB Loan Participation - Alvista Towers – 2.57% Fixed Rate Certificate Pass-Through due 2059	63,963	—	(644)	63,319
FFB Loan Participation - Baychester Murphy – 3.37% Fixed Rate Certificate Pass-Through due 2061	132,852	—	(1,720)	131,132
FFB Loan Participation - Lexington Garden II – 3.07% Fixed Rate Certificate Pass-Through due 2062	46,424	—	(366)	46,058
Total FFB Loan Participation Certificates Payable	$515,756	$—	($6,236)	$509,520

The Corporation regularly defeases or retires bonds through in-substance defeasances whereby assets are placed in an irrevocable trust that is used exclusively to service the future debt requirements. During fiscal year 2022, the Corporation retired the 2013 Series A, 2013 Series B-1, and 2013 Series B-2 Capital Fund Grant Program Revenue Bonds through an in-substance defeasance. The remaining outstanding bonds of the 2013 Series A, 2013 Series B-1, and 2013 Series B-2 Capital Fund Grant Program Revenue Bonds in the amount of $376,575,000 were called and fully redeemed by the escrow agent in July 2023. There were no defeased bonds outstanding as of October 31, 2023.

Future Debt Service:

Required debt payments for bonds payable by the Corporation for the next five years and thereafter are as follows:

Enterprise Fund

Year Ending October 31, *(in thousands)*	Principal	Interest	Total
2024……………………...	$224,362	$423,607	$647,969
2025……………………...	181,156	424,406	605,562
2026……………………...	200,441	420,173	620,614
2027……………………...	201,641	414,520	616,161
2028……………………...	227,252	409,458	636,710
2029 – 2033…………..….	1,166,991	1,941,871	3,108,862
2034 – 2038…………...	1,496,602	1,725,655	3,222,257
2039 – 2043…………...	1,800,030	1,425,559	3,225,589
2044 – 2048…………...	2,025,166	1,060,715	3,085,881
2049 – 2053………......	2,126,785	658,719	2,785,504
2054 – 2058…………...	746,915	355,860	1,102,775
2059 – 2063…………...	2,205,145	210,861	2,416,006
2064 – 2068…………...	14,300	491	14,791
Total	$12,616,786	$9,471,895	$22,088,681

Conduit Debt

Year Ending October 31, *(in thousands)*	Principal	Interest	Total
2024……………………...	$56,680	$122,015	$178,695
2025……………………...	57,420	121,821	179,241
2026……………………...	37,230	120,632	157,862
2027……………………...	38,625	119,328	157,953
2028……………………...	113,120	114,177	227,297
2029 – 2033………......	437,695	520,485	958,180
2034 – 2038…………...	939,670	367,749	1,307,419
2039 – 2043…………...	426,760	234,424	661,184
2044 – 2048…………...	794,635	148,570	943,205
2049 – 2053………......	73,840	19,641	93,481
2054 – 2058…………...	—	18,230	18,230
2059 – 2063…………...	83,240	2,431	85,671
Total	$3,058,915	$1,909,503	$4,968,418

Changes in Liabilities:

Liability activities for the year ended October 31, 2023, are as follows:

Enterprise Fund

Descriptions *(in thousands)*	Balance at Beginning of the Year	Additions	Deductions	Balance at End of the Year	Due Within 1 Year
Bonds Payable, (net)	$11,319,782	$1,975,675	($675,726)	$12,619,731	$224,362
Debt Obligations	175,214	54,905	(85,008)	145,111	1,050
Payable to FFB - Loan Participation	515,756	—	(6,236)	509,520	6,525
Payable to City of New York	4,441,435	898,502	(19,180)	5,320,757	—
Payable to Mortgagors & Restricted Earnings on Investments	187,185	404,536	(192,864)	398,857	271
Others	1,038,126	697,400	(655,571)	1,079,955	419,731
Total	$17,677,498	$4,031,018	($1,634,585)	$20,073,931	$651,939

Conduit Debt

Descriptions *(in thousands)*	Balance at Beginning of the Year	Additions	Deductions	Balance at End of the Year	Due Within 1 Year
Bonds Payable, (net)	$3,227,967	$ —	($169,064)	$3,058,903	$56,680
Payable to Mortgagors & Restricted Earnings on Investments	178,866	151,024	(155,719)	174,171	26,824
Others	34,281	110,912	(110,175)	35,018	16,200
Total	$3,441,114	$261,936	($434,958)	$3,268,092	$99,704

Note 12: Consultants' Fees

The fees paid by the Corporation for legal, accounting and consulting services in fiscal year 2023 for HDC include: $208,111 to Venable LLP; $62,457 to Seyfarth Shaw LLP; $25,778 to Hawkins, Delafield & Wood P.C and $25,099 to Epstein, Becker & Green, P.C. Auditing fees of $276,000 were paid to Ernst & Young LLP.

The Corporation paid other consulting fees in the amount of $320,000 to KPMG LLP; $196,608 to Greycell Labs Inc; $150,000 to National Strategies Group, LLC; $85,831 to Milo Kleinberg Design Associates Inc; $26,200 to BDO USA, LLP; $9,200 to Buck Global, LLC; $2,664 to Harold Lewis; $2,500 to HR Strategic Solutions and $2,400 to Insurance Advisors LLC.

The Corporation also paid $42,860 to 3rd Edge Communication; $11,865 to GreyBox Creative and $2,000 to Goloka Creative Productions, LLC for concept, design and layout of the 2022 HDC Annual Report.

In addition, the Corporation paid legal, accounting and consulting fees for services provided in connection with bond financings, which have been reimbursed either from bond proceeds or from project developers: $157,026 to Hawkins, Delafield & Wood; $150,000 to Mohanty Gargiulo, LLC; $28,171 to Jefferies, LLC and $10,500 to Paparone Law, PLLC.

Note 13: Payable to The City of New York and Mortgagors

(A) New York City Housing Development Corporation

In 2009, HPD and HDC entered into a Memorandum of Understanding (“MOU”), which provides for the granting of funds by HPD to HDC pursuant to Section 661 of the PHFL, to make subordinate loans for affordable housing. As of October 31, 2023, the total payable to the City relating to this MOU was $4,705,591,000.

The Corporation has completed numerous transactions as part of its Mitchell-Lama Restructuring Program (“MLRP”), an affordable housing preservation program. Under this program, the Corporation has funded various new first and second mortgage loans as well as the acquisition of participation interests in City-owned second mortgages and associated cash flows. As long as any Mitchell-Lama Restructuring Bonds are outstanding, all cash flows from the purchased interests must be applied to debt service on such bonds. Once all such bonds are retired, HDC’s participation interests in City-owned second mortgages revert to the City. HDC also has sold to the City a residual interest in the second mortgage loans the Corporation originated. These loans also transfer to the City when the Mitchell-Lama Restructuring Bonds are retired. As of October 31, 2023, the Corporation’s payable to the City under the MLRP was $450,908,000.

On December 18, 2015, at the request of the City, the Corporation funded a $143,236,000 subordinate loan to the purchasers of Stuyvesant Town-Peter Cooper Village to assist the preservation of the affordability of this project. As of October 31, 2023, the fund has been fully reimbursed to HDC by the City.

From time to time, HPD and HDC jointly engage in other programs under which both HPD and HDC provide construction and permanent financing for affordable housing projects wherein HPD and HDC are participating in construction loans and will swap funds. As of October 31, 2023, the Corporation has an outstanding balance of $38,141,000 under this program.

The Corporation also has an outstanding payable of $30,956,000, related to other loan funding agreements with the City.

(B) Housing Assistance Corporation

Funding for HAC was received through the City in 1985. All HAC's assets, after repayment of HDC advances to HAC and if unused for HAC purposes, will revert to the City. As of October 31, 2023, total resources payable to the City amounted to $95,161,000, of which $93,103,000 was related to the funding of Stuyvesant Town-Peter Cooper Village. The remaining $2,058,000 payable to the City is primarily related funds held for the RY Subsidy Program, which is expected to cover the subsidy until late 2024 (see Note 4: "Mortgage Loans" for a detailed explanation).

(C) Fiduciary Funds

Under normal HDC underwriting guidelines all subordinate loans must be coterminous to the senior loan in order to avoid scenarios where the payment of subordinate loan is made before the senior loan. Due to HPD statutory authority limits, HPD cannot make a loan longer than a thirty-year term. Thus, when HDC and HPD co-lend on a project and HDC intends to make a 35-year loan, HPD assigns HDC its loan in the form of a Purchase and Sale Agreement. HDC then makes the subordinate loan in its name for a 35-year term to which ultimately returns to HPD at HDC's loan maturity. As of October 31, 2023, the assets that HDC held on behalf of HPD consisted of cash and investments, mortgage and other receivables in the amounts of $5,750,000 and $732,617,000, respectively.

The Corporation also administers construction and permanent loans on behalf of HPD, using funds provided by HPD. All such funds are the property of HPD and thus are reported as restricted net position for the City in the Fiduciary Funds financial statements. As of October 31, 2023, the assets held and restricted for the City amounted to $91,317,000.

Under HDC's normal loan servicing function, the Corporation is in possession of escrow and reserve funds held on behalf of its mortgagors. The funds are used to pay taxes on the underlying mortgage property, held as reserve for replacements, or for other contingencies. The funds received from the mortgagors are invested in accordance with HDC's investment guidelines and the assets are offset by a corresponding restricted net position for mortgagors. The balance as of October 31, 2023 was $983,688,000.

Note 14: Retirement Programs

(A) NYCERS

The Corporation is a participating employer in NYCERS, a cost sharing multi-employer plan, of which 91 current employees of the Corporation are members. NYCERS provides defined benefit pension benefits to 180,000 active municipal employees and 167,000 pensioners through its plan that has $81.4 billion in net position. City employees who receive permanent appointment to a competitive position and have completed six months of service are required to participate in NYCERS, and all other employees such as HDC employees are eligible, but not required, to participate in NYCERS. NYCERS provides three main types of retirement benefits: service retirements, ordinary disability retirements (non-job-related disabilities) and accident disability retirements (job-related disabilities) to members who are in different "tiers." The members' tier is determined by the date of membership. Subject to certain conditions, members generally become fully vested as to benefits upon completion of five years of service. Employees may be required to contribute a percentage of their salary to the pension plan based on their tier. Annual pension benefit is calculated as a percentage of final average salary times the number of years of membership service.

Contribution requirements of the active employees and the participating New York City agencies are established and may be amended by the NYCERS Board. Employees' contributions are determined by their tier and number of years of service. They may range between 3.00% and 6.00% of their annual pay. Statutorily required contributions to NYCERS, determined by the New York City Office of the Actuary in accordance with State statutes and City laws, are funded by the employer within the appropriate fiscal year.

Copies of NYCERS' financial statements can be obtained by writing to NYCERS at 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3724 or its website (www.nycers.org).

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of NYCERS and additions to/deductions from NYCERS' fiduciary net position have been determined on the same basis as they are reported by NYCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term. Investments are recorded at fair value.

As of October 31, 2023, the Corporation reported a liability of $11,809,000 for its proportionate share of NYCERS' net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Corporation's proportion of the net pension liability was based on a projection of the Corporation's long-term share of contributions to the pension plan relative to the projected contributions of all participating employees, actuarially determined. On June 30, 2023, the Corporation's proportionate share was 0.07%.

As of October 31, 2023, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	$1,472,000	$ —
Differences between expected and actual experience	1,329,000	52,000
Changes in proportion and differences between Corporation's contributions and proportionate share of contributions	1,340,000	99,000
Changes in assumptions	—	240,000
Sub-Total	4,141,000	391,000
Corporation contributions subsequent to the measurement date	2,275,000	—
Total	$6,416,000	$391,000

Of the deferred outflows of resources related to pensions, $2,275,000 was a contribution that the Corporation made subsequent to the measurement date, and it will be recognized as a reduction of the net pension liability in fiscal year ending October 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2024	$ 750,000
2025	750,000
2026	750,000
2027	750,000
2028	750,000
Total	$3,750,000

The Corporation recorded pension expense for fiscal year ending October 31, 2023 in the amount of $2,590,000.

Actuarial assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	7% per annum, net of investment expenses
Salary Increases	In general, merit and promotion increase plus assumed general wage increases of 3.0% per annum.
Cost-of-Living Adjustments	1.5% and 2.5% for certain tiers

Mortality tables for service and disability pensioners were developed from an experience study of NYCERS. The mortality tables for beneficiaries were developed from an experience review. Periodically the New York City Office of the Actuary (NYCOA) conducts a full review of the actuarial assumptions and methods used to fund the NYCERS. These reviews lead to formalized recommendations that are then presented to each of the NYCERS Boards. Electronic versions are available on the NYCOA website (www.nyc.gov/actuary) under Assumptions and Methods.

Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially funded NYCERS are conducted every two years.

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return	Weighted Average Rate of Return
Public Markets:			
U.S. Public Market Equities	27.00%	6.90%	1.86%
Developed Public Market Equities	12.00%	7.20%	0.86%
Emerging Public Market Equities	5.00%	9.10%	0.46%
Fixed Income	30.50%	2.70%	0.82%
Public Markets (Alternative Investments):			
Private Equities	8.00%	11.10%	0.89%
Private Real Estate	7.50%	7.10%	0.53%
Infrastructure	4.00%	6.40%	0.26%
Opportunistic Fixed Income	6.00%	8.60%	0.52%

Management of the pension plan has determined its expected rate of return on investments to be 7.0%. This is based upon the weighted average rate of return from investments of 6.2% and a long-term Consumer Price Inflation assumption of 2.5% per year, which is offset by investment related expenses.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2023, was 7.0% per annum. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable to the current tier for each member and that employer contributions will be made based on rates determined by the Actuary. Based on those assumptions, the NYCERS fiduciary net position is projected to be available to make all projected future benefit payments of current active and non-active NYCERS members. Therefore, the long-term expected rate of return on NYCERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Corporation's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the Corporation's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6%) or one percentage-point higher (8%) than the current rate.

Sensitivity Analysis			
	1% decrease (6%)	Discount rate (7%)	1% increase (8%)
HDC's proportionate share of the net pension liability	$19,135,000	$11,809,000	$5,625,000

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NYCERS' report, which is available on their website (www.nycers.org).

(B) Tax Sheltered Annuity Plan

The Corporation also offers its employees the option of participating in a Tax-Sheltered Annuity Plan managed by Principal as an alternate or supplemental retirement plan under Section 403(b) of the Internal Revenue Code. The Internal Revenue Service has approved the Corporation as an entity, which can provide this type of plan to its employees. The majority of the Corporation's employees participate in this plan.

Note 15: Postemployment Benefits Other Than Pensions

Plan description. The Corporation sponsors a single employer postemployment defined benefit health care plan for eligible retirees and their spouses. Eligible retirees generally are classified into two groups as either NYCERS members or Non-NYCERS members. NYCERS members are those who have service of at least 10 years at the time of their retirement. Non-NYCERS members are those who have service of at least 10 years and retired starting at age 59 1/2. For NYCERS members, the Corporation provides retiree health care coverage and prescription drug coverage through the New York City Health Benefit Program ("NYCHBP"). For Non-NYCERS members, the Corporation provides retiree health care coverage and prescription drug coverage through the Empire Plan offered by the New York State Health Insurance Program ("NYSHIP").

Benefits provided. The Corporation provides comprehensive health care and prescription drug coverage for its eligible retirees and their spouses. No other benefits are provided. Benefit provisions for the plan are established and amended by actions taken by the Corporation's Members and there is no statutory requirement for HDC to continue this plan for future HDC employees. The plan is currently a non-contributory plan with all payments for plan benefits being funded by HDC on a pay-as-you-go-basis.

HDC's annual OPEB cost for the plan is calculated based on the Entry Age Normal level percentage cost method, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The covered-employee payroll (annual payroll of active employees covered by the plan) was $22,618,000 and the ratio of the net OPEB liability to the covered-employee payroll was 7.33%.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between HDC and the plan members to that point.

Employees covered by benefit terms. As of October 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Membership Status as of November 1, 2022	Count
Inactive employees or beneficiaries currently receiving benefit payments	35
Inactive employees entitled to but not yet receiving benefit payments	6
Active plan employees	192
Total	233

Net OPEB Liability

As of the reporting date, October 31, 2023, HDC's total OPEB liability was $13,601,000 and the net OPEB liability was $1,659,000 as reported by the Corporation's consultants' report prepared by Buck Global. The measurement date of October 31, 2022 was used to calculate the net OPEB liability, which was determined by an actuarial valuation as of that date. Therefore, all the following information reflects fiscal year 2022 plan data unless otherwise noted.

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Net OPEB liability at beginning of the year	$18,941,000	$13,678,000	$5,263,000
Changes for the year:			
Service cost	1,434,000	—	1,434,000
Interest	489,000	—	489,000
Changes in benefit terms	793,000	—	793,000
Difference between expected and actual Experience	(1,753,000)	—	(1,753,000)
Changes of assumptions	(6,101,000)	—	(6,101,000)
Net investment income	—	(1,530,000)	1,530,000
Benefit payments	(202,000)	(202,000)	—
Administrative expense	—	(4,000)	4,000
Net changes	(5,340,000)	(1,736,000)	(3,604,000)
Net OPEB liability before contribution	13,601,000	11,942,000	1,659,000
Contribution after measurement date	—	—	—
Net OPEB liability at end of the year	$13,601,000	$11,942,000	$1,659,000

OPEB Plan Fiduciary Net Position

Since establishing an irrevocable OPEB trust in fiscal year 2012, the Corporation has funded a total of $13,000,000 to date, with the most recent being a $5,000,000 contribution in fiscal year 2022. All OPEB plan assets are held in a separate trust account for the exclusive purpose of paying OPEB obligations.

Investment policy. The Corporation's investment policy is set by the HDC Act and the guidelines are established and adopted by HDC's Board Members on an annual basis.

All investment transactions are recorded on the trade date. As of October 31, 2023, the fair value of OPEB trust investments was $11,525,000.

		Investment Maturities as of October 31, 2023			
Investment Type	2023	Less than 1	1-5	6-10	More than 10
(in thousands)					
FHLMC Bonds	$ 4,960	$ 4,960	$ —	$ —	$ —
FHLB Bonds	3,805	—	713	3,092	—
FFCB Bonds	2,760	—	—	2,760	—
Total	$11,525	$ 4,960	$ 713	$5,852	$ —

The Corporation has the following recurring fair value measurements as of October 31, 2023:

- U.S. Agency securities of $11,525,000 are valued based on models using observable inputs. (Level 2 inputs)

As of October 31, 2023, the OPEB plan asset held $192,000 in cash.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Corporation's Investment Guidelines charge the Investment Committee with "…determining appropriate investment instruments…based on…length of time funds are available for investment purposes..." among other factors. Thus, maturities are matched to the Corporation's liquidity needs. As part of the Corporation's investment policies, it looks to invest its bond and corporate related reserves in long-term securities that carry a higher yield, with the intent to hold the investments to maturity.

The Corporation's investment guidelines and policies are designed to protect principal by limiting credit risk. This is accomplished by making decisions based on a review of ratings, collateral, and diversification requirements that vary according to the type of investment.

As of October 31, 2023, investments in Federal Home Loan Bank ("FHLB"), Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac") and Federal Farm Credit Bank ("FFCB") were rated by Standard & Poor's and/or Moody's Investors Service (FHLB, Freddie Mac, and FFCB are collectively referred to as "Agency"). Standard & Poor's ratings for long-term and short-term were AA+ and A-1+, respectively. Moody's long-term and short-term ratings were Aaa and P-1, respectively. Investments in Freddie Mac, FHLB and FFCB are implicitly guaranteed by the U.S. government. They carry ratings equivalent to the credit ratings for the U.S. government. Some investments were not rated by Fitch Ratings. Of the investments that were rated by Fitch Ratings, they carried ratings of AA+ for long-term and F1+

for short-term.

The Corporation follows its annually adopted investment guidelines in accordance with concentration limits and reviews its credit concentration monthly. The Corporation's Credit Risk unit monitors concentration risk amongst issuers and reports regularly to the Members of the Corporation's Audit Committee.

The following table shows issuers that represent 5% or more of total investments as of October 31, 2023:

Issuer	Dollar Amount	Percentage
FHLMC	$4,960,000	43.04%
FHLB	$3,805,000	33.02%
FFCB	$2,760,000	23.95%

For the year ended October 31, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 2.72%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

For the year ended October 31, 2023, HDC recognized an OPEB expense of $1,396,000.

As of October 31, 2023, HDC reported OPEB related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Outflows/Inflows as of November 1, 2022	$1,018,000	$8,879,000
Changes for the year		
Difference between expected and actual experience	—	1,753,000
Change in assumptions	—	6,101,000
Difference between projected and actual investment earnings	1,702,000	—
Recognition of deferred outflows/inflows in FY 2023	(653,000)	(1,805,000)
Deferred Outflows/Inflows as of October 31, 2023	$2,067,000	$14,928,000

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

FY 2024	($1,195,000)
FY 2025	(1,249,000)
FY 2026	(1,198,000)
FY 2027	(1,206,000)
FY 2028	(1,544,000)
Thereafter	($6,469,000)

Actuarial assumptions. The total OPEB liability as of October 31, 2022 used the Entry Age Normal level percent cost method and the actuarial valuation was determined using the following actuarial assumptions.

Inflation	2.5%
Salary increases	3.0% average, including inflation
Investment rate of return	2.0%
Healthcare cost trend rates	6.1% grading down to a rate of 4.5%

Mortality. The post-retirement mortality rates were based on the actual experience of the NYCERS population and the application of the mortality improvement scale (MP-2020). The mortality improvement scale was updated to MP-2020 based on the latest data released by the Society of Actuaries. The actuarial assumptions used in the October 31, 2022 valuation were based on the results of an actuarial experience study from 2006 to 2020.

Long-Term Expected Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Real Return Arithmetic Basis
U.S. Fixed Income	100.00%	2.00%

Discount Rate. The long term expected rate of return on plan assets is 2.00% per year, net of investment expenses. The weighted average discount rate is 2.41% in 2021. The projection of cash flows used to determine the discount rate assumed that the Corporation would continue to make payments for future benefits payments based on currently available assets and investment returns and will not make any additional contributions to the Trust. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees until 2033. Therefore, the long-term expected rate of return on OPEB plan investments was applied until 2032 and the 20-year S&P bond index rate was applied for all years after 2032.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability and what it would be if it were calculated using a rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate and healthcare cost trend rate.

Sensitivity of the net OPEB liability to changes in the discount rate	1% Decrease (3.90%)	Discount Rate (4.90%)	1% Increase (5.90%)
Net OPEB liability	$3,542,000	$1,659,000	$84,000

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	($292,000)	$1,659,000	$4,150,000

Note 16: Due to the United States Government – Non-Current Liabilities

In order to maintain the exemption from federal income tax of interest on bonds issued subsequent to January 1, 1986, the Corporation established a separate fund, the Rebate Fund, into which amounts required to be rebated to the Federal Government pursuant to Section 148 of the Code are deposited. In general, the Code requires the payment to the U.S. Treasury of the excess of the amount earned on all non-purpose obligations over the amount that would have been earned if the gross proceeds of the issue were invested at a rate equal to the yield on the issue. Project or construction funds, debt service funds or any other funds or accounts funded with proceeds of such bonds, including earnings, or pledged to or expected to be used to pay interest on such bonds are subject to this requirement. Issues with respect to which all gross proceeds are expended for the governmental purpose of the issue within the required time period after the date of issue and debt service funds with annual gross earnings of less than $100,000 are exempt from this requirement. Payment is to be made after the end of the fifth bond year and after every fifth bond year thereafter, and within 60 days after retirement of the bonds. As of October 31, 2023, the Corporation had an accrued rebate liability of $4,847,000.

Note 17: Commitments

(A) New York City Housing Development Corporation

(i) The Corporation's practice is to close loans only when all the funds committed to be advanced have been made available through bond proceeds or a reservation of corporate funds. Funds are invested prior to being advanced, as described in Note 3: "Investments and Deposits" and are reported as restricted assets.

(ii) The portion of closed construction loans that had not yet been advanced as of October 31, 2023 is as follows: *(in thousands)*

Programs:	
Multi-Family Bond Programs	
Housing Revenue	$1,433,618
Corporate Services Fund Loans	33,289
HPD Grant Funds	829,775
Unadvanced Construction Loans (closed loans)	$2,296,682

As of October 31, 2023, the Corporation has executed commitments to provide funding for seven bonded senior mortgage loans in the amount of $225,175,000 and subordinate loans in the amount of $85,570,000. The timing and amount will be determined at the time of loan closing.

(iii) The Corporation has made a programmatic funding commitment in support of the City's housing initiatives. HDC has reserved funds to fulfill these commitments, but the timing and amount of remaining loan closings cannot be determined. The programmatic commitment is as follows:

- On June 6, 2016, the Corporation entered into an MOU with HPD, which was amended on December 15, 2016 and amended again on June 24, 2019, that outlines the Corporation's obligations to use corporate reserves to fund construction loans for projects eligible under the Green Housing Preservation Program ("GHPP"). Under the GHPP, HPD extends construction and permanent loans to projects specifically to finance energy efficiency and water conservation improvements, as well as moderate rehabilitation to improve building conditions, reduce greenhouse gas emissions and preserve affordability. HDC has set aside $13,361,000 of its reserves for this purpose. The total amount advanced as of October 31, 2023 was $7,987,000.

- On June 13, 2023, the Corporation entered into an MOU with HPD, to disburse funds from the Capacity Accelerator Program Account at HPD's direction to pay for temporary staffing, outside counsel and consultants for development work on multi-family affordable housing transactions, legal services, the training of HPD staff and reviewing processes to improve work on multi-family housing transactions. The aggregate amount of HDC corporate reserves deposited in the Capacity Accelerator Program Account will in no event exceed $7,668,000. The total amount advanced as of October 31, 2023 was $25,000.

- On June 27, 2023, the Corporation entered into an MOU with HPD, to be used for HPD Special Initiatives loans (green loans, aging in place loans and year 15 reserve loans). From time to time, HDC will use corporate reserves to make loans for HPD Special Initiatives Projects. The aggregate amount shall not exceed $25,000,000. As of October 31, 2023, HDC has set aside $10,000,000 of its reserves for this purpose and currently no advances were made.

(B) New York City Residential Mortgage Insurance Corporation

As of October 31, 2023, REMIC insured loans with coverage amounts totaling $424,009,000 and had outstanding commitments to insure loans with a maximum insurance coverage amount of $133,294,000.

Note 18: Financial Guaranties

(A) NYCHA Tax Credit Guaranty

On April 2, 2012, the Corporation entered into a Guaranty Agreement with Citibank to guaranty the yield on Citibank's investment in the Low-Income Housing Tax Credit ("LIHTC") created pursuant to the NYCHA Tax Credit Transaction. In return, the Corporation received $16.0 million as a guaranty fee from Citibank, less fees and expenses of $929,000 incurred under this agreement.

On July 15, 2013, Citibank transferred 100% of its rights under the Guaranty Agreement to Wells Fargo Holdings ("Wells Fargo"). As of that date, the Guaranty Agreement between Citibank and HDC was terminated, and a new agreement was signed between HDC and Wells Fargo. As a condition of Citibank selling its rights under the Guaranty Agreement, the Corporation received an additional $8.0 million of guaranty fee from Wells Fargo, less fees and expenses of $320,000 incurred under this agreement.

Under the Guaranty Agreement between HDC and Wells Fargo, the Corporation agreed to guaranty a minimum rate of return on Wells Fargo's tax credit investment in the NYCHA I Housing Development Fund Corporation through a 15-year compliance period. The minimum rate of return is equal to an annual effective rate of 4.50% on an after-tax basis return on its tax credit investment over the 15-year compliance period. During the compliance period, from time-to-time NYCHA LLC-I will determine if the total benefits allocated or paid to Wells Fargo through such date, together with the tax benefits projected to be received by Wells Fargo thereafter through the coverage period termination date, are sufficient to keep Wells Fargo on track to achieve the minimum return. If it is determined that Wells Fargo is not on track to achieve the minimum return through the coverage period termination date, the Corporation shall have the option, but not the obligation, subject to a cap amount of $96,000,000, to make a payment to Wells Fargo under the Guaranty Agreement in an amount equal to the optional minimum return deficiency amount.

The NYCHA Tax Credit transaction required the establishment and funding of several project reserves and guaranties in order to ensure timely completion of rehabilitation, which has in fact proceeded on time and within budget. As of October 31, 2023, the unamortized guaranty fee was $6,156,000 and the Corporation has designated $10,100,000 for the financial guaranty reserve (see Note 19: "Contingencies"). The likelihood that HDC must pay out under this guaranty decreases with the passage of time. HDC will recognize the guaranty fee on a straight-line basis over the covered period, which is 15 years.

(B) Co-op City Guaranty

On November 28, 2012, and extended on March 3, 2022, the Corporation entered into a Credit Support Agreement with Wells Fargo Bank National Association ("Wells Fargo Bank"), HUD and SONYMA. Wells Fargo Bank agreed to make a mortgage in the amount of $621,500,000 to a Mitchell-Lama cooperative housing development named Co-op City in the Bronx, New York. As a precondition of endorsing the loan for insurance, HUD acting through FHA required SONYMA and HDC each to provide a portion of top–loss guaranty on the loan.

Pursuant to the agreement between HDC and HUD, HDC agreed to provide $15,000,000 as a guaranteed amount to Wells Fargo Bank in the event of a default by the cooperative. The Corporation agreed to fund the full amount of the top-loss guaranty in a segregated designated account for the duration of the HDC top-loss guaranty. As of October 31, 2023, the Corporation has designated $15,000,000 as a financial guaranty reserve (see Note 19: "Contingencies").

(C) Federal Housing Administration Risk Sharing Program

In November 2011, the Corporation entered an amended risk sharing agreement with HUD. HDC participates in the Risk Sharing Program to obtain 100% insurance on certain loans made by HDC for affordable multifamily housing. The risk sharing allocation between HDC and HUD will be on a project-by-project basis and take effect when the loan converts to permanent financing.

In fiscal year 2014, the Corporation entered into a second risk-sharing agreement with HUD, which largely mirrors the terms of the existing amended Risk-Sharing Agreement. HDC has established a guaranty reserve for risk sharing obligations to FHA if there is a loss on a mortgage loan.

As of October 31, 2023, the unamortized guaranty fee was $3,720,000 and the Corporation has designated a total of $8,143,000 as a financial guaranty reserve under the FHA risk-sharing mortgage insurance program for forty-four participating projects (see Note 19: "Contingencies").

(D) NYCHA PACT Program

In support of the NYCHA Permanent Affordability Commitment Together ("PACT") program, the Corporation issued the 2020 Series A and B Housing Impact Bonds, the 2020 Series C and D Housing Impact Bonds, the 2022 Series A and the 2023 Series A and B to finance mortgage loans to rehabilitate and preserve developments in the NYCHA portfolio. HDC entered into risk sharing agreements with Freddie Mac and Fannie Mae as follows.

(1) PACT Brooklyn Bundle II Program

On February 1, 2020, the Corporation entered into a funding agreement that guaranties the top 10% loss of the PACT Brooklyn loan in the event of a default by the borrower. The maximum amount of this guaranty is $37,500,000, which is 10% of $375,000,000 of the mortgage loans. As of October 31, 2023, there were no defaults, and no collateral was required.

(2) PACT Manhattan Bundle Program

On November 30, 2020, the Corporation entered into a Loss Share Agreement with Fannie Mae. Pursuant to the agreement, HDC will provide 10% top loss guaranty for the Fannie Mae enhanced loan. The maximum guaranteed amount is $28,900,000. Additionally, under a reserve agreement, HDC is required to post collateral with a collateral custodian if its long-term issuer rating falls below AA-. The collateral is used to reimburse Fannie Mae in the event of a loss. As of October 31, 2023, HDC's long term issuer rating was AA by S&P and Aa2 by Moody's; therefore, no collateral was required.

(3) PACT Harlem River I and II Program

On February 17, 2022, the Corporation entered into a funding agreement that guaranties the top loss of the PACT Harlem River loan in the event of a default by the borrower. The maximum amount of this guarantee is $10,425,000, which is 10% of $104,250,000 of the mortgage loan. As of October 31, 2023, there were no defaults, and no collateral was required.

(4) PACT Edenwald Program

On June 27, 2023, the Corporation entered into Loss Share Agreement with Federal Home Loan Mortgage Corporation that guaranties the top loss of the PACT Edenwald loan in the event of a default by the borrower. The maximum amount of this guarantee is $32,030,500, which is 10% of $320,305,000 of the mortgage loans. Additionally, under a reserve agreement, HDC is required to post collateral with a collateral custodian if its long-term issuer rating falls below AA-. The collateral is used to reimburse the Federal Home Loan Mortgage Corporation in the event of a loss. As of October 31, 2023, HDC's long term issuer rating was AA by S&P and Aa2 by Moody's; therefore, no collateral was required.

Note 19: Contingencies

In the normal conduct of business, the Corporation is involved in litigation matters. In the opinion of management and the Corporation's legal counsel, the ultimate disposition of such litigation should not have a material adverse effect on the financial position of the Corporation.

As discussed in Note 18 above, the Corporation entered into several guaranty agreements with various entities in order to finance certain projects. To meet its obligations, in the event that payments are required, the Corporation set aside various reserves to cover these guaranties. These reserves are held as Designated under Unrestricted Net Position (see Note 20: "Net Position").

The reserves are summarized in the chart below:

Financial Guaranties	As of October 31, 2023 Reserve Amounts
NYCHA Tax Credit Guaranty	$6,156,000
Co-op City Guaranty	15,000,000
FHA Risk Sharing	3,720,000
Total	$24,876,000

Note 20: Net Position

The Corporation's Net Position represents the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources and consists largely of mortgage loans and investments.

HDC's net position is categorized as follows:

- Restricted Net Position is net position that has been restricted in use in accordance with the terms of an award, agreement or by State law. This includes net position restricted by bond resolutions, contractual obligations with HPD and HUD, and REMIC reserves that are required by statute, among other items (see chart below).

- Unrestricted Net Position is the remaining net position, which can be further categorized as Designated or Undesignated. Designated Net Position is not governed by statute or contract but is committed for specific purposes pursuant to HDC policy and/or Member directives. Designated Net Position includes funds and assets committed to various housing initiatives, reserves to maintain HDC's credit ratings, and working capital.

Changes in Net Position

The changes in Net Position are as follows:
(in thousands)

HDC and Component Units

	Restricted	Unrestricted	Total
Net position at beginning of the year	$3,260,307	$428,106	$3,688,413
Income	368,591	47,787	416,378
Transfers	(19,179)	19,179	—
Net position at end of the year	$3,609,719	$495,072	$4,104,791

Summary of Restricted Net Position *(in thousands)*	2023
Multi-Family Bond Programs	$3,288,021
421-A Housing Trust Fund	200,411
Corporate Debt Service Reserve 2014 Series B and 2018 Series B	9,826
REMIC Insurance Reserve	111,461
Total Restricted Net Position	$3,609,719

Of the total Unrestricted Net Position listed below, $355,750,000 is for existing mortgages and other loans. An additional fund of $3,621,000 has been designated by senior management of the Corporation for future mortgage advances pursuant to housing programs established by the Corporation. The Corporation also has $74,382,000 in leases and other capital assets.

Summary of Unrestricted Net Position *(in thousands)*	2023
Designated Net Position:	
Existing Mortgages	$355,750
Housing Programs and Commitments	3,621
Working Capital	33,278
Bond Reserve	180,000
Unrealized Investment Gains (Losses)	(218,988)
Financial Guaranty Reserves (Notes 18 and 19)	24,876
REMIC Insurance Reserves	42,153
Total Designated Net Position	$420,690
Net Investment in Capital Assets:	
Capital Assets, net	$74,382
Total Net Investment in Capital Assets	$74,382

In fiscal year 2023, net position transferred from restricted to unrestricted was a net amount of $19,179,000. The amount represents transfer of mortgage loans originated with corporate reserves into the Open Resolution as a result of securitizations, net of transfers of excess in the Open Resolution, as well as transfer of amounts exceeding REMIC reserve requirement.

Note 21: Subsequent Events

Subsequent to October 31, 2023, bonds issued in the course of the Corporation's normal business activities were $425,935,000.

There is great uncertainty regarding the economy and where it is headed in the coming year due to persistently high inflation and high interest rates. In light of the current economic environment, the Corporation has heightened its vigilance and is also actively monitoring the portfolio for signs of potential problems from borrowers and is prepared to provide prompt assistance as needed. Although no one can predict the effect this economic crisis will have on the local or global economy, there is still an expectation of continued solid financial performance for the Corporation.

New York City Housing Development Corporation
Required Supplementary Information
October 31, 2023

Schedule 1a:

Schedule of Changes in the Net OPEB Liability and Related Ratios
($ in thousands)

	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	$ 1,434	$ 1,572	$ 1,401	$ 1,308	$ 1,500
Interest	489	421	689	657	803
Changes of benefit terms	793	-	-	-	-
Difference between expected and actual experience	(1,753)	(116)	(1,689)	(255)	(1,285)
Changes of assumptions	(6,101)	(846)	513	165	(7,568)
Benefit payments	(202)	(214)	(97)	(140)	(102)
Net change in total OPEB liability	(5,340)	817	817	1,735	(6,652)
Total OPEB liability - beginning	18,941	18,124	17,307	15,572	22,224
Total OPEB liability - ending (a)	$ 13,601	$ 18,941	$ 18,124	$ 17,307	$ 15,572
Plan fiduciary net position					
Contribution - employer	-	5,000	-	-	-
Net investment income	(1,530)	1	251	471	122
Benefit payment	(202)	(214)	(97)	(140)	(102)
Administrative expense	(4)	(4)	(4)	(4)	(4)
Net change in plan fiduciary net position	(1,736)	4,783	150	327	16
Plan fiduciary net position - beginning	13,678	8,895	8,745	8,418	8,402
Plan fiduciary net position - ending (b)	$ 11,942	$ 13,678	$ 8,895	$ 8,745	$ 8,418
Net OPEB liability - ending (a) - (b)	$ 1,659	$ 5,263	$ 9,229	$ 8,562	$ 7,154
Plan fiduciary net position as a percentage of the total OPEB liability	87.80%	72.21%	49.08%	50.53%	54.06%
Covered payroll	$22,618	$21,152	$19,711	$18,572	$17,487
Net OPEB liability as a percentage of covered payroll	7.33%	24.88%	46.82%	46.10%	40.91%

	2018	2017
Total OPEB liability		
Service cost	$ 1,389	$ 1,346
Interest	759	683
Changes of benefit terms	-	-
Difference between expected and actual experience	(154)	-
Changes of assumptions	(716)	1,007
Benefit payments	(107)	(95)
Net change in total OPEB liability	1,171	2,941
Total OPEB liability - beginning	21,053	18,112
Total OPEB liability - ending (a)	$ 22,224	$ 21,053
Plan fiduciary net position		
Contribution - employer	-	-
Net investment income	131	113
Benefit payment	(107)	(95)
Administrative expense	(4)	-
Net change in plan fiduciary net position	20	18
Plan fiduciary net position - beginning	8,382	8,364
Plan fiduciary net position - ending (b)	$ 8,402	$ 8,382
Net OPEB liability - ending (a) - (b)	$ 13,822	$ 12,671
Plan fiduciary net position as a percentage of the total OPEB liability	37.81%	39.81%
Covered payroll	$16,535	$15,517
Net OPEB liability as a percentage of covered payroll	83.59%	81.66%

Notes to Schedule:

Changes of assumptions:

In fiscal year 2023, the projection of cash flows used to determine the discount assumed that HDC will continue to make payments for future benefits payments based on currently available assets and investment returns and will not make any additional contributions to the Trust.

In fiscal year 2023, the termination, disability, and retirement rates were updated to be consistent with those in the 2023 NYCERS Assumptions and Methods Report.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule 1b:

Schedule of the Corporation's OPEB Contributions ($ in thousands)

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ 1,806	$ 2,006	$ 1,919	$ 1,560	$ 1,555
Contributions in relation to the actuarially determined contribution (funded from trust assets)	1,806	2,006	1,919	1,560	1,555
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
HDC covered payroll	$22,618	$ 21,152	$ 19,711	$ 18,572	$ 17,487
Contributions as a percentage of covered payroll	8%	9%	10%	8%	9%

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 1,607	$ 1,617	$ 2,132	$ 1,723	$ 1,657
Contributions in relation to the actuarially determined contribution	1,607	1,617	2,132	1,723	1,657
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
HDC covered employee payroll	$ 16,535	$ 15,517	$ 16,165	$ 14,967	$ 14,595
Contributions as a percentage of covered payroll	10%	10%	13%	12%	11%

Notes to Schedule:

Changes in benefit terms: None

Changes in assumptions: Yes

In 2022 the healthcare cost trend rates changed to "6.1% grading down to a rate of 4.5%" from previous year of "6.5% grading down to a rate of 4.5%".

In the 2022 actuarial valuation, assumed life expectancies were adjusted based on the actual experience of the NYCERS population and the application of the MP-2020 mortality improvement scale.

Valuation date:
Actuarially determined contributions rates are calculated as of October 31, one year prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll closed
Amortization period	30 years
Asset valuation method	5-year amortization market
Inflation	2.5 percent
Salary increases	3%, average, including inflation
Investment rate of return	2%, net of OPEB plan investment expense
Retirement age	In the 2022 actuarial valuation, expected retirement ages of general employees were updated to be consistent with those in the 2023 NYCERS Assumptions and Methods Report.

New York City Housing Development Corporation
Required Supplementary Information
October 31, 2023

Schedule 1c:

Schedule of the Corporation's OPEB Investment Return ($ in thousands)

B1B

	2023	2022	2021	2020	2019
Annual money-weighted rate of return, net of investment expense	2.72%	2.08%	2.19%	2.19%	2.19%

	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	2.32%	1.17%	1.71%

This schedule is presented to illustrate the requirement to show information for 10 years.
However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

New York City Housing Development Corporation
Required Supplementary Information

October 31, 2023

Schedule 2a:

The following schedule 2a is being presented to provide information on the Corporation's proportionate share of the Net Pension Liability.

Schedule of the Corporation's Proportionate Share of the Net Pension Liability

	2023	2022	2021	2020	2019
HDC's proportion of the net pension liability	0.066%	0.067%	0.060%	0.057%	0.054%
HDC's proportionate share of the net pension liability	$ 11,808,751	$ 12,203,762	$ 3,840,210	$ 11,921,719	$ 10,048,926
HDC's covered payroll	12,798,635	8,842,746	9,879,152	9,582,832	9,696,963
HDC's proportionate share of the net pension liability as a percentage of its covered payroll	92%	138%	39%	124%	104%
Plan fiduciary net position as a percentage of the total pension liability	82.22%	81.28%	93.14%	76.93%	78.84%

	2018	2017	2016	2015	2014
HDC's proportion of the net pension liability	0.051%	0.053%	0.053%	0.053%	0.054%
HDC's proportionate share of the net pension liability	$ 9,325,396	$ 10,991,263	$ 12,877,315	$ 10,907,802	$ 9,730,403
HDC's covered payroll	9,283,052	10,244,624	10,045,598	10,158,437	9,938,413
HDC's proportionate share of the net pension liability as a percentage of its covered payroll	100%	107%	128%	107%	98%
Plan fiduciary net position as a percentage of the total pension liability	78.87%	74.84%	69.67%	73.16%	75.32%

Notes to Schedule

Changes in benefit terms: None

Changes in assumptions: Yes

The current fiscal year post-retirement mortality tables used were adopted by the Board of Trustees during fiscal year 2020.

Schedule 2b:

The following schedule 2b is being presented to provide information on the Corporation's Pension Contributions

Schedule of the Corporation's Pension Contributions ($ in thousands)

	2023	2022	2021	2020	2019
Contractually required contribution	$ 2,288	$ 2,583	$ 2,253	$ 2,108	$ 2,003
Contributions in relation to the contractually required contribution	2,288	2,583	2,253	2,108	2,003
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
HDC covered payroll	$ 12,799	$ 8,843	$ 9,879	$ 9,583	$ 9,697
Contributions as a percentage of covered payroll	18%	29%	23%	22%	21%

	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,724	$ 1,779	$ 1,784	$ 1,675	$ 1,682
Contributions in relation to the contractually required contribution	1,724	1,779	1,784	1,675	1,682
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
HDC covered payroll	$ 9,283	$ 10,245	$ 10,046	$ 10,158	$ 9,938
Contributions as a percentage of covered payroll	19%	17%	18%	16%	17%

Schedule 3:
The following schedule is being presented to provide detail information on a program basis for the owners of the Housing Revenue Bond program's obligations

Housing Revenue Bond Program
Schedule of Net Position
October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents	$ 515,275	$ 650,316
Investments	30,891	27,638
Receivables:		
Mortgage loans	382,205	599,931
Accrued interest	66,905	53,317
Other	5,545	392
Total Receivables	454,655	653,640
Other assets	-	140
Total Current Assets	**1,000,821**	**1,331,734**
Noncurrent Assets:		
Restricted cash and cash equivalents	820,265	493,904
Restricted investments	987,307	1,278,706
Purpose investments (note 2)	16,605	17,087
Restricted receivables:		
Mortgage loans	12,300,176	10,795,512
Loan participation receivable - The City of NY	436,547	455,271
Accrued interest	77,056	59,247
Total Restricted Receivables	12,813,779	11,310,030
Primary government/component unit receivable (payable)	30,896	24,545
Deferred inflows related to interest rate swaps fair value (note 9)	295,661	176,467
Total Noncurrent Assets	**14,964,513**	**13,300,739**
Total Assets	**15,965,334**	**14,632,473**
Deferred Outflows of Resources		
Interest rate cap (note 10)	2,565	2,510
Total Deferred Outflows of Resources	**$ 2,565**	**$ 2,510**

Schedule 3 (cont'd):

Housing Revenue Bond Program
Schedule of Net Position
October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Liabilities		
Current Liabilities:		
Bonds payable (net)	$ 216,970	$ 314,380
Accrued interest payable	157,267	135,255
Restricted earnings on investments	3	50
Accounts and other payables	118,473	172,794
Total Current Liabilities	**492,713**	**622,479**
Noncurrent Liabilities:		
Bonds payable (net)	11,254,274	10,170,776
Payable to The City of New York:		
Loan participation agreements	436,547	455,271
Payable to mortgagors	1,639	1,831
Unearned revenues and other liabilities	564,204	591,790
Due to the United States Government (note 16)	4,848	734
Total Noncurrent Liabilities	**12,261,512**	**11,220,402**
Total Liabilities	**12,754,225**	**11,842,881**
Deferred Inflows of Resources		
Interest rate swaps fair value	295,661	176,467
Total Deferred Inflows of Resources	**295,661**	**176,467**
Net Position		
Restricted for bond obligations	2,918,013	2,615,635
Total Net Position	**$ 2,918,013**	**$ 2,615,635**

Schedule 3 (cont'd):

Housing Revenue Bond Program
Schedule of Revenues, Expenses and Changes in Net Position
Fiscal Years ended October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Operating Revenues		
Interest on loans	$ 460,643	$ 397,109
Fees and charges	37,975	32,534
Residual interest income	18,306	30,937
Income on loan participation interests	5,101	6,348
Other	808	337
Total Operating Revenues	**522,833**	**467,265**
Operating Expenses		
Interest and amortization of bond premium and discount	336,608	277,375
Trustees' and other fees	1,783	1,617
Bond issuance costs	9,183	9,512
Total Operating Expenses	**347,574**	**288,504**
Operating Income	**175,259**	**178,761**
Non-operating Revenues (Expenses)		
Earnings on investments	73,749	34,149
Unrealized gains (losses) on investments	23,806	(165,175)
Other non-operating revenues (expenses), net	(141)	(129)
Total Non-operating Revenues (Expenses)	**97,414**	**(131,155)**
Income before Operating transfers to Corporate Services Fund	**272,673**	**47,606**
Operating transfers to Corporate Services Fund	(14,195)	(18,135)
Net Income	**258,478**	**29,471**
Capital transfers	43,900	164,517
Changes in Net Position	**302,378**	**193,988**
Total net position - beginning of year	2,615,635	2,421,647
Total Net Position - End of Year	**$ 2,918,013**	**$ 2,615,635**

Schedule 4:
The following schedule is being presented to provide detail information on a program basis for the owners of the Multi-Family Secured Mortgage Revenue Bonds

Multi-Family Secured Mortgage Revenue Bond Program
Schedule of Net Position
October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents	$ 6,147	$ 2,331
Investments	333	333
Receivables:		
Mortgage loans	2,441	2,624
Accrued interest	274	311
Total Receivables	2,715	2,935
Total Current Assets	**9,195**	**5,599**
Noncurrent Assets:		
Restricted investments	1,292	1,292
Restricted receivables:		
Mortgage loans	66,068	68,590
Total Restricted Receivables	66,068	68,590
Total Noncurrent Assets	**67,360**	**69,882**
Total Assets	**$ 76,555**	**$ 75,481**

Schedule 4 (cont'd):

Multi-Family Secured Mortgage Revenue Bond Program
Schedule of Net Position
October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Liabilities		
Current Liabilities:		
Bonds payable (net)	$ 2,015	$ 1,945
Accrued interest payable	100	113
Total Current Liabilities	**2,115**	**2,058**
Noncurrent Liabilities:		
Bonds payable (net)	10,570	12,585
Total Noncurrent Liabilities	**10,570**	**12,585**
Total Liabilities	**12,685**	**14,643**
Net Position		
Restricted for bond obligations	63,870	60,838
Total Net Position	**$ 63,870**	**$ 60,838**

Schedule 4 (cont'd):

Multi-Family Secured Mortgage Revenue Bond Program
Schedule of Revenues, Expenses and Changes in Net Position
Fiscal Years ended October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Operating Revenues		
Interest on loans	$ 3,233	$ 3,497
Total Operating Revenues	**3,233**	**3,497**
Operating Expenses		
Interest and amortization of bond premium and discount	426	591
Total Operating Expenses	**426**	**591**
Operating Income	**2,807**	**2,906**
Non-operating Revenues (Expenses)		
Earnings on investments	225	56
Total Non-operating Revenues	**225**	**56**
Net Income	**3,032**	**2,962**
Capital transfers	-	-
Changes in Net Position	**3,032**	**2,962**
Total net position - beginning of year	60,838	57,876
Total Net Position - End of Year	**$ 63,870**	**$ 60,838**

Schedule 5:
The following schedule is being presented to provide detail information on a program basis for the owners of the Housing Impact Bond

Housing Impact Bond Program
Schedule of Net Position
October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents	$ 27,638	$ 16,809
Receivables:		
Mortgage loans	5,919	3,485
Accrued interest	1,880	1,890
Total Receivables	7,799	5,375
Total Current Assets	**35,437**	**22,184**
Noncurrent Assets:		
Restricted cash and cash equivalents	1,704	35,155
Restricted investments	273,533	129,140
Restricted receivables:		
Mortgage loans	1,076,979	762,593
Total Restricted Receivables	1,076,979	762,593
Primary government/component unit receivable (payable)	1,574	170
Total Noncurrent Assets	**1,353,790**	**927,058**
Total Assets	**$ 1,389,227**	**$ 949,242**

Schedule 5 (cont'd):

Housing Impact Bond Program
Schedule of Net Position
October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Liabilities		
Current Liabilities:		
Bonds payable (net)	$ 5,110	$ 3,365
Accrued interest payable	10,554	5,255
Total Current Liabilities	**15,664**	**8,620**
Noncurrent Liabilities:		
Bonds payable (net)	1,078,790	763,595
Payable to mortgagors	276,668	164,173
Unearned revenues and other liabilities	1,576	172
Total Noncurrent Liabilities	**1,357,034**	**927,940**
Total Liabilities	**1,372,698**	**936,560**
Net Position		
Net Position:		
Restricted for bond obligations	16,529	12,682
Total Net Position	**$ 16,529**	**$ 12,682**

Schedule 5 (cont'd):

Housing Impact Bond Program
Schedule of Revenues, Expenses and Changes in Net Position
Fiscal Years ended October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Operating Revenues		
Interest on loans	$ 31,877	$ 25,125
Fees and charges	2,599	1,520
Total Operating Revenues	**34,476**	**26,645**
Operating Expenses		
Interest and amortization of bond premium and discount	26,303	20,090
Bond issuance costs	2,600	1,135
Total Operating Expenses	**28,903**	**21,225**
Operating Income	**5,573**	**5,420**
Non-operating Revenues (Expenses)		
Earnings on investments	4,965	136
Unrealized gains on investments	4,788	-
Total Non-operating Revenues (Expenses)	**9,753**	**136**
Income before Operating transfers to Corporate Services Fund	**15,326**	**5,556**
Operating transfers to Corporate Services Fund	-	(782)
Net Income	**15,326**	**4,774**
Capital transfers	(11,479)	691
Changes in Net Position	**3,847**	**5,465**
Total net position - beginning of year	12,682	7,217
Total Net Position - End of Year	**$ 16,529**	**$ 12,682**

Schedule 6:
The following schedule is being presented to provide detail information on a program basis for the owners of Conduit Debt

Conduit Debt Program
Schedule of Net Position
October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents	$ 77,489	$ 68,458
Investments	83,435	96,592
Receivables:		
Mortgage loans	5,642	8,624
Accrued interest	12,166	11,318
Notes Receivable	46,825	45,610
Total Receivables	64,633	65,552
Total Current Assets	**225,557**	**230,602**
Noncurrent Assets:		
Restricted cash and cash equivalents	4,640	4,730
Restricted investments	29,310	29,310
Restricted receivables:		
Mortgage loans	2,657,027	2,777,554
Notes	347,775	394,600
Total Restricted Receivables	3,004,802	3,172,154
Primary government/component unit receivable	378	383
Total Noncurrent Assets	**3,039,130**	**3,206,577**
Total Assets	**3,264,687**	**3,437,179**
Deferred Outflows of Resources		
Deferred loss on early retirement of debt (note 10)	3,405	3,935
Total Deferred Outflows of Resources	**$ 3,405**	**$ 3,935**

Schedule 6 (cont'd):

Conduit Debt Program
Schedule of Net Position
October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Liabilities		
Current Liabilities:		
Bonds payable (net)(note 11)	$ 56,680	$ 54,280
Accrued interest payable	16,200	15,459
Restricted earnings on investments	26,824	22,737
Total Current Liabilities	**99,704**	**92,476**
Noncurrent Liabilities:		
Bonds payable (net)(note 11)	3,002,223	3,173,687
Payable to mortgagors	147,347	156,129
Unearned revenues and other liabilities	18,818	18,822
Total Noncurrent Liabilities	**3,168,388**	**3,348,638**
Total Liabilities	**3,268,092**	**3,441,114**
Net Position		
Restricted for bond obligations	-	-
Total Net Position	**$ -**	**$ -**

Schedule 6 (cont'd):

Conduit Debt Program
Schedule of Revenues, Expenses and Changes in Net Position
Fiscal Years Ended October 31, 2023 and 2022 ($ in thousands)

	2023	2022
Operating Revenues		
Interest on loans	$ 110,903	$ 76,556
Fees and charges	5	2,122
Other	529	750
Total Operating Revenues	**111,437**	**79,428**
Operating Expenses		
Interest and amortization of bond premium and discount	110,913	76,566
Bond issuance costs	534	2,871
Total Operating Expenses	**111,447**	**79,437**
Operating Income	**(10)**	**(9)**
Non-operating Revenues (Expenses)		
Earnings on investments	10	18
Total Non-operating Revenues	**10**	**18**
Income before Operating transfers to Corporate Services Fund	**-**	**9**
Operating transfers to Corporate Services Fund	-	(8)
Net Income	**-**	**1**
Capital transfers	-	(1)
Changes in Net Position	**-**	**-**
Total net position - beginning of year	-	-
Total Net Position - End of Year	**$ -**	**$ -**