NYC HDC

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

TO: Members of the Audit Committee

FROM: Ellen Duffy

SUBJECT: Monthly Debt Report for June 30, 2013

DATE: AUGUST 8, 2013

Attached please find HDC's debt report for the month of June 2013.

The Corporation issued eight series of Open Resolution bond issues totaling $369.05 million and 2 series of stand-alone bonds totaling 75.52 million in June 2013.

Redemptions in May and June totaled $40.0 million from 4 series of Open Resolution bonds, including some series of NIBP bonds and $105.29 million from 2 series of stand-alone bonds.

HDC's debt outstanding as of June 30, 2013 is approximately $9.0 billion. The Corporation's statutory debt capacity was increased from $10.25 billion to $11.25 billion.

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HDC Debt -- Monthly Report of June 30, 2013

Total HDC Debt

Outstanding Principal	Open Resolution Amount	Open Resolution Percent	New Issue Bond Program Amount	New Issue Bond Program Percent	Stand-Alone Bonds Amount	Stand-Alone Bonds Percent	MF Secured Resolution Amount	MF Secured Resolution Percent	Total HDC Bonds Amount	Total HDC Bonds Percent
Fixed Rate	3,161,825,000	77.0%	375,080,000	100%	453,700,000	10%	62,835,000	100%	4,053,440,000.00	45%
Var-Term	143,545,000	3.5%	-	0%	-	0%	-	0%	143,545,000.00	2%
Var-Index (1)	729,690,000	17.8%	-	0%	169,444,397	4%	-	0%	899,134,397.00	10%
VRDO	69,875,000	1.7%	-	0%	3,869,645,000	86%	-	0%	3,939,520,000.00	44%
Total	4,104,935,000	100%	375,080,000	100%	4,492,789,397	100%	62,835,000	100%	9,035,639,397.00	100%
Statutory Limit									11,250,000,000.00	
Remaining Capacity									2,214,360,603.00	19.68%

Open Resolution Variable Rate Exposure

Series	Bond Total	Mortgage Loan Balance		Bond Maturity	Rate Reset Period/ Index	Bond Tax Status	Average Bond Rate	Weighted Avg. Loan Rate	Weighted Avg. Spread
Var-Index									
2002 C	43,725,000	63,392,003		2034	Quarterly/ 3 M FHLB Swap Rate + 30 bps	Taxable	0.40%	7.71%	10.7811%
2008 E	94,740,000	83,473,155		2037	Quarterly/ 3 M FHLB Swap Rate + 30 bps	Taxable	0.40%	3.58%	2.7541%
2008 F	77,020,000	68,226,652	(2)	2041	Quarterly/ 3 M FHLB Swap Rate + 30 bps	Taxable	0.40%	5.84%	4.7764%
2008 J	34,180,000	43,773,866		2043	Quarterly/ 3 M LIBOR + 61 bps	Taxable	1.07%	6.39%	7.1073%
2008 K	96,590,000	164,940,210		2043	Quarterly/ 3 M LIBOR + 61 bps	Taxable	0.97%	3.52%	5.0335%
2009 I-2	25,000,000	89,129,824	(3)	2039	Quarterly/ 3 M LIBOR + 48 bps	Taxable	0.75%	1.00%	2.8111%
2010 H	66,895,000	87,109,099		2040	Quarterly/ 3 M LIBOR + 54 bps	Taxable	0.81%	4.41%	4.9297%
2011 F-2	56,460,000	66,855,823		2040	Quarterly/ 3 M LIBOR + 48 bps	Taxable	0.75%	6.01%	6.3594%
2011 F-3	12,540,000	40,141,190		2040	Quarterly/ 3 M LIBOR + 48 bps	Taxable	0.75%	3.61%	10.7934%
2013 D-2	55,000,000	174,402,084		2038	Quarterly/ 3 M LIBOR + 65 bps	Taxable	0.92%	1.38%	0.4529%
Total	562,150,000	881,443,905							
Var-Index/VRDO Pass-Through									
2012 A	67,540,000	67,540,000	(4)	2014	Weekly/ 7 D SIFMA + 110 bps	Tax-Exempt	1.18%	1.18%	0.0000%
2006 J-1	100,000,000	100,000,000	(4)	2046	Monthly/(LIBOR + 120bps)75%	Tax-Exempt	1.05%	1.05%	0.0000%
2012 K-2	20,765,000	20,765,000	(4)	2016	VRDO (Wells Fargo Liquidity)	Tax-Exempt	0.10%	0.10%	0.0000%
2013 B-2	7,500,000	7,500,000	(4)		VRDO (TD Bank Liquidity)	Tax-Exempt	0.03%	0.03%	0.0000%
2013 B-3	24,000,000	24,000,000	(4)		VRDO (JP MORGAN Liquidity)	Tax-Exempt	0.03%	0.03%	0.0000%
2013 B-4	17,610,000	17,610,000	(4)		VRDO (Wells Fargo Liquidity)	Tax-Exempt	0.03%	0.03%	0.0000%
Total	237,415,000	237,415,000							

Open Resolution Interest Rate CAPs

Outstanding Notional Amount With Goldman Sachs	(5)	225,444,345
Strike Rate		7.35%
Maturity Date		11/1/2032
HDC Short-Term Assets	(6)	229,581,355
Hedge Ratio: Short-Term Assets/Variable Debt		40.84%

2013 Volume Cap	
2012 M (New Vol Cap portion)	44,100,000
Allocation for	45,000,000
NYC Allocation	180,000,000
NYS Allocation --HPS Tranche II	100,000,000
NYS Allocation -- June ask	90,000,000
Used up to 06/30	(425,870,000)
Balance Available 06/30/13	33,230,000

Open Reso Bonds*

*Chart includes NIBP

Rates of the Index Floating Bonds:		
3 M FHLB Swap Rate	current (7/15/2013)	0.0910%
3 M LIBOR -	current (7/15/2013)	0.2676%
1 M LIBOR -	current (7/15/2013)	0.1919%
7 D SIFMA -	current (7/11/2013)	1.1500%

Debt Issuance / Key Events	
Debt Issuance in Jun:	**444,564,396.00**
2013 B-1-A	131,880,000.00
2013 B-1-B	74,700,000.00
2013 B-1-C	1,125,000.00
2013 B-2	7,500,000.00
2013 B-3	24,000,000.00
2013 B-4	17,610,000.00
2013 C	57,230,000.00
2013 D-2	55,000,000.00
2013 B 50th Ave	74,710,000.00
2013 C Borden Ave*	809,396.00
**Draw Down: Allocated VC = $37,290,000*	
Redemptions in Jun:	**117,420,000.00**
1997 A REL MONTEREY	104,600,000.00
2009 2-4-A	4,820,000.00
2010 B NYCHA	8,000,000.00

Notes
(1) Includes 2006 J-1 in an amount of $100,000,000 which has been walled off from the Open Resolution.
(2) One loan (Dayton Tower) is still advancing; loan prepayment recently received
(3) The mortgages are collateral for both I-1 (50,000,000 outstanding)(fixed) and I-2 (variable)
(4) The bond is structured as a pass-thru deal and the borrower is responsible for the bond interest, which is fully capitalized.
(5) Interest rate caps are not legally tied to the associated bond series, therefore provides a hedge to the full Open Resolution variable rate portfolio
(6) Includes only those assets for which HDC keeps the earnings

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NYC HDC

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

TO: Members of the Audit Committee

FROM: Ellen Duffy

SUBJECT: Weekly Investment Report for July 29, 2013

DATE: AUGUST 8, 2013

Attached please find HDC's investment report for July 29, 2013. Funds under management totaled approximately $2.7 billion. This amount is somewhat higher than previous balances due to the amount of bonds the Corporation issued in June. This report reflects routine investment activity.

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Weekly Investment Report
Monday, July 29, 2013

	7/29/2013	7/16/2013	Weekly Change	10/31/2012	Change 10/31/2012 to Current
Total Investments	2,699,222,499	2,739,034,728	(39,812,229)	2,627,870,239	71,352,260
Investments by Pool:					
Open Resolution Revenue	129,233,552	120,454,787	8,778,766	224,587,914	(95,354,362)
Project-Related GNMAs	149,918,024	150,310,669	(392,645)	153,388,466	(3,470,442)
Open Resolution DSR	96,170,425	96,170,425	-	90,719,628	5,450,797
Open Resolution Capitalized Interest	2,302,954	2,356,324	(53,369)	1,898,351	404,603
Open Resolution Bond Proceeds	790,824,587	806,674,479	(15,849,892)	788,228,856	2,595,731
Open Resolution Redemption	2,265	2,265	-	44,702,420	(44,700,155)
Open Resolution Prepayment	116,962,188	146,240,188	(29,278,000)	51,794,494	65,167,693
Debt Paydown Reserve Fund	6,535,065	2,087,807	4,447,258	16,808,078	(10,273,014)
Non Bonded Proceeds	105,104	105,104	-	493,222	(388,118)
Mitchell-Lama Prepayment	-	-	-	5,162,806	(5,162,806)
NYCHA (Stand Alone, All Funds)	31,182,500	31,182,500	-	31,164,000	18,500
Bond Proceeds, Non-OR	130,432,561	133,214,861	(2,782,300)	75,802,937	54,629,624
HPD Participating Loan (Schermerhorn)	4,678,690	4,889,739	(211,049)	7,058,080	(2,379,389)
Bond Revenue Funds, Non-OR	201,203,508	200,765,558	437,950	116,248,953	84,954,555
Subtotal, Bond-Related	**1,659,551,424**	**1,694,454,706**	**(34,903,281)**	**1,608,058,207**	**51,493,218**
HPD Funds	208,132,649	208,942,156	(809,507)	198,702,442	9,430,207
Escrows (HDC retains earnings)	29,015,570	36,497,738	(7,482,168)	30,223,267	(1,207,697)
Reserves for Replacement, Escrows	205,390,882	221,271,793	(15,880,911)	219,989,414	(14,598,532)
Subtotal, Loan Servicing	**442,539,102**	**466,711,687**	**(24,172,585)**	**448,915,124**	**(6,376,022)**
Housing Assistance Corp.	10,804,000	10,804,000	-	13,330,500	(2,526,500)
REMIC	92,762,630	92,610,130	152,500	80,526,638	12,235,992
Mitchell-Lama Claim Payment Fund	1,475,000	1,475,000	-	-	1,475,000
Construction Loan Mortgagor Equity	5,245,767	5,603,184	(357,417)	3,644,506	1,601,261
Corporate Services – 421a Funds	63,030,420	63,660,647	(630,227)	22,353,293	40,677,126
Corporate Services – Committed to HDC Loans	34,558,285	35,549,785	(991,500)	45,205,542	(10,647,257)
Corporate Services – Committed to HDC Open Res	9,848,601	11,940,322	(2,091,722)	16,638,592	(6,789,992)
Corporate Services – Citi Loan Participation	47,733,603	47,733,603	-	32,651,505	15,082,098
Corporate Services – General/Operating***	178,064,820	164,337,074	13,727,746	248,518,421	(70,453,601)
Corporate Services – Revolving/Warehousing	171,702	171,702	-	-	171,702
Corporate Services – Future Mitchell Lama Grants	13,960,455	13,960,455	-	-	13,960,455
Corporate Services – Mitchell Lama Repair Fund	1,512	1,512	-	1,503	8
Corporate Services – HPD 2004 M.O.U.	13,803	13,803	-	13,726	77
Corporate Services – HUD Multi-Family Loan Fund	5,107,520	5,107,520	-	5,278,397	(170,877)
Corporate Services – HPD 15 Year Reserves	4,134,288	2,371,588	1,762,700	2,912,327	1,221,960
Corporate Services – OPEB	7,880,000	7,880,000	-	3,890,000	3,990,000
Corporate Services – NYCEEC	2,527,760	2,527,760	-	2,501,000	26,760
Corporate Services – Designated and Restricted / Rating and Reserves **	119,811,807	112,120,250	7,691,558	93,430,955	26,380,852
Subtotal, HDC Non-Bond Programs	**597,131,973**	**577,868,335**	**19,263,638**	**570,896,908**	**26,235,065**
Total, All Pools	**2,699,222,499**	**2,739,034,728**	**(39,812,228)**	**2,627,870,239**	**71,352,260**

* This amount represents the 2nd mortgage payoffs from the Mitchell Lama closing held by HDC prior to transfer to REMIC trustee
** 80,000,000 Rating Agency Reserve
** 1,560,750 2006 A DSR
** 15M HDC Risk Sharing Reserves Co-oP City(139)
** 22,750,575 HDC HDC Financial Guaranty Reserves NYCHA Tax credit (140)
*** 3M Self Insurance Reserve for Errors and Ommissions
*** 19M Six Month Operating Reserve

Weekly Investment Report
Monday, July 29, 2013

	7/29/2013	07/29/2013 Percentage of Type of Securities Held	7/16/2013	Weekly Change	10/31/2012	Change 10/31/2012 to Current
Total Investments	**2,699,222,499**		**2,739,034,728**	**(39,812,229)**	**2,627,870,239**	**71,352,260**
Investments by Security:						
Repurchase Agreements	172,145,000	6.38%	170,559,000	1,586,000	194,940,000	(22,795,000)
Guaranteed Investment Contracts	262,770,666	9.74%	265,396,485	(2,625,818)	217,842,794	44,927,872
Demand Deposit (Interest Bearing)	923,437,100	34.21%	1,043,697,866	(120,260,766)	1,046,782,979	(123,345,879)
Certificate of Deposit	68,000,000	2.52%	68,000,000	-	68,000,000	-
Agencies	810,186,667	30.02%	725,271,667	84,915,000	525,012,000	285,174,667
Project-Related GNMA	149,918,024	5.55%	150,310,669	(392,645)	153,388,466	(3,470,442)
Municipal Bonds	67,475,000	2.50%	67,475,000	-	77,035,000	(9,560,000)
Treasuries	245,290,042	9.09%	248,324,042	(3,034,000)	344,869,000	(99,578,958)
Total	**2,699,222,499**	**100.00%**	**2,739,034,728**	**(39,812,229)**	**2,627,870,239**	**71,352,260**

Diversification Details:		**Amount Outstanding**
Repurchase Agreements:		
Chase Securities, Inc.		-
Citigroup		-
Daiwa Securities		132,909,000
Banc Of America Securities		-
Mizuho Securities Usa, Inc.		39,236,000
	Total	**172,145,000**
Commercial Paper		
	Total	-

GIC Uncollaterized %	72.85%
GIC Collateralized %	27.15%

Guaranteed Investment Contracts		**Uncollateralized**	**%**	**Collateralized**	**%**	**Total**
Bank Of America		-	0.00%	6,130,000	8.59%	6,130,000
Bayerische Landesbank		10,742,734	5.61%	-	-	10,742,734
Credit Agricole CIB NEW YORK \Calyon		173,467,152	90.62%	-	-	173,467,152
Deutsche Bank Ag New York -GIC PROVIDER		-	0.00%	64,020,741	89.74%	64,020,741
Rabobank International		4,221,085	2.21%	-	-	4,221,085
RBC Capital Markets Corporation		2,542,419	1.33%	-	-	2,542,419
Societe Generale Gic		456,534	0.24%	-	-	456,534
Westdeutsche Landesbank		-	0.00%	1,190,000	1.67%	1,190,000
	Total	**191,429,925**	**100.00%**	**71,340,741**	**100.00%**	**262,770,666**

Demand Deposit (Interest Bearing)				
H.S.B.C		101,064,911	10.94%	3.744%
Flushing Commercial Bank		57,225,014	6.20%	2.120%
JP MORGAN CHASE BANK		110,020,700	11.91%	4.076%
NYC Community Bank		264,314,832	28.62%	9.792%
Signature		390,811,643	42.32%	14.479%
	Total	**923,437,100**	**100.00%**	**34.211%**

Note : Does not include DDA accounts that reconcile to zero.

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

To: Members of the Audit Committee

From: Mary Hom

Date: August 2, 2013

Re: Counterparty Credit Risk Exposure

I have attached a report detailing the Corporation's counterparty exposure as of July 18, 2013.

Please let me know if you have any questions.

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NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

Counterparty Credit Risk Exposure Report as of July 18, 2013

(UNAUDITED)

Counterparty	Moody's	S&P	Construction LOC	Permanent Enhancement	Investment	Liquidity Providers	TOTAL COUNTERPARTY EXPOSURE	% Total Counterparty Exposure
Assured Guaranty	A2	AA-	$67,800,000				$67,800,000	0.64%
Bank of America	A3	A	$70,020,000	$26,455,000	$6,130,000		$102,605,000	0.97%
Bank of New York	Aa1	AA-	$75,310,000				$75,310,000	0.71%
Bayerische Landesbank	Aaa	NR			$10,667,040		$10,667,040	0.10%
CALYON/Credit Agricole Corporate & Investment Bank	A2	A			$175,005,043		$175,005,043	1.65%
Citibank	A3	A	$841,815,000	$304,678,597			$1,146,493,597	*10.82%*
Daiwa Securities	Baa2	BBB+			$115,911,000		$115,911,000	1.09%
Deutsche Bank	A2	A+			$64,020,741		$64,020,741	0.60%
Dexia (**See below)	Baa2	BBB					$0	0.00%
Flushing Bank	NR	NR			$57,485,144		$57,485,144	0.54%
Goldman Sachs Bank	A2	A	$124,140,000				$124,140,000	1.17%
Helaba (guaranteed)	Aa1	AA-		$139,900,000			$139,900,000	1.32%
Helaba (unguaranteed)	A2	A	$210,000,000				$210,000,000	1.98%
HSBC	Aa3	AA-			$90,046,464		$90,046,464	0.85%
JPMorgan Chase Bank	Aa3	A+	$513,585,000	$16,610,000	$234,959,918	$24,000,000	$789,154,918	7.45%
Landesbank Baden-Wuerttemberg	A3	NR		$70,000,000			$70,000,000	0.66%
M&T Bank	A2	A	$13,145,000				$13,145,000	0.12%
Mizuho Securities/Mizuho Corporate Bank	A2/A1	A/A+		$7,570,000	$28,360,000		$35,930,000	0.34%
Natl Public Finance Guarantee Corp	Baa1	A		$213,990,000			$213,990,000	2.02%
NYC GO (Dexia) (**See below)	Baa2	BBB			$28,060,000		$28,060,000	0.26%
NYC GO (unenhanced)	Aa2	AA			$35,470,000		$35,470,000	0.33%
NYC Transitional Finance Authority	Aa1	AAA			$1,800,000		$1,800,000	0.02%
NY Community Bank	A3	BBB			$290,214,725		$290,214,725	2.74%
NYS Urban Development	NR	AAA			$1,145,000		$1,145,000	0.01%
Portigon AG (formerly WestLB)	Aa1	AA-			$1,190,000		$1,190,000	0.01%
Rabobank	Aa2	AA-			$4,221,085		$4,221,085	0.04%
RBS Citizens N.A.	A3	A	$704,865,000				$704,865,000	6.65%
REMIC	NR	AA		$187,560,299			$187,560,299	1.77%
Royal Bank of Canada (RBC)	Aa3	AA-			$1,689,022		$1,689,022	0.02%
Signature Bank	NR	NR			$429,266,962		$429,266,962	4.05%
Societe Generale	A2	A			$456,534		$456,534	0.00%
SONYMA	Aa1	NR		$389,452,838	$1,000,000		$390,452,838	3.69%
SunTrust Bank	A3	BBB+		$100,000,000			$100,000,000	0.94%
TD Bank NA	Aa3	AA-	$7,500,000			$7,500,000	$15,000,000	0.14%
US Agency:	*Aaa*	*AA+*	*$297,750,000*	*$3,089,821,787*	*$883,242,335*		$4,270,814,122	*40.31%*
FHA/HUD			$33,080,000	$72,695,929			$105,775,929	1.00%
FHLB			$264,670,000		$185,491,666		$450,161,666	4.25%
FHLMC				$632,245,038	$338,600,000		$970,845,038	9.16%
*FNMA (**See below)*				*$2,233,017,200*	*$143,955,000*		$2,376,972,200	*22.44%*
GNMA				$151,863,620	$150,310,669		$302,174,289	2.85%
Other Agency					$64,885,000		$64,885,000	0.61%
US Treasury	Aaa	AA+			$243,820,042		$243,820,042	2.30%
Wells Fargo Bank	Aa3	AA-	$347,735,000			$38,375,000	$386,110,000	3.64%
TOTAL			**$3,273,665,000**	**$4,546,038,521**	**$2,704,161,055**	**$69,875,000**	**$10,593,739,576**	**100.00%**

Counterparty Exposures Above 10% Are Highlighted

****Does not include municipal investment exposure (see following page)***

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NYC HDC

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

Counterparty Credit Risk Exposure Report as of July 18, 2013

(UNAUDITED)

Municipal Investments:

Issuer	Amount
NYC GO (Dexia-enhanced)	$28,060,000
NYC GO (unenhanced)	$35,470,000
NYC TFA	$1,800,000
NYS Urban Development	$1,145,000
SONYMA	$1,000,000
Total Municipal Investments	**$67,475,000**

Including VRDO Exposure:

Counterparty	TOTAL COUNTERPARTY EXPOSURE	% Total Counterparty Exposure
Dexia	$28,060,000	0.26%

Exposure to Counterparties Rated A-Minus and Below, or Not-Rated:

Counterparty	Type of Exposure	Amount	% Total Counterparty Exposure
Bank of America	LOC/Perm/GIC	$102,605,000	0.97%
Citibank	LOC/Perm LC	$1,146,493,597	10.82%
Daiwa Securities*	Repo	$115,911,000	1.09%
Dexia Credit Local	Municipals	$28,060,000	0.26%
Flushing Bank^	Money Market	$57,485,144	0.54%
Landesbank Baden-Wuerttemberg	Perm LC	$70,000,000	0.66%
Natl Public Finance Guarantee Corp+	Bond Insurance	$213,990,000	2.02%
NY Community Bank^	Money Market	$290,214,725	2.74%
RBS Citizens	LOC	$704,865,000	6.65%
Signature Bank^	Money Market	$429,266,962	4.05%
SunTrust Bank	Perm LC	$100,000,000	0.94%
TOTAL		**$3,258,891,428**	**30.76%**

**Repurchase agreement fully- or over-collateralized by US Treasury/Agency securities*

^Money market fully-collateralized by FHLB LOC or U.S. Agency securities

+2005 Series A Capital Fund Program Revenue Bonds (NYCHA); underlying bond rating of AA+ by S&P

Country Exposure (Ex-U.S.):

Country	Type	$ Amount	% Total Counterparty Exposure
Canada (RBC/TD Bank)	GIC/Liq Prov	$16,689,022	0.16%
France (CALYON/Dexia/Societe Generale)	GIC/MUNI	$203,521,577	1.92%
Germany (Bayerische Landesbank/Deutsche/Helaba/LBW/Portigon)	GIC/LOC	$495,777,781	4.68%
Japan (Mizuho/Daiwa)	RP/PERM LC	$151,841,000	1.43%
Netherlands (Rabobank Nederland)	GIC	$4,221,085	0.04%
United Kingdom (HSBC)	MM	$90,046,464	0.85%
TOTAL		**$962,096,929**	**9.08%**

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

Credit Enhancement Diversification as of July 18, 2013

(UNAUDITED)

CONSTRUCTION PROJECTS

			Enhancement During Construction:			Expected Permanent Enhancement:		
Provider	Moody's	S&P	Number of Projects	LOC Amount	% of Total During Construction	Number of Projects	Expected Permanent Enhanced or Insured Amount	% of Total During Permanent
Assured Guaranty	A2	AA-	1	$67,800,000	2.07%	1	$67,800,000	3.86%
Bank of America	A3	A	3	$70,020,000	2.14%	0	$0	0.00%
Bank of New York	Aa1	AA-	4	$75,310,000	2.30%	0	$0	0.00%
Citibank	A3	A	14	$841,815,000	25.71%	1	$27,750,000	1.58%
FHA/HUD	Aaa	AA+	2	$33,080,000	1.01%	7	$161,501,000	9.19%
FHLB	Aaa	AA+	15	$264,670,000	8.08%	1	$69,865,000	3.98%
FHLMC	Aaa	AA+	0	$0	0.00%	4	$188,370,000	10.72%
FNMA	Aaa	AA+	0	$0	0.00%	1	$635,000,000	36.15%
Goldman Sachs Bank	A2	A	4	$124,140,000	3.79%	0	$0	0.00%
Helaba (unguaranteed)	A2	A	1	$210,000,000	6.41%	1	$210,000,000	11.96%
JPMorgan Chase	Aa3	A+	26	$513,585,000	15.69%	0	$0	0.00%
M&T Bank	A2	A	1	$13,145,000	0.40%	0	$0	0.00%
NONE	NR	NR	8	$0	0.00%	0	$0	0.00%
RBS Citizens NA	A3	A	2	$704,865,000	21.53%	0	$0	0.00%
REMIC	NR	AA	0	$0	0.00%	47	$79,696,000	4.54%
SONYMA	Aa1	NR	0	$0	0.00%	20	$254,273,806	14.48%
TD Bank NA	Aa3	AA-	1	$7,500,000	0.23%	0	$0	0.00%
Wells Fargo/Wachovia	Aa3	AA-	7	$347,735,000	10.62%	1	$62,250,000	3.54%
TOTAL			89	$3,273,665,000	100.00%	84	$1,756,505,806	100.00%

In Construction:

Rating	% of Total
AAA	0.00%
AA	22.25%
A	77.75%
NR	0.00%
TOTAL	100.00%

PERMANENT LOANS WITH ENHANCEMENT

Provider	Moody's	S&P	Number of Projects	Enhanced Amount	% of Total Permanent Enhanced Amount
Bank of America	A3	A	2	$26,455,000	0.58%
Citibank	A3	A	35	$304,678,597	6.70%
FHA/GNMA	Aaa	AA+	24	$224,559,549	4.94%
FHLMC	Aaa	AA+	24	$632,245,038	13.91%
FNMA	Aaa	AA+	64	$2,233,017,200	49.12%
Helaba (guaranteed)	Aa1	AA-	1	$139,900,000	3.08%
JPMorgan Chase	Aa3	A+	3	$16,610,000	0.37%
Landesbank Baden Wuer	A3	NR	1	$70,000,000	1.54%
Mizuho Corporate Bank	A1	A+	1	$7,570,000	0.17%
Natl Public Finance Guarantee^	Baa1	A	1	$213,990,000	4.71%
REMIC*	NR	AA	166	$187,560,299	4.13%
SONYMA	Aa1	NR	40	$389,452,838	8.57%
SunTrust Bank	A3	BBB+	1	$100,000,000	2.20%
TOTAL			363	$4,546,038,521	100.00%

In Permanent:

AAA	0.00%
AA	83.74%
A	9.36%
BBB	6.91%
TOTAL	100.00%

**Unenhanced portion totals approximately $710 million*

^Bond insurance on 2005 Series A (NYCHA) Capital Fund Program Revenue Bonds; underlying bond rating is AA+ by S&P

FOR INTERNAL USE ONLY

NYC HDC
NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Investment Summary as of July 18, 2013
(UNAUDITED)

Investment Securities & Repo-By Rating:

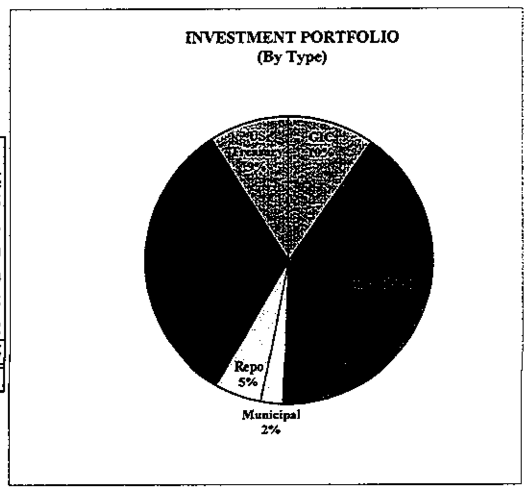
Counterparty	Type	Amount	NRSRO Rating-July 18, 2013: AAA	AA	A	BBB*	NR*
Bank of America	GIC	$6,130,000			$6,130,000		
Bayerische Landesbank (guaranteed)	GIC	$10,667,040	$10,667,040				
CALYON/Credit Agricole CIB	GIC	$175,005,043			$175,005,043		
Daiwa Securities	REPO	$115,911,000				$115,911,000	
Deutsche Bank	GIC	$64,020,741			$64,020,741		
Flushing Bank	MM	$57,485,144					$57,485,144
HSBC	MM	$90,046,464		$90,046,464			
JPMorgan Chase	MM	$234,959,918			$234,959,918		
Mizuho Securities	REPO	$28,360,000			$28,360,000		
NYC GO (Dexia)	MUNI	$28,060,000				$28,060,000	
NYC GO	MUNI	$35,470,000		$35,470,000			
NYC TFA	MUNI	$1,800,000		$1,800,000			
NY Community Bank	MM	$290,214,725				$290,214,725	
NYS Urban Development	MUNI	$1,145,000	$1,145,000				
Portigon AG (formerly WestLB)	GIC	$1,190,000		$1,190,000			
Rabobank	GIC	$4,221,085		$4,221,085			
Royal Bank of Canada	GIC	$1,689,022		$1,689,022			
Signature Bank	MM	$429,266,962					$429,266,962
Societe Generale	GIC	$456,534			$456,534		
SONYMA	MUNI	$1,000,000		$1,000,000			
US Agency	US Agency	$883,242,335		$883,242,335			
US Treasury	US Treasury	$243,820,042		$243,820,042			
		$2,704,161,055	**$11,812,040**	**$1,262,478,948**	**$508,932,236**	**$434,185,725**	**$486,752,106**
% of Total		***100.00%***	***0.44%***	***46.69%***	***18.82%***	***16.06%***	***18.00%***

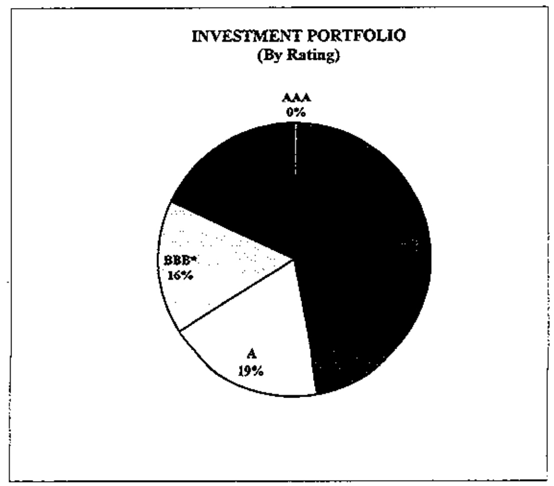
***BBB and NR exposures are fully-collateralized**

Weighted Average Maturity (Years):	4.02

Investment Portfolio-By Type of Investment:

	% Total	Amount
GIC	9.74%	$263,379,465
Money Market	40.75%	$1,101,973,213
Municipal	2.50%	$67,475,000
Repo	5.34%	$144,271,000
US Agency	32.66%	$883,242,335
US Treasury	9.02%	$243,820,042
Total	**100.00%**	**$2,704,161,055**





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NYC HDC
NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

Liquidity Providers as of July 18, 2013

JPMORGAN CHASE BANK

Issue	Amount
2013 B-3	$24,000,000
	$24,000,000

TD BANK

Issue	Amount
2013 B-2	$7,500,000
	$7,500,000

WELLS FARGO BANK

Issue	Amount
2012 K-2	$20,765,000
2013 B-4	$17,610,000
	$38,375,000

Diversification:	Amount	% Total
JPMorgan Chase Bank	$24,000,000	34.35%
TD Bank	$7,500,000	10.73%
Wells Fargo Bank	$38,375,000	54.92%
TOTAL	**$69,875,000**	**100.00%**

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NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

NYC HDC

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

TO: CATHLEEN BAUMANN, SVP AND TREASURER

FROM: SHIRLEY JARVIS, VICE PRESIDENT, INTERNAL AUDIT

SUBJECT: 2013 EMPLOYEE EXPENSES AUDIT

DATE: APRIL 25, 2013

The Internal Audit Division has completed its review of the Employee Expenses for the period covering November 1, 2011 through October 31, 2012.

I. Background

The Corporation's travel policy provides employees with local or out-of-town transportation, lodging, and meals associated with attending training, workshops, conferences, and seminars. This policy also includes the use of corporate car services and mileage reimbursements to employees (e.g., engineers in the Asset Management Division), who conduct HDC business. In addition, the employee development policy supports continuous learning by encouraging employees to participate in work-related training classes, workshops, seminars and conferences and through the tuition reimbursement program. Most professional memberships and work-related events are also covered under this policy. Furthermore, the Corporation promotes employee health by providing employees with a 50% allowance towards the cost of health club membership or health-related programs, up to a maximum of $250 per calendar year.

All employees are jointly responsible with the Treasury Department for the administration of and compliance with the Corporation's policies and procedures. The Department and Division Head's approvals, evidenced by the authorization signatures on forms or vouchers, are intended to ensure that the employee reimbursements and payments to vendors for incurred expenses have been verified, validated and adhere to the established policies and procedures. In addition, Cash Management and the Department of Office Services collaborate to support the Corporation's policies and procedures through the internal verification of the supporting documentation prior to payment processing.

II. Audit Objectives

The objectives of audit were to:

1) Evaluate the effectiveness of the system of internal controls over employee expense reimbursements and other related expenses to ensure they were properly authorized, appropriate and accurately recorded.

2) Evaluate and test compliance with the Corporation's policies and procedures relating to employee and other related expenses.

III. Audit Scope and Methodology

The audit scope covered payments made for selected employee expenses during the period November 1, 2011 through October 31, 2012. During this period, payments totaling $60,767.48 were made to 70 employees and payments totaling $174,741.16 to 69 vendors, in eleven expense categories, as summarized in the table below:

Employee Expense Categories	Total Amount Reimbursed to Employees	Total Amount Paid to Vendors	Grand Total
Local Transportation (including yellow cabs and HDC car services)	503.54	8,664.91	9,168,45
Training & Conference	33,130.75	9285.00	42,415.75
Membership Dues	611.00	69,492.00	70,103.00
Mileage Reimbursements	8,086.25	0.00	8,086.25
Flowers & Gifts	0.00	1,585.00	1,585.00
Office Events	391.94	16,226.00	16,617.94
Working Meals	4,058.00	10,014.44	14,072.44
Employee Development Program	60.00	38,816.50	38,876.50
Health Club Reimbursements	11,259.40	0.00	11,259.40
Miscellaneous	0.00	20,657.31	20,657.31
Legislative Travel	2,666.60	0.00	2,666.60
Totals	$60,767.48	$174,741.16	$235,508.64

In conducting this audit, we relied on our evaluation of the controls over travel and related expenses and the analysis of the associated risks performed during the 2012 Employee Expenses Audit since there were no major changes in management or in the processes since that audit.

As part of our evaluation, we reviewed the Corporation's policies and procedures relating to the above selected employee expense categories from the Employee Handbook.

During testing, we performed the following:

- Reviewed the health club reimbursements of 47 employees to ensure compliance with policy regarding eligibility. In addition, reviewed supporting documentation and verified the accuracy of health club reimbursements for a sample of 23 payments totaling $3,863.17.
- Reviewed and verified payments to the supporting documentation for a sample of 59 payments to 20 employees totaling $38,518.58.
- Reviewed the invoices and supporting documentation for a sample of seven vendors with payments of $4,000 and above, totaling $97,956.

- Reviewed a sample of 17 invoices totaling $4,521.33 and 91 supporting vouchers for Vital Car Service to determine compliance with policy
- Tested a sample of 12 mileage reimbursements to three employees totaling $5,345.07 for accuracy.
- Per the MOU recommendation, we listed all the Training and Conference attended by 24 employees from November 1, 2011 through October 31, 2012.

The audit excluded the adjusting entries to the GL, President's Office expenses and petty cash reimbursements.

IV. Audit Results:

We determined that management has effective controls in place to ensure that employee reimbursement and vendor payments for related expenses are properly authorized, appropriate and accurately recorded. Our review of the selected expenses determined that employees generally complied with the policies and procedures for processing employee reimbursements and the related expenses.

The results of the audit were discussed with the client at the Closing Conference held on Friday, April 19, 2013, attended by, Cathleen Baumann, SVP and Treasurer, Mary McConnell, VP for Human Resources, Robert Schmidt, VP for Office Services and the Internal audit staff.

Cc: Marc Jahr, President
Joan Tally, EVP for Real Estate and Chief of Staff
Richard Froehlich, COO, EVP and General Counsel
Mary McConnell, VP for Human Resources
Robert Schmidt, VP for Office Services

NYC HDC
NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

INTEROFFICE MEMORANDUM

TO: THE MEMBERS OF THE AUDIT COMMITTEE

FROM: SHIRLEY JARVIS, VP INTERNAL AUDIT

SUBJECT: 2013 AUDIT OF EXPENSES OF THE PRESIDENT'S OFFICE

DATE: JULY 19, 2013

Internal Audit has completed its review of the President's Office expenses for the period May 1, 2012 to April 30, 2013.

I. Background Information:

The President's Office is governed by the guidelines of the Corporation's Travel Expenses policy in the Employee Handbook. The purpose of the policy is to provide employees who travel locally or out-of-town to conferences, training and seminars with adequate transportation, lodging, meals and other services that are a necessary part of doing business.

In addition, the car services policy states that employees may use corporate car service or "yellow cab" taxis for travel to and from the airport or when working past 7:30 pm. The President may use the corporate car in performance of his official duties and is entitled to the use of a full-time car, including for commuting purposes, in accordance with the Memorandum of Understanding issued by HDC's legal consultant, Debevoise & Plimpton, and adopted by the Board.

II. Audit Objectives:

The objectives of this audit were to:

1. Evaluate the effectiveness of the internal controls system and to ensure that the President's Office expense reimbursements are business-related, reasonable, justified, properly documented and accurately recorded.
2. Determine whether the President and the Administrative Assistant to the President adhere to the applicable policies and procedures pertaining to employee expense reimbursements.

III. Audit Scope and Methodology:

Our audit scope covered all expenditures for seven selected categories classified under the President's Office (general ledger division number "500000") for the period of May 1, 2012 through April 30, 2013. During this period, the Corporation made reimbursements to the

President, one employee of the President's Office and direct payments to fifteen vendors totaling $24,849.16 in the following selected expense categories:

1. Publication and Books
2. Printing & Photography
3. Local Transportation
4. Training and Conferences (including the associated costs, such as meals, travel, and lodging expenses)
5. Messenger Service
6. Legislative Travel Expenses
7. Working Meals

In conducting the audit, we relied on our evaluation of the controls over travel and related expenses and the analysis of the associated risks performed during the President's Office Expenses Audit (May 1, 2011 to October 31, 2011) since there have been no major changes in management or in the processes since that audit.

During the audit, we tested controls of the selected expenses classified under the President's Office and reviewed the supporting documentation to ensure that expenses were reasonable, justified, business-related, properly authorized, and accurately recorded in the financial records.

IV. Summary of the Audit Results:

Upon completion of the audit, we noted no matters involving internal control and its operation that we consider to be material weaknesses. We found the Corporation has effective guidelines in place to ensure that employee reimbursements for the President's Office are authorized, appropriate and accurately recorded. Our review of the selected expenses determined that reimbursements and the vendor payments for related expenses were generally processed according to the policies and procedures in the Employee Handbook.

Cc: Marc Jahr, President
Richard Froehlich, COO, EVP and General Counsel
Joan Tally, EVP for Real Estate and Chief of Staff
Cathleen Baumann, SVP and Treasurer

NYC HDC

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

INTEROFFICE MEMORANDUM

TO: THE MEMBERS OF THE AUDIT COMMITTEE

FROM: SHIRLEY JARVIS, VP INTERNAL AUDIT

SUBJECT: 2013 REMOTE ACCESS CONTROLS REVIEW EXECUTIVE SUMMARY

DATE: AUGUST 5, 2013

Internal Audit has completed its 2013 Remote Access Controls Review.

The objectives of the audit were to determine if adequate controls are in place to ensure that remote access to the HDC network is adequately secured and controlled. Specifically:

1. Determine whether there are adequate remote access policy and procedures.
2. Determine if access to the HDC network is appropriately restricted.
3. Determine whether vendor access is allowed and monitored.
4. Determine if audit trail logs and security incidents are monitored.
5. Determine if the change control process for software upgrades is adequate.

We performed this audit by:

1. Reviewing and evaluating the effectiveness of IT policies and procedures relating to remote access.
2. Interviewing key personnel and management to gain an understanding of how remote access is granted and monitored.
3. Reviewing documentation to determine if they were in compliance with stated controls.

Upon completion of the audit, we noted no matters involving internal controls that we considered material weaknesses. We found that remote access into the HDC network was appropriately restricted; remote access to vendors is not permitted and audit trail logs and security incidents are monitored.

We did note two areas where improvements could be made to enhance the controls. Our recommendations and management's action plan to address them (*in italics*) are summarized below.

<u>Remote Access Policy and Procedures</u>

Recommendation:
A remote access policy should be developed to establish guidelines and responsibilities for the user of remote access into the HDC network. The objective of the policy should be:

- To define the Corporation's approved uses for remote access.
- To provide guidance on how a user requests and receives remote access. Any user requirements should be described in a manner understood by a non-technical user.
- To define the users' responsibility and accountability in their use of remote access.
- To preserve the integrity, confidentiality and privacy of the information within the corporate network.
- To preserve and support the audit, legal and security concerns.

There should also be a section in the policy regarding consequences of policy violations, such as:

- Remote access is a privilege, and should be regarded as HDC's faith in its staff to act responsibly and within the guidelines of the policy.
- Any breach of the policy and related security controls will result in the immediate removal of the user(s) remote access capability.

The document 'Establishing a Remote Connection' should be reviewed and updated to ensure that the connections described accurately reflect the options available to a user for remote access.

Management Response:

We will create a more detailed remote access policy including the bulleted topics stated in the Recommendation section above, based on an internal review of these processes. In addition, the Start Date for users receiving remote access will be noted.
IT will implement this by end of Fiscal year 2013.

<u>Inventory of Remote Access Users</u>

Recommendation:
A database or inventory listing should be maintained of all users who have remote access. In addition, a separate form should be used for employees requesting remote access, regardless of whether they are using a HDC or personal computer, with the appropriate department head approvals required.

Management Response:

We will maintain a listing of all users who have remote access, and also create a new form to be used for employees requesting remote access. These documents will be scanned and saved as attachments in Solarwinds, our help desk tracking software.
IT will implement this by end of Fiscal year 2013.

The details of our review are fully described in the "2013 Remote Access Controls Review" report, dated July 18, 2013.

The New York City Housing Development Corporation ("NYCHDC")

2012 Emphasys and Sympro IT General Controls Post Implementation Review

January 10, 2013

EXECUTIVE SUMMARY

Background

The objective of this engagement was to perform a post IT implementation review of the Emphasys and Sympro applications for The New York City Housing Development Corporation ("NYCHDC"). As a result of this assessment, we have noted certain observations and recommendations for improvement, which are attached.

Scope and Objectives

In connection with the services described in the Statement of Work, we have performed the following activities, in accordance with Government Auditing Standards as set forth below:

We have reviewed the following key IT general controls ("ITGCs") process surrounding the use of the Emphasys and Sympro applications as it pertains to the cash management and mortgage loan processes that are managed by NYCHDC. We have not reviewed or assessed the controls within these areas or applications that are the responsibility of the 3rd party service providers.

Assessed the following three interfaces only which can be defined as controls to limit the risk of inappropriate input, processing or output of data being exchanged from one system to another (e.g., the system confirms through a record count that all records were uploaded from the sales sub-ledger to the general ledger or confirming that totals from a header record reconcile to the detail that was posted):

- Uploading AR & AP to SYMPRO;
- Uploading Debt Transactions from Emphasys to the Oracle General Ledger; and
- Uploading Investment Transactions from Emphasys to the Oracle General Ledger.

Documented and evaluated the design and operating effectiveness of the internal control environment that exists for the Emphasys and Sympro application and supporting infrastructures (Operating System and database). The review entailed the evaluation of the following IT general controls ("ITGCs"):

- Application Development and Maintenance (including Program Change Management, etc.);
- User Administration;
- Logical Security, including data center access;
- Network controls, e.g. authentication requirements, monitoring, patch / upgrade management;
- IT operations to include data backups, job scheduling, and problem management; and
- All supporting policies and procedures supporting the above areas.

Result

Based on the work performed over the objectives as stated in the 'Statement of Work', the IT general controls ("ITGCs") and Interface controls managed and maintained by NYCHDC for the Emphasys and Sympro applications appear to be operating effectively.

During the course of the review, EY noted four opportunities for improvement within ITGCs (3) and interface (1) controls which are outlined below. For further details on the assessment please refer to the narrative and walkthrough documentation that was provided separately.

Key Opportunities for Improvement and Management Action Plans

We identified four (4) process improvements. Additional details specific to areas, risks, recommendations and corresponding management action plans are listed within Appendix A – **Detailed Process Improvement Opportunities / Risk / Management Action Plan** section of this report. As other controls outside of the scope of this project may increase or decrease the relative risk for each identified issue, management should ultimately determine the remediation strategy and timeline based upon the company's overall control framework.

APPENDIX A: Detailed Process Improvement Opportunities / Risk / Management Action Plan

1. Modify Configuration Settings to Align with leading practices

Observation:
The following password configuration parameter is not set in accordance with NYCHDC Security policy:

- Password controls are not set at the Emphasys application level.

Risk:
Allowing password policies that are less restrictive than corporate policies, or leading practices in instances where corporate policies have not been defined, increases the risk that inappropriate access may be obtained by unauthorized users via successful attacks on user accounts.

Recommendation:
Management should consider updating existing Corporate Security Policy to align password configuration parameters for the Emphasys application, as applicable.

In situations where system limitations make it impossible to meet the corporate policies, or instances where deviations are deemed operationally necessary, management should document the known exceptions within the company policies and related documentation.

Management Response:
Password controls Emphasys application – Agree – The password controls on the application are as a result of the limitations of Emphasys. The system limitations are documented in the IT Policies and Procedures (P&P) manual - a copy of which was provided to the EY auditors on August 14, 2012.

Responsible Party:
Ping Choi, Director Network Operations
Farina Cocker, Senior Project Manager

2. Eliminate the Use of Shared Administrator Accounts

Observation:
During testing of operational effectiveness, it was noted that generic administrative accounts at the application and operating system level are shared and used by the IT staff, where there is no accountability to any particular individual.

Risk:
Sharing access to user accounts limits accountability of actions completed using the shared account, which is critical when the common account has been assigned administration rights. Having limited accountability for a privileged account increases the risk that that errors or irregularities may unintentionally or deliberately be introduced into the production environment.

Recommendation:
Generic accounts should not be utilized by IT personnel or any other privileged user. Instead, privileged access should be specifically granted to individual users based upon business need, using a uniquely assigned user account which may be enabled as required. In this manner, privileged actions performed by IT staff can be traced back to a specific person.

Management Response:
<u>Eliminate the use of shared admin accounts operating system level</u> - Disagree - IT personnel log on to the operating system using their own AD account. The IT personnel responsible have the same access rights as the administrator id. Due to the scale of our environment, there is no need for change.

<u>Eliminate the use of shared admin accounts application level -</u> Agree – IT personnel will work with Emphasys and Sympro to make sure accounts that are generic can be disabled.

Responsible Party:
Ping Choi, Director Network Operations
Farina Cocker, Senior Project Manager

3. Implement a Process to Perform Periodic Access Recertification

Observation:
Currently NYCHDC does not have a formal process in place to require the performance of a periodic user access review by an appropriate authority to determine whether access rights of business and IT end users remain consistent with job responsibilities.

Risk:
Not conducting a formal periodic review of user access rights reduces the likelihood that changes to current access rights for functional end users will be identified and acted upon in a timely manner.

Recommendation:
Management should formalize the current user recertification process to include an assessment of the user's current access rights against current job responsibilities.

Management Response:
Agree. IT will send user listing by department of those with access to departments on an annual basis. They will be reviewed and recommendations made for any necessary changes.

Responsible Party:
Keith Dealissia, Assistant Vice President Cash Management
Bharat Shah, Vice President and Controller

4. Eliminate and Restrict Access Based Upon Business Need

Observation:
In assessing interface controls for the Emphasys and Sympro applications, the following segregation of duties conflicts were noted:

1) For the interface between Account Receivable module and Sympro application, one individual has the responsibility to upload and verify the accuracy of the data; and

2) For the interface between the Emphasys and Oracle Financial application, two individuals have the responsibility to upload and verify the accuracy of the data.

Risk:
Not restricting application rights to the minimums required to perform job responsibilities increases the risk that production data may not be processed in a consistent and reliable manner.

Recommendation:
Management should perform an analysis of the access rights granted to each user to assess whether access has been granted that is excessive or violates a proper segregation of duties. Specifically, the ability for a single user to extract, upload and review data into the applications.

Management Response:
In reference to second paragraph of the observation, as explained to E&Y auditors, to maintain the integrity of the production data, the accounting department already have several manual check points and reconciliation controls before the transactions are uploaded to the Oracle Financial General Ledger. In addition to the above, as per E&Y recommendation, we already implemented the process of segregation of the duties for interfacing the transaction from Emphasys and uploading the data to the Oracle General Ledger.

Responsible Party:
Keith Dealissia, Assistant Vice President Cash Management
Bharat Shah, Vice President and Controller