Combined Financial Statements

and Other Information

New York City Housing

Development Corporation

October 31, 2010

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

New York City Housing Development Corporation

Combined Financial Statements and Additional Information

Year Ended October 31, 2010

Table of Contents

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Report of Independent Auditors

The Members of the
New York City Housing Development Corporation

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the New York City Housing Development Corporation (the Corporation), a component unit of the City of New York, as of and for the year ended October 31, 2010, which collectively comprise the Corporation's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Corporation's 2009 financial statements and, in our report dated January 15, 2010 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Corporation's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Corporation as of October 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2, the Corporation adopted Government Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* as of November 1, 2009.

Management's discussion and analysis and the schedule of funding progress on pages 3 to 8 and page 63 are not a required part of the basic financial statements but are supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of this required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The supplementary information included in Schedule 2 on pages 64 to 65 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ernst & Young LLP

January 18, 2011

INTRODUCTION

The New York City Housing Development Corporation ("HDC" or the "Corporation") is a State public benefit corporation 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 of these activities are reported in the financial statements under the heading "Housing Development Corporation."

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

The Corporation's annual financial report consists of three parts: *management's discussion and analysis* (this section), the basic *financial statements,* and *required supplementary information* which includes the schedule of funding progress and 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, 2010. This period is also referred to as Fiscal Year 2010. Data is presented for the primary governmental entity HDC only. Reported amounts have been rounded to facilitate reading.

FINANCIAL HIGHLIGHTS

- In spite of the current economic conditions, significant growth in assets and liabilities has continued from last fiscal year due to ongoing financing activities.
- Twenty-four bond series sold, totaling $1.59 billion, to create and preserve affordable housing. Of the total issued, $1.42 billion was new money and $167.3 million was refinancing of previously issued debt.
- Total assets of $11.18 billion, an increase of $1.21 billion or 12.2% from 2009 as a result of borrowing activities noted above and related mortgages.
- Total liabilities of $9.95 billion, an increase of $1.15 billion or 13.1% from 2009 as a result of the bonds issued and noted above.
- Total net assets of $1.23 billion, an increase of $59.3 million or 5.1% from 2009 due to normal operating activities.

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 time 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 particular purposes 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").

HDC's Assets and Liabilities

The balance sheet presents the Corporation's assets, liabilities, and net assets as of October 31, 2010. The following table represents the changes in the primary entity, HDC's, net assets between October 31, 2009 and 2010 and should be read in conjunction with the financial statements. (Dollar amounts are in thousands):

	2010	2009	Change	Percent Change
Assets				
Cash and Investments	$2,703,591	$2,200,335	$503,256	22.9%
Mortgage Loans	7,279,644	6,563,945	715,699	10.9
Other	1,197,713	1,204,668	(6,955)	(0.6)
Total Assets	11,180,948	9,968,948	1,212,000	12.2
Liabilities				
Bonds Payable (net)	8,474,214	7,455,485	1,018,729	13.7
Payable to New York City	804,047	808,110	(4,063)	(0.5)
Other	676,804	538,796	138,008	25.6
Total Liabilities	9,955,065	8,802,391	1,152,674	13.1
Net Assets				
Restricted for bond obligations	525,372	522,469	2,903	0.6
Unrestricted	700,511	644,088	56,423	8.8
Total Net Assets	$1,225,883	$1,166,557	$59,326	5.1%

Assets of the Corporation consist largely of the following: mortgage loans; cash and investments from bond proceeds, debt service and other reserves; funds designated for various housing programs; and other assets, which include participation interests in cash flows from pools of mortgage loans, housing-related notes receivable and purpose investments, and working capital. Total assets grew 12.2% or $1.21 billion from 2009 due to the Corporation's ongoing debt issuances and lending activities. In the prior fiscal year, total assets increased $840.4 million or 9.2%.

As noted above, the growth in total assets in 2010 was due primarily to the Corporation's ongoing debt issuance and lending activities. When HDC sells bonds, the bond proceeds are an investment asset until converted to a loan asset once disbursed. The asset value is generally offset by the related bond liability.

Liabilities of the Corporation can be grouped into three main categories. By far the largest is HDC bonds outstanding, which totaled almost $8.5 billion at October 31, 2010. The second largest category is "Payable to New York City" (the "City"). This includes construction loan funds administered on behalf of HPD and other assets which will ultimately revert to the City pursuant to various loan participation and other agreements. These include loan assets which are currently held by HDC and pledged to pay HDC bonds, but transfer to the City when the related bonds are retired. The last category, "Other", includes payable to mortgagors and deferred income. Payable to mortgagors are funds held and administered by HDC but are the property of others, such as escrows held by HDC in the course of its loan servicing functions. Deferred income is where HDC receives certain mortgage and bond-related fee income as cash, but as a result of using the accrual method of accounting only recognizes the income when earned over the appropriate time period. This deferred income is shown as a liability.

Total liabilities of the Corporation were $9.95 billion at October 31, 2010. Liabilities grew 13.1% or $1.15 billion from the prior year, principally as a result of HDC issuing 24 new bond series during Fiscal Year 2010, net of bond redemptions and retirements. Although there was a net decrease in the Payable to the City as a whole, three separate transactions primarily impacted the amount payable during the year. First, the aforementioned origination or purchase of a participation interest with the City in Mitchell Lama subordinate loans, interest and prepayments caused a net increase of $10.4 million in Payable to the City. Second, a decline of $8.5 million in the participation loan program with HPD due to the receipt of non-operating revenues and bond credit facility fees. Third, a decrease of $5.9 million in the administration of construction and permanent loans on behalf of the City (HPD).

Net assets of the Corporation are the excess of assets over liabilities, and totaled $1.23 billion for the Corporation as of October 31, 2010. This represents an increase of $59.3 million or 5.1% over the prior year. In 2009 total net assets increased $60.7 million or 5.5%. The growth in net assets of $59.3 million in 2010 is due to normal operating activities and a result of revenues in excess of expenses and is discussed below.

Net assets are classified as restricted or unrestricted, with restricted assets being committed by law or contract to specific purposes. HDC's most significant restricted assets include debt service reserves for HDC bond issues and undisbursed bond proceeds held prior to construction advances. Unrestricted assets may be classified as designated or undesignated. Designated assets are those allocated by action or policy for specific purposes determined by HDC's Members, such as rating agency reserves (to support the Corporation's general obligation rating), specific housing loan programs to which the Corporation has committed resources under the Mayor's New Housing Marketplace Program, and working capital. Virtually all of the Corporation's net assets are either restricted or designated.

HDC's Revenues and Expenses

The Statement of Revenues, Expenses and Changes in Fund Net Assets presents revenues recognized in and expenses attributed to the fiscal year ended October 31, 2010. The table below summarizes the primary entity, HDC's, revenues and expenses and presents comparative data. It should be read in conjunction with the financial statements. (Dollar amounts are in thousands):

	2010	2009	Change	Percent Change
Revenues				
Interest on Loans and Participation Interests	$171,693	$172,879	$(1,186)	(0.7)%
Investment Earnings	27,470	34,904	(7,434)	(21.3)
Fees and Charges	35,635	26,804	8,831	32.9
Other Revenues	363	911	(548)	(60.2)
Total Revenues	235,161	235,498	(337)	(0.1)
Expenses				
Bond Interest	144,325	145,168	(843)	(0.6)
Operating Expenses	37,680	31,800	5,880	18.5
Other (Revenues) Expenses	(6,170)	(2,154)	(4,016)	186.4
Total Expenses	175,835	174,814	1,021	0.6
Change in Net Assets	59,326	60,684	(1,358)	(2.2)
Net Assets, Beginning of year	1,166,557	1,105,873	60,684	5.5
Net Assets, End of Year	$1,225,883	$1,166,557	$59,326	5.1%

Revenues of the Corporation are classified as operating and non-operating. Interest income from mortgage and other loan-related interest represents the Corporation's major source of operating revenue, which also includes various loan and bond program fees such as commitment, financing, and mortgage insurance and servicing fees. The Corporation's non-operating revenues consist mostly of earnings on investments including purpose investments. Investment income 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 79.3% of operating expenses in Fiscal Year 2010. Other operating expenses include corporate operating expenses (salaries, overhead, and depreciation) and fees. Non-operating expenses are relatively minor and consist largely of amortization of the capitalized value of a purchased cash flow.

HDC's change in net assets for Fiscal Year 2010 was positively or negatively affected as described below:

- Interest on loans declined by $1.2 million or 0.7%. Although there was an increase in mortgage interest earned, the decline was due to a decrease in income from prepayments of non-participating loans in the Mitchell-Lama program. In 2009, interest on loans decreased by $42.5 million or 19.7% from the previous year due to decreases in variable interest rates and the prepayment of loans in the Mitchell-Lama program.
- Earnings on investments decreased by $7.4 million or 21.3% mainly due to an environment of lower short-term interest rates that continued from last year. In 2009, earnings on investments decreased by $26.8 million or 43.5% from the previous year.
- Fees and charges increased by a net of $8.8 million or 32.9%. This was mainly due to a $5.1 million increase in negative arbitrage fees earned due to the interest rate environment. Servicing and other fees, including loan satisfaction fees increased by $2.3 million. Amortization of commitment fees increased by $1.4 million. In 2009, fees and charges increased by $1.9 million or 7.5 %.
- Interest expense declined from $145.2 million to $144.3 million or 0.6%. This was mainly due to lower interest rates on Variable Rate Debt Obligations ("VRDO") and index bonds which correlate with lower rates for LIBOR and three months FHLB interest rate index. In 2009, interest expense decreased by $85.9 million or 37.2% from the previous year.
- Other operating expenses increased by $5.9 million or 18.5% mainly as a result of an increase in bond related operating costs and costs related to Other Post Employment Benefits ("OPEB") for FY 2010. All other operating costs increased due to the growth in HDC's volume of business. In 2009, other operating expenses increased by $1.3 million or 4.4% from the previous year because of an increase in bond related operating costs and costs related to OPEB.
- As a result of the factors noted above, the Corporation's growth in net assets resulting from revenues in excess of expenses amounted to $59.3 million, a decrease of $1.4 million from $60.7 million in 2009. This reflects a steady growth in an economic environment that is slowly recovering from the recent financial crisis.

DEBT ADMINISTRATION

At year-end, the Corporation had approximately $8.5 billion of bond principal outstanding, net of deferred bond refunding costs and discount and premium, an increase of 13.7% over the prior year. The following table summarizes the changes in bonds payable between October 31, 2009 and October 31, 2010. (Dollar amounts are in thousands):

	2010	2009	Percentage Increase FY 2009 to 2010
Bonds Payable	$8,474,214	$7,455,485	13.7%

In Fiscal Year 2010, all "VRDO" bond series were successfully remarketed, as a result there were no Bank Bonds during fiscal year 2010.

During Fiscal Year 2010, pursuant to a program created under the Housing and Economic Recovery Act of 2008 ("HERA"), the Corporation accepted an allocation of $500,000,000 from the United States Treasury to issue bonds under New Issue Bond Program ("NIBP"). This initiative will expand the resources to provide affordable mortgages for low and middle income households and support the development and rehabilitation of affordable housing units. The Corporation issued the 2009 Series 1 bonds for $415.0 million and the 2009 Series 2 bonds for $85.0 million on December 23, 2009. Additional information on the Corporation's long-term debt can be found in Note 9 to the financial statements: "Bonds Payable".

NEW BUSINESS

During Fiscal Year 2010, the Corporation issued 24 new taxable and tax-exempt bond series totaling $1.59 billion. Included in this total were 17 series of Housing Revenue Bond Program bonds totaling $1.26 billion, five series of Multi-Family Mortgage Revenue Bonds Rental Projects Program bonds amounting to $293.2 million, one series of Multi-Family Rental Housing Revenue Bond program bonds totaling $25.5 million and one series of Cooperative Housing Mortgage Revenue Bonds for $7.5 million. All of these funds are being used to provide mortgage and loan financing. In further support of its affordable housing mission, the Corporation also made low interest loans from its net assets. Subsequent to October 31, 2010, HDC issued 9 additional series of bonds in the aggregate amount of $222.2 million.

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, 110 William Street, New York, NY 10038. The Corporation also maintains information at www.nychdc.com.

New York City Housing Development Corporation
Balance Sheets

At October 31, 2010 (with comparative summarized financial information as of October 31, 2009) (in thousands)

	New York City Housing Development Corporation	Discretely Presented Component Units: New York City Housing Assistance Corporation	Discretely Presented Component Units: New York City Residential Mortgage Insurance Corporation	Total 2010	Total 2009
Assets					
Current Assets:					
Cash and cash equivalents (note 3)	$ 466,774	$ -	$ -	$ 466,774	$ 433,420
Investments (note 3)	66,075	-	-	66,075	105,434
Receivables:					
Mortgage loans (note 4)	77,154	158	-	77,312	59,604
Accrued interest	20,062	18	-	20,080	18,705
Other (note 7)	19,312	-	15	19,327	3,807
Total Receivables	116,528	176	15	116,719	82,116
Other assets	61	-	-	61	83
Total Current Assets	**649,438**	**176**	**15**	**649,629**	**621,053**
Noncurrent Assets:					
Restricted cash and cash equivalents (note 3)	983,756	5,612	1,093	990,461	665,472
Restricted investments (note 3)	1,186,986	13,614	64,861	1,265,461	1,075,985
Purpose investment (note 2C)	190,631	-	-	190,631	194,196
Mortgage loans (note 4)	557,150	-	-	557,150	401,808
Restricted receivables:					
Mortgage loans (note 4)	6,645,340	30,165	-	6,675,505	6,132,952
Loan participation receivable - The City of NY (note 6)	609,581	-	-	609,581	614,063
Accrued interest	-	2,525	-	2,525	2,767
Notes (note 5)	301,559	-	-	301,559	312,168
Other (note 7)	-	-	-	-	7,907
Total restricted receivables	7,556,480	32,690	-	7,589,170	7,069,857
Unamortized issuance costs	49,020	-	-	49,020	45,680
Primary government/component unit receivable (payable)	67	(48)	(19)	-	-
Capital assets	1,363	-	-	1,363	1,682
Other assets (note 8)	6,057	-	-	6,057	9,032
Total Noncurrent Assets	**10,531,510**	**51,868**	**65,935**	**10,649,313**	**9,463,712**
Total Assets	**$ 11,180,948**	**$ 52,044**	**$ 65,950**	**$ 11,298,942**	**$ 10,084,765**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Balance Sheets (continued)

At October 31, 2010 (with comparative summarized financial information as of October 31, 2009) (in thousands)

	Discretely Presented Component Units				
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	Total 2010	Total 2009
Liabilities and Net Assets					
Current Liabilities:					
Bonds payable (net) (note 9)	$ 481,566	$ -	$ -	$ 481,566	$ 472,275
Accrued interest payable	62,072	-	-	62,072	54,142
Payable to mortgagors	191,452	-	-	191,452	172,881
Restricted earnings on investments	13,788	38	-	13,826	13,888
Accounts and other payables	33,506	-	-	33,506	1,632
Deferred fee and mortgage income and other liabilities	217	-	-	217	-
Due to the United States Government (note 14)	-	-	-	-	2
Total Current Liabilities	**782,601**	**38**	**-**	**782,639**	**714,820**
Noncurrent Liabilities:					
Bonds payable (net) (note 9)	7,992,648	-	-	7,992,648	6,983,210
Payable to The City of New York:					
Loan participation agreement (note 11)	609,581	-	-	609,581	614,063
Other	194,466	50,470	-	244,936	248,452
Payable to mortgagors	202,779	504	-	203,283	136,457
OPEB liability (note 13)	8,035	-	-	8,035	6,429
Deferred fee and mortgage income and other liabilities	162,112	-	-	162,112	152,080
Due to the United States Government (note 14)	2,843	-	-	2,843	1,826
Total Noncurrent Liabilities	**9,172,464**	**50,974**	**-**	**9,223,438**	**8,142,517**
Total Liabilities	**9,955,065**	**51,012**	**-**	**10,006,077**	**8,857,337**
Net Assets:					
Restricted for bond obligations (note 17)	525,372	1,032	-	526,404	523,167
Restricted for insurance requirement and others (note 17)	-	-	43,733	43,733	40,924
Unrestricted (note 17)	700,511	-	22,217	722,728	663,337
Total Net Assets	**1,225,883**	**1,032**	**65,950**	**1,292,865**	**1,227,428**
Total Liabilities and Net Assets	**$ 11,180,948**	**$ 52,044**	**$ 65,950**	**$ 11,298,942**	**$ 10,084,765**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation Statements of Revenues, Expenses and Changes in Fund Net Assets

Year ended October 31, 2010 (with comparative summarized financial information for the year ended October 31, 2009) (in thousands)

		Discretely Presented Component Units			
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	Total 2010	Total 2009
Operating Revenues					
Interest on loans (note 4)	$ 166,788	$ -	$ -	$ 166,788	$ 157,203
Fees and charges (note 7)	35,635	-	1,378	37,013	28,557
Income on loan participation interests (note 6)	4,905	-	-	4,905	15,676
Other	153	-	-	153	93
Total Operating Revenues	**207,481**	**-**	**1,378**	**208,859**	**201,529**
Operating Expenses					
Interest and amortization of bond premium and discount (note 9)	144,325	-	-	144,325	145,168
Salaries and related expenses (note 12)	20,319	-	-	20,319	17,834
Trustees' and other fees	4,770	-	-	4,770	4,012
Amortization of debt issuance costs	7,024	-	-	7,024	4,981
Corporate operating expenses (note 10)	5,567	-	-	5,567	4,973
Total Operating Expenses	**182,005**	**-**	**-**	**182,005**	**176,968**
Operating Income	**25,476**	**-**	**1,378**	**26,854**	**24,561**
Non-operating Revenues (Expenses)					
Earnings on investments (note 3)	27,470	334	4,609	32,413	39,090
Other non-operating revenues, net (note 11)	6,170	-	-	6,170	2,154
Payments to HDC Corporate Services Fund	-	-	(210)	(210)	(818)
Payments from REMIC Subsidiary	210	-	-	210	818
Total Non-operating Revenues, net	**33,850**	**334**	**4,399**	**38,583**	**41,244**
Change in Net Assets	**59,326**	**334**	**5,777**	**65,437**	**65,805**
Total net assets - beginning of year	1,166,557	698	60,173	1,227,428	1,161,623
Total Net Assets - End of Year	**$ 1,225,883**	**$ 1,032**	**$ 65,950**	**$ 1,292,865**	**$ 1,227,428**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Statements of Cash Flows

Year ended October 31, 2010 and 2009 (in thousands)

	2010	2009
Cash Flows From Operating Activities		
Mortgage loan repayments	$ 531,298	$ 478,564
Receipts from fees and charges	21,182	16,903
Mortgage escrow receipts	75,641	70,437
Reserve for replacement receipts	39,892	19,427
Mortgage loan advances	(1,077,740)	(1,088,259)
Escrow disbursements	(65,571)	(71,966)
Reserve for replacement disbursements	(31,275)	(30,349)
Payments to employees	(17,886)	(16,692)
Payments to suppliers for corporate operating expenses	(5,372)	(4,726)
Project contributions and funds received from NYC	134,603	161,345
Advances and other payments for NYC	(136,609)	(112,184)
Bond cost of issuance	(4,417)	(1,591)
Other receipts	236,318	156,822
Other payments	(112,632)	(167,529)
Net Cash Used in Operating Activities	**(412,568)**	**(589,798)**
Cash Flows From Non Capital Financing Activities		
Proceeds from sale of bonds	1,591,371	1,436,404
Retirement of bonds	(572,600)	(604,543)
Interest paid	(134,773)	(154,927)
Payments from component units	210	39,971
Payments to component units	(3,000)	(1,000)
Net Cash Provided by Non Capital Financing Activities	**881,208**	**715,905**
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(73)	(97)
Net Cash Used in Capital and Related Financing Activities	**(73)**	**(97)**
Cash Flows From Investing Activities		
Sale of investments	21,197,364	17,346,042
Purchase of investments	(21,342,945)	(17,133,919)
Interest and dividends collected	35,136	43,100
Net Cash (Used in) Provided by Investing Activities	**(110,445)**	**255,223**
Increase in cash and cash equivalents	358,122	381,233
Cash and cash equivalents at beginning of year	1,092,408	711,175
Cash and Cash Equivalents at End of Year	**$ 1,450,530**	**$ 1,092,408**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Statements of Cash Flows (continued)

Year ended October 31, 2010 and 2009 (in thousands)

	2010	2009
Reconciliation of Operating Income to Net Cash Used in Operating Activities:		
Operating Income	**$ 25,476**	**$ 22,808**
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation expenses	391	365
Amortization of bond discount and premium	(1,375)	(1,375)
Amortization of deferred bond refunding costs	998	809
Amortization of bond issuance costs	6,026	4,172
Net cash provided by nonoperating activities	134,773	154,928
Changes in Assets and Liabilities:		
Mortgage loans	(802,373)	(396,918)
Accrued interest receivable	(1,940)	8,692
Other receivables	18,910	(55,151)
Bond issuance costs	(11,696)	(1,887)
Primary government/component unit receivable (payable)	79,344	(250,533)
Other assets	2,852	(1,659)
Payable to The City of New York	5,174	24,090
Payable to mortgagors	85,799	(92,654)
Accounts and other payables	34,893	2,137
Due to the United States Government	(17)	12
Restricted earnings on investments	(4,053)	(3,560)
Deferred fee, mortgage income and other liabilities	6,320	2,849
Accrued interest payable	7,930	(6,923)
Net Cash Used in Operating Activities	**$ (412,568)**	**$ (589,798)**
Non Cash Investing Activities:		
Decrease in fair value of investments	$ 1,736	$ (437)

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 and notes. The bonds and notes of the Corporation are not debts of either the State or the City of New York (the "City").

Pursuant to Governmental Accounting Standards Board Statement ("GASB") No. 14, "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.

Primary Government Entity

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 9: "Bonds Payable"). 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) Section 8 administrative fees; (3) fees earned on loans serviced for HDC and for the City; (4) income from Corporate Services Fund investments; (5) payment of the Corporation's operating expenses; and (6) loan assets made with corporate funds.

The Corporation currently has two active subsidiaries that are reported as Discretely Presented Component Units in the financial statements and two inactive subsidiaries.

The Housing Assistance Corporation ("HAC") and the New York City Residential Mortgage Insurance Corporation ("REMIC") represent active subsidiaries and together with the Housing New York Corporation ("HNYC") and the Real Estate Owned Corporation ("REO") comprise the reporting entity. HAC and REMIC have been included in the Corporation's financial statements as discretely presented 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.

Discretely Presented Component Units

(A) Housing Assistance Corporation

The Housing Assistance Corporation 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 discretely presented component unit in HDC's financial statements.

(B) New York City Residential Mortgage Insurance Corporation

The New York City Residential Mortgage Insurance Corporation 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 is required to maintain three reserves. 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 at October 31, 2010 is $43,533,000.

REMIC must also maintain a Mortgage Insurance Fund which shall be used solely for the payment of liabilities arising from mortgage insurance contracts of the Old REMIC. The Mortgage Insurance Fund requirement at October 31, 2010 is $200,000, which constitutes one hundred percent of Old REMIC's insured mortgage loans.

Any income or interest earned on these two reserves in excess of their 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 and mortgage insurance contracts. REMIC also maintains an Operating Fund for operation purposes. As a subsidiary of HDC, REMIC functions are administered by the Corporation. The Premium Reserve Fund and Operating Fund have a combined balance of $20,575,000 at October 31, 2010. REMIC is reported as a component unit 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.

(C) Housing New York Corporation

The Housing New York Corporation 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 of 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.

<u>Blended Component Unit</u>

(D) 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 by this subsidiary during fiscal year 2010 and it is treated as a blended component unit of HDC.

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 assets 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 GASB. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are followed by the Corporation to the extent that those standards do not conflict with or contradict guidance of the GASB. The Corporation has elected not to follow subsequent private-sector guidance.

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 investment income, is considered non-operating. Revenues are recognized when earned; commitment and financing fees are recognized over the life of the related mortgage.

Operating expenses include bonding costs, expenses for administering the various bond resolutions, personnel expenses, corporate operating expenses, amortization of capitalized 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 assets have been restricted in accordance with terms of an award, agreement or by state law. Designated assets are committed for specific purposes pursuant to HDC policy and/or Board directives. Please see Note 17: "Net Assets" 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 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") generally 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 in Current Assets the cash, cash equivalents and investments held as of October 31, 2010 to cover $308,812,000 for payment of bond principal and interest due in the following year.

C. Purpose Investments

As part of its financing activities, HDC has made five 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. As such, 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 certificate is included in investment income.

It is the Corporation's policy to record GNMAs at amortized cost, which amounted to $190,631,000 and $194,196,000, at October 31, 2010 and October 31, 2009, respectively. The fair value of these purpose investments amounted to $201,900,000 and $198,199,000, at October 31, 2010 and at October 31, 2009, respectively.

D. Earnings on Investments

Earnings on investments include interest income and changes in fair market value. Investment earnings on monies held for the City, project reserves for replacement and certain other project escrows are not reported as revenues; rather, they are reported as payable to the City or payable to mortgagors, respectively.

E. Debt Issuance Costs, Bond Discount and Other Bond Related Costs

Debt issuance costs and bond discount and premium are amortized over the life of the related bond issues using the effective interest method. Premiums paid in connection with interest rate cap agreements are amortized and reported as interest expense over the life of the respective agreements. Deferred Bond Refunding Costs are amortized to expenses over the shorter of the life of the refunding bonds or the refunded bonds.

F. 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. As such, HDC believes that the likelihood of experiencing material credit losses relating to its bonded mortgage programs is unlikely. Management has determined that current charges against income are not required.

G. Summarized Financial Information

The financial statements include summarized comparative information for the year ended October 31, 2009 in total but not by reporting unit. Such information does not include sufficient 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, 2009 (which are available from the Corporation and on its website).

H. Recent and Upcoming Accounting Pronouncements

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASB 53"). This Statement establishes guidance on the recognition, measurement and disclosures related to derivative instruments entered into by governmental entities. GASB 53 requires that most derivative instruments be reported at fair value, and requires governmental entities to determine if derivatives are effective hedges of risks associated with related hedgeable items. The Corporation adopted GASB 53 effective November 1, 2009, with retrospective application to the earliest period presented. The Corporation uses interest rate caps to mitigate the Corporation's exposure to rising interest rates on its variable rate debt. See Note 8: "Other Non Current Assets". There was not a material effect on the financial statements of the Corporation due to the implementation of GASB 53.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* ("GASB 62"). This Standard will improve financial reporting by incorporating into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements. GASB 62 will supersede Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting.* The requirements of GASB 62 are effective for financial statements for periods beginning after December 15, 2011. The Corporation has not completed the process of evaluating the impact of GASB 62 on its financial statements.

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, highly rated commercial paper, open time deposits ("OTDs") in the form of investment agreements, demand accounts, and repurchase agreements. In fiscal year 2010, HDC continued investing in municipal bonds of New York State and New York City, consistent with the Corporation's statute and Investment Guidelines. The Corporation did not enter into any reverse repurchase agreements during the year ended October 31, 2010. According to management, the Corporation is not in violation of any provisions of the foregoing policies.

All securities, other than securities held by the respective trustees for the benefit of the bondholders, are 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 a delivery basis. As of October 31, 2010, the Corporation had the following investments.

	Fair Value	Investment Maturities at October 31, 2010 (in Years)			
Investment Type	2010	Less than 1	1-5	6-10	More than 10
(in thousands)					
U.S. Treasury (Bonds, Notes, Bills)	$723,979	719,542	92	—	4,345
Money Market and NOW Accounts	672,782	672,782	—	—	—
Open Time Deposits	415,821	25,572	358,724		31,525
Fixed Repurchase Agreements	314,390	314,390	—	—	—
FHLMC	169,053	128,122	40,931	—	—
FNMA	75,613	—	75,613	—	—
Farmer MAC	72,045	72,045	—	—	—
Certificates of Deposit	68,702	—	68,702	—	—
NYS/NYC Municipal Bonds *****	62,548	10,443	22,967	—	29,138
FHLB	53,681	—	—	—	53,681
Federal Farm Credit Bond	44,009	—	44,009	—	—
Term Repurchase Agreements	27,730	—	26,540	1,190	—
Total	2,700,353	1,942,896	637,578	1,190	118,689
Less amounts classified as cash Equivalents	(1,447,292)	(1,447,292)	—	—	—
Total investments	1,253,061	495,604	637,578	1,190	118,689

**Note: These are VRDO instruments which can be put weekly.*

In addition to the investments identified above, as of October 31, 2010 and 2009, the Corporation held $3,238,000 and $3,598,000, respectively, uninvested as cash in various trust and escrow 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.

Credit Risk: The Corporation's investment guidelines and policies are designed to protect principal by limiting credit risk. This is accomplished through 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, 2010, investments in Federal National Mortgage Association ("FNMA" or "Fannie Mae"), Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac") and Federal Home Loan Bank ("FHLB") were rated in the highest long-term or short-term ratings category by Standard & Poor's and/or Moody's Investors Service (Fannie Mae, Freddie Mac, FHLB, Farmer MAC and Federal Farm Credit Bond are collectively referred to as "Agency"). These ratings were AAA and A-1+ by Standard & Poor's and Aaa and P-1 by Moody's for long-term and short-term instruments, respectively. Investments in Fannie Mae, Freddie Mac and FHLB 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 from AAA to BBB-. Money Markets are not rated; however, the providers are rated.

Ratings for investments in NYS/NYC municipal bonds are based on the issuers rating for its general obligation debt or the rating of their letter-of-credit providers, as the case may be. The letter-of-credit providers' ratings carried a range from AAA to AA, and Aaa to Aa2, by Standard & Poor's and Moody's Investors Service, respectively. The remaining investments, short term and long term, that were rated by Standard & Poor's and/or Moody's Investors Service were rated from AAA to BBB, and Aaa to Baa1. Some investments were not rated by Fitch Ratings. Of the investments that were rated by Fitch Ratings, they carried ratings from AAA to BBB-. 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, and accordingly, the Corporation was not exposed to custodial credit risk on its investment securities.

On September 15, 2008, Lehman Brothers Holdings Inc. ("LBI") filed for Chapter 11 bankruptcy. At the time, HDC had a $15,083,000 investment in Repurchase Agreements that was issued by LBI and its' subsidiary. Although LBI, as the counterparty, failed to fulfill its responsibility when the investment matured on September 19, 2008, at no time was HDC exposed to any custodial credit risk because the related collateral on these investment was held by HDC's trustee and not by LBI. As a result of this failed delivery, HDC sold the collateral, a Treasury Inflation Protected Security ("TIPS") to recover its investment. The proceeds from the sale of the collateral were more than enough to recover the investment and the excess proceeds of $147,000 were set aside as a liability. On August 9, 2010, based on the Release Agreement between James W. Giddens as Trustee for Lehman Brothers Inc. and New York City Housing Development Corporation, HDC remitted this amount to the bankruptcy trustee of LBI and has no further obligation relating to this matter.

As of October 31, 2010, open time deposits in the amount of $26,091,000, repurchase agreements in the amount of $342,120,000, certificates of deposit in the amount of $68,702,000, and demand accounts in the amount of $672,782,000 were collateralized by high quality instruments such as U.S. Treasury Notes, U.S. Treasury Bills and Agency investments held by the Corporation's agent in the name of the Corporation. All such investments are not subject to custodial credit risk.

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 limits its deposits to highly rated institutions, and such deposits are either in trust accounts or insured through the FDIC. HDC bank deposits amounted to $6,819,000 as of October 31, 2010, of which $2,996,000 was secured in trust accounts, which are protected under state law. $3,823,000 was held in Demand Deposit Accounts ("DDA"), of which $250,000 are FDIC-insured. During the year, all five of the banks that HDC had deposits and transactions with opted out of the Temporary Liquidity Guarantee Program's Transaction Account Guarantee Program ("TAGP"), which was announced by the FDIC on October 14, 2008.

Concentration of Credit Risk: The Corporation reviews its credit concentration monthly and under current policy limits exposure to any one commercial paper provider to $25 million. The Corporation's Credit Risk unit monitors concentration risk amongst issuers and reports to the Members of the Corporation's Audit Committee.

The following table shows issuers that represent 5% or more of total investments at October 31, 2010 ($ in thousands):

Issuer	Dollar Amount	Percentage
Credit Agricole CIB New York	$370,368	13.7%
HSBC	233,542	8.6
Wachovia National Bank	197,521	7.3
FHLMC	169,053	6.3
Signature Bank	165,143	6.1
Daiwa Securities	148,595	5.5
Mizuho Securities USA, INC.	141,359	5.2

Note 4: Mortgage Loans

The Corporation had outstanding, under various loan programs, mortgage loans of $7,279,644,000 and $6,563,945,000 as of October 31, 2010 and 2009, respectively. These amounts represent the portion of mortgage loans for which the Corporation has advanced monies. The portion of mortgage loans that has not yet been advanced is recorded as investments and this amounted to $1,087,889,000 and $1,087,127,000 at October 31, 2010 and October 31, 2009, respectively. (See Note 15: "Commitments").

Changes in Mortgage Loans

The changes in Mortgage Loans are as follows:

Mortgage loans outstanding at October 31, 2008	5,899,464,000
Mortgage Advances	1,083,601,000
Principal Collections	(419,563,000)
Discount/Premium Amortized	443,000
Mortgage loans outstanding at October 31, 2009	6,563,945,000
Mortgage Advances	1,090,161,000
Principal Collections	(379,803,000)
Discount/Premium Amortized	5,341,000
Mortgage loans outstanding at October 31, 2010	$7,279,644,000

(A) New York City Housing Development Corporation

The HDC mortgage loans listed above were originally repayable over terms of 2 to 50 years and bear interest at rates from 0.05% to 12% 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 the New York City Housing Authority ("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 are in the Mitchell-Lama programs held as of October 31, 2010, 80% are first mortgages and 20% are subordinate loans.

(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. As of October 31, 2010, there were five loans remaining and the total outstanding loan balance was $30,323,000 and $30,419,000 at October 31, 2010 and October 31, 2009, respectively.

Note 5: Notes Receivable

HDC has two loans outstanding that are secured by notes and pledged revenues. Military Housing Notes Receivable of $46,895,000 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.

In addition, notes receivable from NYCHA in connection with the Corporation's 2005 Series A Capital Fund Program Revenue Bond issuance was $254,664,000 at October 31, 2010. This note is secured under a Master Trust Indenture by NYCHA's pledge of HUD's annual appropriation of public housing capital funds to NYCHA.

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.

First, in each of fiscal years 2002 and 2003, HDC used bond proceeds from its Multi-Family Housing Revenue Bonds, "2002 Series D", and Multi-Family Housing Revenue Bonds, "2003 Series D" bond issues 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 Class B Certificate. Upon completion of the 2003 transaction, HDC's participation interest covered all the cash flows of the Sheridan Trust II. In September, 2005 the senior lien interests were satisfied and HDC became the primary beneficiary of Sheridan Trust II. At that time, therefore, the loan asset was added to HDC's balance sheet and was valued at its principal amount.

At issuance, the 2002 Series D and 2003 Series D bonds were substantially over collateralized by their respective total loan assets. In April 2006, the Corporation issued its Multi-Family Housing Revenue Bonds, "2006 Series A" bonds to refinance the 2002 Series D and 2003 Series D bonds. At the time, the principal amount of the Sheridan Trust II had a balance of $211,455,000 that was transferred to the 2006 Series A bond program. As of October 31, 2010, the principal amount was $132,201,000.

Second, in fiscal year 2005, HDC used bond proceeds to acquire from the City a 100% participation interest in the cash flows payable to the City as owner of the Class B Certificate of the NYC Mortgage Loan Trust, also created by the City in 1996. Class A Certificates of this trust remain outstanding and HDC's interest is subordinate to scheduled and make-whole payments to the Class A Certificate holders, but it does receive unscheduled revenue from this participation interest. The Class B Certificate does not have a stated principal amount and is valued at its purchase price, as adjusted for the return of capital. At October 31, 2010, this amount was $5,963,000.

Third, the remaining $471,417,000 in "Loan Participation Receivable - The City of New York" represents the excess of collateral over its associated bonds.

In each case, the "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 11: "Payable to The City of New York".)

Note 7: Other Receivables

Other Receivables of $19,312,000 represent mortgage commitment and financing fees, servicing fees receivable, Reserve for Replacement loans and Corporate Services Fund loans not secured by mortgages on the properties, interest and servicing fees receivable on HPD loans serviced (but not owned) by HDC.

Note 8: Other Non Current Assets

Other non-current assets totaled $6,057,000 at October 31, 2010, and consist of (a) various interest rate caps purchased by the Corporation in connection with certain bond issuances; and (b) the value of purchased cash flows related to the 223(f) Program.

Interest rate caps are used to mitigate the Corporation's exposure to rising interest rates on its variable rate debt. Three interest rate caps were purchased from the New York City Transitional Finance Authority ("TFA") in connection with the Corporation's issuance of its 2002 Series C and 2002 Series D Multi-Family Housing Revenue Bonds. These caps were carried at their amortized value. On December 2, 2005, by mutual agreement between the Corporation and the TFA, these interest rate caps were cancelled. As a condition of cancellation, TFA delivered, at its expense, three new interest rate caps from Goldman Sachs Mitsui Marine Derivative Products with substantially the same terms and conditions as the original caps. At that time, the combined balances of the interest rate caps had an amortized value of $16,088,000 and a fair value of $7,275,000 and, accordingly, the Corporation recorded a fair market value adjustment of $8,813,000 in fiscal year 2006.

On April 28, 2006, the Corporation issued the 2006 Series A bonds to refinance both the 2002 Series D and 2003 Series D bonds, and the related interest rate caps on these bonds were transferred to the 2006 Series A bond program. At October 31, 2010, the value of the interest rate caps for 2006 Series A and 2002 Series C were $3,104,000 and $0, respectively.

The purchased cash flows are revenue streams consisting of (a) the excess of mortgagors' payments over bond debt service payments, trustee fees and servicing fees to the Corporation and (b) the earnings on certain restricted funds (which earnings are excluded from the Combined Statement of Revenues and Expenses), relating to the 223(f) program and Multi-Family Housing Revenue Bonds, 2001 Series B. These cash flows were purchased by the Corporation from the City of New York in fiscal year 1996. The purchase price amounts, representing the discounted value of the future cash flows, were recorded as an asset and have been amortized over the remaining mortgage life. During fiscal year 2010, $156,000 was amortized and is reported as a non-operating expense. The unamortized value of these purchased cash flows is $2,953,000 at October 31, 2010.

Note 9: Bonds Payable

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 $10.25 billion, exclusive of refunding bonds or notes, and (ii) the maximum Capital Reserve Fund requirement may not exceed $85 million. No bonds are currently subject to the Capital Reserve Fund requirement. These limits may be changed from time to time through State legislation. During the year ended October 31, 2010, the limit on aggregate principal amount outstanding was raised from $8.75 billion to $10.25 billion.

Bond Programs

The Corporation issues bonds and notes to fund mortgage loans for multi-family residential developments under the bond programs described below. As of October 31, 2010, the Corporation had bonds outstanding in the aggregate principal amount of $8,473,712,000. All of 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 "*C. Housing Revenue Bond Program*" below). None of the bonds under the bond programs described in "*A. Multi-Family Bond Program*", "*D. Liberty Bond Program*", and "*E. Section 223(f) Refinancing Bond Program*" provide security under the General Resolution, and none of the bonds under these programs is secured by the General Resolution.

A. Multi-Family Bond Program. The Corporation established its Multi-Family Bond 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 Bond 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) Cooperative Housing; SONYMA-Insured Mortgage Loan: The Corporation has issued tax-exempt obligations in order to fund underlying mortgage loans to cooperative housing developments. Each mortgage loan in this program is insured by the State of New York Mortgage Agency ("SONYMA").

(5) Rental Project; REMIC-Insured Mortgage Loan: The Corporation has issued tax-exempt bonds to finance a mortgage loan for a residential facility, which mortgage loan is insured by the New York City Residential Mortgage Insurance Corporation ("REMIC"), which is a subsidiary of the Corporation.

(6) Senior Housing; Letter of Credit Enhanced: The Corporation has issued tax-exempt obligations to finance a mortgage loan for low-income senior housing, which obligations are secured by letters of credit issued by investment-grade rated commercial lending institutions.

(7) Cooperative Housing; Letter of Credit Enhanced: The Corporation has issued taxable obligations in order to fund underlying mortgage loans to cooperative housing developments, which bonds are secured by letters of credit issued by investment-grade rated commercial lending institutions.

B. Millitary 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. 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, 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. As of October 31, 2010, one hundred and thirty nine (139) series of bonds have been issued under the Housing Revenue Bond Program including the Corporation's Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series 1 and 2009 Series 2, which are separately secured and then by the General Resolution.

D. 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 or a direct pay credit enhancement instrument to finance the development of multi-family housing within an area of lower Manhattan designated in such legislation as the "Liberty Zone".

E. Section 223(f) Refinancing Bond Program. Under this program, the Corporation acquired mortgages originally made by the City, obtains federal insurance thereon and either sells such insured mortgages or issues its obligations secured by said insured mortgages and pays the net proceeds of the sale of such mortgages or issuance of obligations to the City. Each series of bonds issued under this program is secured by a mortgage loan insured by FHA pursuant to Section 223(f) of Title II of the National Housing Act of 1934, as amended (the "National Housing Act"). Debt service on each series of bonds is paid only from monies received on account of the applicable mortgage loan securing such series, including, with respect to certain projects, interest reduction subsidy payments received by the Corporation pursuant to Section 236 of the National Housing Act.

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

<u>Changes in Bonds Payable</u>

The summary of changes in Bonds Payable was as follows:

Bonds Payable outstanding at October 31, 2008	$6,625,285,000
Bond Issued	1,433,855,000
Bond Principal Retired	(604,543,000)
Deferred Bond Refunding Costs	(286,000)
Net Premium/Discount on Bonds Payable	1,174,000
Bonds Payable outstanding at October 31, 2009	$7,455,485,000
Bond Issued	1,591,345,000
Bond Principal Retired	(572,600,000)
Deferred Bond Refunding Costs	779,000
Net Premium/Discount on Bonds Payable	(795,000)
Bonds Payable outstanding at October 31, 2010	$8,474,214,000

Details of changes in HDC bonds payable for the year ended October 31, 2010 were as follows:

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands)					
(variable rates cover fiscal year 2010)					
<u>MULTI-FAMILY BOND PROGRAM:</u>					
Multi-Family Rental Housing Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced					
1997 Series A Related-Carnegie Park Project— 0.10% to 0.30% Variable Rate Bonds due upon demand through 2019.......................................	$ 66,800	—	—	66,800	—
1997 Series A Related-Monterey Project— 0.10% to 0.30% Variable Rate Bonds due upon demand through 2019.......................................	104,600	—	—	104,600	—
1997 Series A Related-Tribeca Tower Project— 0.17% to 0.34% Variable Rate Bonds due upon demand through 2019.......................................	55,000	—	—	55,000	—
1998 Series A Jane Street Development— 0.14% to 0.33% Variable Rate Bonds due upon demand through 2028.......................................	16,450	—	—	16,450	—
1998 Series A One Columbus Place Project— 0.14% to 0.33% Variable Rate Bonds due upon demand through 2028……………………….	142,300	—	—	142,300	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
1999 Series A West 43rd Street Project—0.14% to 0.33% Variable Rate Bonds due upon demand through 2029……………………….	51,900	—	—	51,900	—
1999 Series A Brittany Development Project—0.14% to 0.33% Variable Rate Bonds due upon demand through 2029……………………….	57,000	—	—	57,000	—
2000 Series A Related West 89th Street Development—0.12% to 0.29% Variable Rate Bonds due upon demand through 2029.............	53,000	—	—	53,000	—
2001 Series A Queenswood Refunding—0.10% to 0.30% Variable Rate Bonds due upon demand through 2031……………………….	10,800	—	—	10,800	—
2001 Series A Related Lyric Development—0.14% to 0.33% Variable Rate Bonds due upon demand through 2031......................................	85,000	—	—	85,000	—
2001 Series B (Federally Taxable) Related Lyric Development—0.21% to 0.37% Variable Rate Bonds due upon demand through 2031.....	4,000	—	—	4,000	—
2002 Series A James Tower Development—0.10% to 0.30% Variable Rate Bonds due upon demand through 2032......................................	20,810	—	(280)	20,530	310
2002 Series A The Foundry—0.14% to 0.33% Variable Rate Bonds due upon demand through 2032……………………………………………	55,100	—	—	55,100	—
2003 Series A Related-Sierra Development—0.14% to 0.34% Variable Rate Bonds due upon demand through 2033.......................................	56,000	—	—	56,000	—
2004 Series A West End Towers—0.14% to 0.33% Variable Rate Bonds due upon demand through 2034………………………………...	135,000	—	—	135,000	—
2004 Series A Related-Westport Development—0.14% to 0.33% Variable Rate Bonds due upon demand through 2034.............	110,000	—	—	110,000	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2004 Series B (Federally Taxable) Related-Westport Development—0.21% to 0.37% Variable Rate Bonds due upon demand through 2034..	13,800	—	—	13,800	—
2005 Series A Atlantic Court Apartments—0.15% to 0.34% Variable Rate Bonds due upon demand through 2035.......................................	83,700	—	—	83,700	—
2005 Series B (Federally Taxable) Atlantic Court Apartments—0.21% to 0.37% Variable Rate Bonds due upon demand through 2035......	18,600	—	(900)	17,700	600
2005 Series A The Nicole Development—0.14% to 0.33% Variable Rate Bonds due upon demand through 2035……………………….	54,600	—	—	54,600	—
2005 Series B (Federally Taxable) The Nicole Development—0.21% to 0.37% Variable Rate Bonds due upon demand through 2035………..	9,100	—	(500)	8,600	500
2005 Series B Progress of People Development—3.50% to 4.95% Term Bonds maturing in varying installments through 2036	52,680	—	(855)	51,825	900
2005 Series A Royal Charter Properties—0.10% to 0.29% Variable Rate Bonds due upon demand through 2035………………………….	89,200	—	—	89,200	—
2005 Series B (Federally Taxable) Royal Charter Properties—0.21% to 0.37% Variable Rate Bonds due upon demand through 2011…..	3,250	—	(1,700)	1,550	1,550
2006 Series A Rivereast Apartments – 0.14% to 0.35% Variable Rate Bonds due upon demand through 2036…………………………………...	50,000	—	—	50,000	—
2006 Series B (Federally Taxable) Rivereast Apartments – 0.25% to 0.37% Variable Rate Bonds due upon demand through 2036………	6,100	—	(400)	5,700	500
2006 Series A Seaview Towers – 3.70% to 4.75% Serial & Term Bonds maturing in varying installments through 2039……………	24,305	—	(930)	23,375	975

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2007 Series A Ocean Gate Development – 0.20% to 0.34% Variable Rate Bonds due upon demand through 2040……………………….	32,530	—	—	32,530	—
2007 Series B Ocean Gate Development – 4.80% to 5.35% Term Bonds maturing in varying installments through in 2025……..	14,820	—	(580)	14,240	610
2007 Series A West 61st Street Apartments — 0.12% to 0.30% Variable Rate Bonds due upon demand through 2037……………………….	54,000	—	—	54,000	—
2007 Series B (Federally Taxable) West 61st Street Apartments — 5.63% Fixed Rate Term Bonds due 2019……………………………..	12,715	—	(930)	11,785	990
2007 Series A 155 West 21st Street Apartments —0.12% to 0.29% Variable Rate Bonds due upon demand through 2037 ………………….	37,900	—	—	37,900	—
2007 Series B (Federally Taxable) 155 West 21st Street Apartments —0.20% to 0.33% Variable Rate Bonds due upon demand through 2037………………………………………….	14,400	—	(400)	14,000	400
2008 Series A Linden Plaza — 0.17% to 0.34% Variable Rate Bonds due upon demand through 2043………………………………………….	72,165	—	(1,240)	70,925	1,310
2009 Series A Gateways Apartments – 2.65% to 4.5% Term Bonds due upon demand through 2025…………………………………………	22,190	—	(170)	22,020	200
2009 Series A Lexington Courts — 0.10% to 0.30% Variable Rate Bond due upon demand through 2039………………………………….	—	25,500	—	25,500	—
Multi-Family Mortgage Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced					
1995 Series A Columbus Apartments Development—0.10% to 0.30% Variable Rate Bonds maturing in varying installments through 2025..	21,870	—	—	21,870	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2001 Series A West 48th Street— 0.14% to 0.33% Variable Rate Bonds due upon demand through 2034………………………………...	20,000	—	—	20,000	—
2002 Series A First Ave Development — 0.14% to 0.33% Variable Rate Bond due upon demand through 2035………………………	44,000	—	—	44,000	—
2004 Series A Aldus Street Apartments— 0.14% to 0.35% Variable Rate Bonds due upon demand through 2037.......................................	8,100	—	—	8,100	—
2004 Series A 941 Hoe Avenue Apartments — 0.14% to 0.35% Variable Rate Bonds due upon demand through 2037.......................................	6,660	—	—	6,660	—
2004 Series A Peter Cintron Apartments — 0.14% to 0.35% Variable Rate Bonds due upon demand through 2037..	7,840	—	—	7,840	—
2004 Series A State Renaissance Court—0.14% to 0.35% Variable Rate Bonds due upon demand through 2037.......................................	35,200	—	—	35,200	—
2004 Series A Louis Nine Boulevard Apartments —0.12% to 0.29% Variable Rate Bonds due upon demand through 2037.............	7,300	—	—	7,300	—
2004 Series A Courtlandt Avenue Apartments —0.12% to 0.29% Variable Rate Bonds due upon demand through 2037...............................	7,905	—	—	7,905	—
2004 Series A Ogden Avenue Apartments — 0.14% to 0.35% Variable Rate Bonds due upon demand through 2038.......................................	4,760	—	—	4,760	—
2004 Series A Nagle Courtyard Apartments — 0.14% to 0.35% Variable Rate Bonds due upon demand through 2038.......................................	4,200	—	—	4,200	—
2005 Series A Morris Avenue Apartments — 0.14% to 0.35% Variable Rate Bonds due upon demand through 2038.......................................	14,700	—	—	14,700	—
2005 Series A Vyse Avenue Apartments — 0.14% to 0.35% Variable Rate Bonds due upon demand through 2038……………………….	4,335	—	—	4,335	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2005 Series A —33 West Tremont Avenue Apartments —0.14% to 0.35% Variable Rate Bonds due upon demand through 2038.............	3,490	—	—	3,490	—
2005 Series A 89 Murray Street Development — 0.14% to 0.33% Variable Rate Bonds due upon demand through 2039...............................	49,800	—	—	49,800	—
2006 Series A Linden Boulevard Apartments – 3.90% to 4.75% Serial and Term Bonds maturing in varying installments through 2039	14,000	—	(190)	13,810	200
2006 Series A Markham Garden Apartments — 0.17% to 0.34% Variable Rate Bond due upon demand through 2040………………………..	25,000	—	(9,000)	16,000	—
2008 Series A 245 East 124th Street – 0.08% to 0.30% Variable Rate Bonds due upon demand through 2046…………………………………..	40,000	—	—	40,000	—
Multi-Family Mortgage Revenue Bonds – Rental Projects; Letter of Credit Enhanced					
2003 Series A (AMT) Related-Upper East — 0.28% to 0.43% Variable Rate Bonds due upon demand through 2036.......................................	67,000	—	—	67,000	—
2003 Series B (Federally Taxable) Related-Upper East —0.20% to 0.40% Variable Rate Bonds due upon demand through 2036.............	3,000	—	—	3,000	—
2004 Series A Manhattan Court Development — 0.05% to 0.35% Variable Rate Bonds due upon demand through 2036............................	17,500	—	—	17,500	—
2004 Series A East 165th Street Development — 0. 05% to 0.35% Variable Rate Bonds due upon demand through 2036...............................	7,665	—	—	7,665	—
2004 Series A Parkview Apartments —0.20% to 0.35% Variable Rate Bonds due upon demand through 2036.......................................	5,935	—	—	5,935	—
2004 Series A Thessalonica Court Apartments —0.18% to 0.34% Variable Rate Bonds due upon demand through 2036...............................	18,800	—	(300)	18,500	300

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2004 Series A Brookhaven Apartments — 0.18% to 0.34% Variable Rate Bonds due upon demand through 2036.......................................	8,800	—	(100)	8,700	200
2004 Series A Marseilles Apartments — 0.14% to 0.29% Variable Rate Bonds due upon demand through 2034…………………………	12,725	—	(200)	12,525	300
2005 Series A 2007 LaFontaine Avenue Apartments —0.05% to 0.35% Variable Rate Bonds due upon demand through 2037.............	3,825	—	—	3,825	—
2005 Series A La Casa del Sol Apartments — 0.18% to 0.33% Variable Rate Bonds due upon demand through 2037.......................................	5,050	—	—	5,050	200
2005 Series A 15 East Clarke Place Apartments —0.18% to 0.33% Variable Rate Bonds due upon demand through 2037……………………	5,430	—	—	5,430	—
2005 Series A Ogden Avenue Apartments II — 0.15% to 0.34% Variable Rate Bonds due upon demand through 2038.......................................	2,500	—	—	2,500	—
2005 Series A White Plains Courtyard Apartments —0.15% to 0.34% Variable Rate Bonds due upon demand through 2038..............	4,900	—	—	4,900	—
2005 Series A Highbridge Apartments — 0.14% to 0.35% Variable Rate Bonds due upon demand through 2039…………………………	13,600	—	—	13,600	—
2005 Series A Urban Horizons II Development —0.18% to 0.34% Variable Rate Bonds due upon demand through 2038……………………	19,600	—	(13,735)	5,865	—
2005 Series A 1090 Franklin Avenue Apartments —0.17% to 0.36% Variable Rate Bonds due upon demand through 2037………..	2,320	—	—	2,320	—
2005 Series A Parkview II Apartments — 0.17% to 0.36% Variable Rate Bonds due upon demand through 2037…………………………	4,255	—	—	4,255	—
2005 Series A Grace Towers Development — 0.18% to 0.33% Variable Rate Bonds due upon demand through 2037…………………………	11,100	—	(200)	10,900	200

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2005 Series A 270 East Burnside Avenue Apartments —0.12% to 0.29% Variable Rate Bonds due upon demand through 2039………..	6,400	—	—	6,400	—
2006 Series A Reverand Ruben Diaz Gardens Apartments —0.14% to 0.35% Variable Rate Bonds due upon demand through 2038………..	6,400	—	—	6,400	—
2006 Series A Villa Avenue Apartments — 0.14% to 0.35% Variable Rate Bonds due upon demand through 2039………………………….	5,990	—	—	5,990	—
2006 Series A Granville Payne Apartments — 0.05% to 0.35% Variable Rate Bonds due upon demand through 2039………………………….	5,560	—	—	5,560	—
2006 Series A Target V Apartments — 0.18% to 0.34% Variable Rate Bonds due upon demand through 2038…………………………	7,100	—	(100)	7,000	100
2006 Series A Beacon Mews Development — 0.20% to 0.35% Variable Rate Bonds due upon demand through 2039………………………….	23,500	—	—	23,500	—
2006 Series A Bathgate Avenue Apartments — 0.14% to 0.35% Variable Rate Bonds due upon demand through 2039………………………….	4,435	—	—	4,435	—
2006 Series A Granite Terrace Apartments – 0.05% to 0.35% Variable Rate Bonds due upon demand through 2038………………………….	4,060	—	—	4,060	—
2006 Series A Intervale Gardens Apartments – 0.05% to 0.35% Variable Rate Bonds due upon demand through 2038………………………….	3,115	—	—	3,115	—
2006 Series A Spring Creek Apartments I & II – 0.17% to 0.33% Variable Rate Bonds due upon demand through 2039……………………	24,000	—	—	24,000	—
2006 Series A 500 East 165th Street Apartments – 0.16% to 0.35% Variable Rate Bonds due upon demand through 2039……………………	7,255	—	—	7,255	—
2006 Series A 1405 Fifth Avenue Apartments – 0.05% to 0.35% Variable Rate Bonds due upon demand through 2039………………………….	14,190	—	—	14,190	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2006 Series A Pitt Street Residence – 0.15% to 0.37% Variable Rate Bonds due upon demand through 2040…………………………………..	31,000	—	—	31,000	31,000
2007 Series A 550 East 170th Street Apartments – 0.05% to 0.35% Variable Rate Bonds due upon demand through 2042……………………	5,500	—	—	5,500	—
2007 Series A Susan's Court – 0.17% to 0.36% Variable Rate Bonds due upon demand through 2039……………………………………...............	24,000	—	—	24,000	—
2007 Series A The Dorado Apartments – 0.17% to 0.37% Variable Rate Bonds due upon demand through 2040………………………….	8,750	—	(5,280)	3,470	—
2007 Series A The Plaza – 0.05% to 0.35% Variable Rate Bonds due upon demand through 2039……………………………………………	12,100	—	(100)	12,000	—
2007 Series A Queens Family Courthouse Apartments – 0.20% to 0.35% Variable Rate Bonds due upon demand through 2042………..	120,000	—	—	120,000	—
2007 Series A Boricua Village Apartments Site A-2 – 0.20% to 0.35% Variable Rate Bonds due upon demand through 2042…………………….	11,000	—	—	11,000	—
2007 Series A Boricua Village Apartments Site C – 0.20% to 0.35% Variable Rate Bonds due upon demand through 2042…………………….	17,300	—	—	17,300	—
2007 Series A Cook Street Apartments – 0.15% to 0.35% Variable Rate Bonds due upon demand through 2040…………………………..	26,600	—	(21,920)	4,680	—
2008 Series A Las Casas Development –0.20% to 0.34% Variable Rate Bonds due upon demand through 2040………………………….	36,880	—	—	36,880	—
2008 Series A Bruckner by the Bridge — 0.11% to 0.33% Variable Rate Bonds due upon demand through 2048………………………….	68,500	—	—	68,500	—
2008 Series A Hewitt House Apartments — 0.14% to 0.38% Variable Rate Bonds due upon demand through 2048………………………….	11,000	—	—	11,000	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2008 Series A Sons of Italy Apartments — 0.12% to 0.29% Variable Rate Bonds due upon demand through 2048……………………….	7,670	—	—	7,670	—
2010 Series A (Federally Taxable) Via Verde Apartments — 0.22% to 0.35% Variable Rate Bond due upon demand through 2016………..	—	33,690	—	33,690	—
2010 Series A 101 Avenue D Apartments — 0.23% to 0.30% Variable Rate Bonds due upon demand through 2043………………………..	—	25,000	—	25,000	—
2010 Series A Elliot Chelsea Development — 0.22% to 0.30% Variable Rate Bonds due upon demand through 2043………………………..	—	41,440	—	41,440	—
Multi-Family Rental Housing Revenue Bonds – Rental Projects; Letter of Credit Enhanced					
2002 Series A (Federally Taxable) Chelsea Centro—0.37% to 0.37% Variable Rate Bonds due upon demand through 2033.........................	76,200	—	(76,200)	—	—
2009 Series A The Balton — 0.10% to 0.31% Variable Rate Bonds due upon demand through 2049………………………………………….	29,750	—	—	29,750	—
Residential Revenue Bonds – Residential Housing; Letter of Credit Enhanced					
1993 Series A Montefiore Medical Center— 0.11% to 0.32% Variable Rate Term Bonds maturing in varying installments through 2030..	7,400	—	(200)	7,200	200
2003 Series A The Animal Medical Center— 4.25% to 5.50% Serial and Term Bonds maturing in varying installments through 2033..	10,140	—	—	10,140	10,140
2009 Series A Queens College Residence — 0.12% to 0.30% Variable Rate Bonds due upon demand through 2043……………………….	69,865	—	(300)	69,565	270

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
Mortgage Revenue Bonds – Cooperative Housing; SONYMA-Insured Mortgage Loan					
1994 Series A Maple Court Cooperative— 6.22% Term Bonds maturing in varying installments through 2027……………………..	9,965	—	(295)	9,670	9,670
1996 Series A Maple Plaza Cooperative— 6.08% Term Bonds maturing in varying installments through 2029……………………..	14,250	—	(355)	13,895	13,895
Multi-Family Mortgage Revenue Bonds – Rental Project; REMIC-Insured Mortgage Loan					
1996 Series A Barclay Avenue Development— 5.75% to 6.60% Term Bonds maturing in varying installments through 2033……………..	4,895	—	(4,895)	—	—
Multi-Family Mortgage Revenue Bonds – Senior Housing; Letter of Credit Enhanced					
2000 Series A 55 Pierrepont Development - 0.10% to 2.50% Variable Rate Bonds due upon demand through 2031…………………………..	4,600	—	—	4,600	—
Mortgage Revenue Bonds – Cooperative Housing; Letter of Credit Enhanced					
2008 Series A Coop-HMRB Prospect Macy (Federally Taxable) — 0.22% to 0.35% Variable Rate Bonds due upon demand through 2013…………………………………………….	8,565	—	—	8,565	—
2008 Series A Coop-HMRB East Harlem South Development (Federally Taxable) — 0.28% to 0.42% Variable Rate Bonds due upon demand through 2013………………………………...	26,700	—	(26,700)	—	—
2010 Series A Coop-HMRB Via Verde Cooperative Apartments (Federally Taxable) — 0.22% to 0.35% Variable Rate Bonds due upon demand through 2016………………………...	—	7,440	—	7,440	—
Sub-Total Multi-Family Bond Program	2,977,615	133,070	(168,955)	2,941,730	75,520

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands)					
(variable rates cover fiscal year 2010)					
MILITARY HOUSING REVENUE BOND PROGRAM					
2004 Series A Class I & II Fort Hamilton Housing LLC Project—5.60% to 6.72% Term Bonds maturing in varying installments through 2049	47,165	—	(270)	46,895	295
Total Multi-Family Bond Program	3,024,780	133,070	(169,225)	2,988,625	75,815
HOUSING REVENUE BOND PROGRAM:					
Multi-Family Housing Revenue Bonds Under the Corporation's General Resolution, assets pledged to bondholders include a pool of mortgage loans.					
1998 Series A (Federally Taxable) — 6.84% Term Bonds maturing in varying installments through 2030	6,000	—	(200)	5,800	3,300
1998 Series B — 3.75% to 5.25% Serial and Term Bonds maturing in varying installments through 2031	18,665	—	(17,665)	1,000	—
1999 Series A-1 — 5.83% to 6.06% Term Bonds maturing in varying installments through 2022	23,900	—	(3,600)	20,300	3,800
1999 Series B-2 (Federally Taxable) — 6.83% to 7.32% Term Bonds maturing in varying installments through 2022	22,700	—	(1,200)	21,500	1,300
1999 Series C — 4.40% to 5.70% Serial and Term Bonds maturing in varying installments through 2031	3,015	—	(170)	2,845	120
1999 Series E — 4.40% to 6.25% Serial and Term Bonds maturing in varying installments through 2036	9,370	—	(8,670)	700	—
2000 Series B (Federally Taxable) — 7.79% Term Bonds maturing in varying installments through 2032	22,900	—	(400)	22,500	22,500

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2001 Series A Carnegie East — 3.70% to 5.60% Serial and Term Bonds maturing in varying installments through 2042……………	28,605	—	(290)	28,315	310
2001 Series C-2 — 2.85% to 5.40% Serial and Term Bonds maturing in varying installments through 2033………………………………….	16,060	—	(325)	15,735	345
2002 Series A (AMT) — 2.20% to 5.50% Serial and Term Bonds maturing in varying installments through 2034…………………….	32,965	—	(640)	32,325	665
2002 Series B (AMT) — 2.20% to 5.50% Serial and Term Bonds maturing in varying installments through 2032…………………….	6,395	—	(145)	6,250	150
2002 Series C (Federally Taxable) — 0.41% to 0.51% Variable Rate Term Bonds maturing in varying installments through 2034……………..	46,555	—	(680)	45,875	730
2002 Serial E-2 (AMT) — 2.00% to 5.20% Serial and Term Bonds maturing in varying installments through 2034……………………. .	17,670	—	(355)	17,315	365
2002 Series F (AMT) — 2.00% to 5.20% Serial and Term Bonds maturing in varying installments through 2032……………………..	4,165	—	(95)	4,070	100
2003 Series B-2 (AMT) — 2.00% to 4.6% Serial and Term Bonds maturing in varying installments through 2036……………………...	27,625	—	(760)	26,865	780
2003 Series E-2 (AMT) — 2.25% to 5.05% Serial and Term Bonds maturing in varying installments through 2036……………………..	27,670	—	(435)	27,235	440
2004 Series A (Non-AMT)—1.85% to 5.25% Serial and Term Bonds maturing through 2030…………..	132,505	—	(3,580)	128,925	3,730
2004 Series B-2 (AMT) —2.00% to 5.30% Serial and Term Bonds maturing in varying installments through 2036……………………..	21,800	—	(460)	21,340	480
2004 Series C-2 (Federally Taxable) — 5.52% to 6.34% Serial and Term Bonds maturing in varying installments through 2036……………	47,205	—	(705)	46,500	740

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2004 Series E-1 (Non-AMT) 4.95% Term Bonds maturing in varying installments through 2033…………………………………………	39,595	—	—	39,595	—
2004 Series E-2 (Federally Taxable) — 5.75% Term Bonds maturing in varying installments through 2024……………………… …………..	8,980	—	—	8,980	—
2004 Series F (Federally Taxable) — 3.68% to 5.70% Serial and Term Bonds maturing in varying installments through 2035……………..	29,260	—	(2,170)	27,090	2,250
2004 Series G (Federally Taxable) — 5.63% Term Bonds maturing in varying installments through 2029…………. ……………………….	10,385	—	(70)	10,315	70
2004 Series H (AMT) — 2.70% to 5.25% Serial and Term Bonds maturing in varying installments through 2046……………………....	9,100	—	(90)	9,010	95
2004 Series I-2 (AMT) — 2.50% to 5.20% Serial and Term Bonds maturing in varying installments through 2038……………………....	25,165	—	(445)	24,720	465
2004 Series J (Federally Taxable) — 2.95% to 5.70% Serial and Term Bonds maturing in varying installments through 2036……………..	23,870	—	(1,090)	22,780	1,140
2005 Series A-1 (Non-AMT) — 4.50% to 4.60% Term Bonds maturing in 2027 and 2035, respectively……………………………………..	9,735	—	—	9,735	—
2005 Series C (AMT) — 3.10% to 4.80% Serial and Term Bonds maturing in varying installments through 2037……………………..	4,205	—	—	4,205	85
2005 Series D (AMT) — 3.10% to 4.80% Serial and Term Bonds maturing in varying installments through 2047……………………..	5,645	—	—	5,645	60
2005 Series E (AMT) — 2.90% to 4.75% Serial and Term Bonds maturing in varying installments through 2035……………………..	3,405	—	(190)	3,215	200
2005 Series F-1 (Non-AMT) — 4.65% to 4.75% Term Bonds maturing in 2025 and 2035, respectively……………………………………..	65,410	—	—	65,410	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2005 Series F-2 (Federally Taxable) — 4.66% to 5.43% Term Bonds maturing in 2010 and 2017, respectively…………………….………..	62,075	—	(6,100)	55,975	6,400
2005 Series G (Non-AMT) — 3.35% to 4.35% Serial and Term Bonds maturing in varying installments through 2018……………………..	3,960	—	(350)	3,610	360
2005 Series J-1 (Non-AMT) — 4.65% to 4.85% Term Bonds maturing in 2036…………………	20,495	—	—	20,495	—
2005 Series K (AMT) — 3.60% to 5.00% Serial and Term Bonds maturing in 2037…………….	12,505	—	(175)	12,330	185
2005 Series L (AMT) — 3.85% to 5.05% Serial and Term Bonds maturing in 2039…………….	22,485	—	(9,785)	12,700	190
2006 Series A (Federally Taxable) — 6.42% Term Bonds maturing in 2027..........................	185,015	—	(19,845)	165,170	28,295
2006 Series B (AMT) —5.35% Term Bonds due upon demand through 2049………………	31,850	—	(365)	31,485	385
2006 Series C (AMT) — 4.05% to 5.125% Serial and Term Bonds maturing in varying installments through 2040……………………..	54,575	—	(16,105)	38,470	395
2006 Series D-1 (Non-AMT) — 4.95% Term Bonds maturing in 2036……………………….	2,510	—	—	2,510	—
2006 Series G-1 (AMT) — 3.80% to 4.875% Serial and Term Bonds maturing in 2039 …….	25,665	—	(370)	25,295	390
2006 Series H-1 (AMT) — 3.85% to 4.70% Serial and Term Bonds maturing in 2040……..	25,005	—	—	25,005	—
2006 Series H-2 (AMT) — 3.95% Serial Bonds maturing in 2010 ………………………	50,880	—	(20,105)	30,775	30,775
2006 Series I (Federally Taxable) — 5.33% to 5.96% Term Bonds maturing in varying installments through 2040……………………..	6,700	—	—	6,700	35
2006 Series J-1 (AMT) — 0.18% to 0.33% Variable Rate term Bonds maturing in 2040….	100,000	—	(100,000)	—	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2006 Series J-1 (Non-AMT) — 0.48% Fixed Rate Term Bonds mandatory tender in 2011….	—	100,000	—	100,000	—
2006 Series J-2-A (AMT) — 3.95% to 4.85% Serial and Term Bonds maturing in variable installments through 2040……………………..	10,900	—	—	10,900	—
2006 Series J-2B (AMT) – 0.18% to 0.33% Variable Rate Term Bonds maturing in 2040…………………………………………	10,100	—	—	10,100	10,100
2006 Series J-2C (AMT) – 4.40% to 5.20% Serial and Terms Bonds maturing in variable installments through 2040……………………	17,925	—	—	17,925	—
2007 Series A (Federally Taxable) – 5.26% to 5.52% Term Bonds maturing in 2041………..	25,690	—	—	25,690	—
2007 Series B-1 (AMT) – 4.40% to 5.25% Serial and Term Bonds maturing in varying installments through 2045 …………………...	34,610	—	—	34,610	—
2007 Series C (Federally Taxable) – 6.02% to 6.56% Term Bonds maturing in 2040……..……	5,370	—	—	5,370	25
2007 Series D (Federally Taxable) –5.95% Terms Bonds maturing in 2039………………..	28,265	—	(335)	27,930	365
2007 Series E-1 (AMT) – 3.90% to 5.45% Serial and Term Bonds maturing in varying installments through 2040……………………	24,035	—	—	24,035	—
2007 Series E-2 (AMT) – 0.13% to 1.60% Variable rate Bonds due upon demand through 2042………………………………………….	29,215	—	(12,330)	16,885	—
2008 A-1-A (AMT) – 0.14% to 0.33% Variable Rate Bonds due upon demand through 2046….	30,945	—	—	30,945	—
2008 Series A-1-A (AMT) — 5.00% to 5.45% Fixed Rate Term Bonds due 2046……………	15,665	—	—	15,665	—
2008 Series A-1-B (AMT) - 0.18% to 0.33% Variable Rate Bonds due upon demand through 2013………………………………………….	51,705	—	(40,675)	11,030	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2008 A-2 (AMT) – 4.35% to 5.00% Fixed Rate Serial Bonds maturing in varying installments through 2018……………………………….	3,405	—	—	3,405	—
2008 A-3 (Federally Taxable) – 3.70% Fixed Rate Serial Bonds maturing in varying installments through 2010……………………..	8,300	—	(8,300)	—	—
2008 Series C-2 (Federally Taxable) – 3.55% to 5.69% Serial & Term Bonds maturing in varying installments through 2018……………	7,550	—	(620)	6,930	655
2008 Series D (Non-AMT) – 0.09% to 1.45% Variable Rate Term Bonds due upon demand through 2025..	12,670	—	—	12,670	12,670
2008 Series E (Federally Taxable) – 0.41% to 0.51% Index Floating Rate Terms Bonds maturing in 2037……………………………….	99,505	—	(1,065)	98,440	1,145
2008 Series F (Federally Taxable) – 0.41% to 0.51% Index Floating Rate Term Bonds maturing in 2041……………………………….	86,825	—	—	86,825	—
2008 Series H-1 (AMT) – 4.50% to 5.50% Serial and Term Bonds maturing in varying installments through 2028……………………....	8,060	—	—	8,060	—
2008 Series H-2-A (AMT) — 0.13% to 2.00% Variable Rate Term Bonds due 2041…………	24,490	—	—	24,490	—
2008 Series H-2-A (AMT) — 5.00% to 5.35% Fixed Rate Term Bonds due 2041……………	14,540	—	—	14,540	—
2008 Series H-2-B (AMT) — 0.12% to 0.33% Variable Rate Term Bonds maturing in 2013….	47,990	—	(15,780)	32,210	—
2008 Series I-1 and I-2 (AMT) - 0.60% and 0.72% Term bonds due 2011………………….	93,440	—	—	93,440	93,440
2008 Series J (Federally Taxable) —1.55% to 1.77% Index Floating Rate Term Bonds due 2043…………………………………………..	34,590	—	—	34,590	140
2008 Series K (Federally Taxable) — 1.55% to 1.77% Index Floating Rate Term Bonds due 2043…………………………………………..	106,025	—	(1,795)	104,230	1,855

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2008 Series L (Non-AMT) — 2.25% to 6.5% Fixed Rate Serial and Term Bonds due 2028…………………………………………	10,515	—	(5,305)	5,210	250
2008 Series M (Non-AMT) — 3.15% to 6.88% Fixed Rate Serial and Term Bonds due 2028………………………………………..	30,730	—	(110)	30,620	245
2008 Series M (Non-AMT) — 0.48% Fixed Rate Term Bonds mandatory tender due Sep 2011 ……………………………………….	37,175	—	(500)	36,675	36,675
2009 Series A (Non-AMT) — 2.00% to 4.20% Term Bonds maturing in varying installments through 2019………………………………..	17,450	—	—	17,450	1,350
2009 Series B-2 (Non-AMT) — 0.35% Term Bonds due 2010………………………………	4,400	—	(4,400)	—	—
2009 Series B-3 (Non-AMT) — 0.55% Term Bonds due 2009………………………………	25,345	—	(25,345)	—	—
2009 Series C-1 (Non-AMT) — 2.50% to 5.70% Serial and Term Bonds due 2046……	118,200	—	—	118,200	—
2009 Series C-2 (Non-AMT) — 2.30% to 5.00% Serial Bonds due 2013………………	82,140	—	—	82,140	6,425
2009 Series C-3 (Non-AMT) — 0.12% to 0.34% Variable Rate Bonds due 2015……….	50,000	—	(1,910)	48,090	—
2009 Series C-4 (Non-AMT) — 0.13% to 0.30% Variable Rate Bonds due 2015……….	13,045	—	—	13,045	—
2009 Series D (Non-AMT) — 3.45% Fixed Rate Serial Bonds due 2013…………………	9,500	—	—	9,500	—
2009 Series E-1 (Non-AMT) — 0.28% Fixed Rate Term Bonds mandatory tender in 2010………………………………………..	16,640	—	(16,640)	—	—
2009 Series E-2 (Non-AMT) — 0.33% Fixed Rate Term Bonds mandatory tender in 2010…………………………………………	3,200	—	(3,200)	—	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2009 Series E-2-A (Non-AMT) — 0.41% Fixed Rate Term Bonds mandatory tender in 2011…………………………………………	41,575	—	—	41,575	41,575
2009 Series E-2-B (Non-AMT) — 0.35% Fixed Rate Term Bonds mandatory tender in 2010……………………………………………	3,800	—	—	3,800	3,800
2009 Series F (Non-AMT) — 1.95% to 4.85% Fixed Rate Serial and Term Bonds maturing in varying installments through 2041……….…..	9,000	—	—	9,000	—
2009 Series G (Non-AMT) — 0.55% Fixed Rate Notes due 2010……….….……..……..	24,175	—	(24,175)	—	—
2009 Series H (Non-AMT) — 0.55% Term Bonds due 2010…………………………..……	4,600	—	(4,600)	—	—
2009 Series H-1 HRB (Non-AMT) — 0.37% Fixed Rate Term Bonds mandatory tender in 2010…………………………………………...	34,625	—	—	34,625	34,625
2009 Series H-2 (Non-AMT) — 0.55% Fixed Rate Term Bonds mandatory tender in 2011…	26,570	—	—	26,570	26,570
2009 Series I-1 (Federally Taxable) — 5.63% to 6.42% Fixed Rate Term Bonds maturing in varying installments through 2039….…...…….	50,000	—	—	50,000	—
2009 Series I-2 (Federally Taxable) — 1.15% to 1.37% Index Floating Rate Term Bonds due 2039…………………………………………	25,000	—	—	25,000	—
2009 Series J (Non-AMT) — 0.70% to 4.80% Fixed Rate Serial and Term Bonds maturing in varying installments through 2036……….....….	25,975	—	(385)	25,590	795
2009 Series K (Non- AMT) — 1.95% to 4.95% Fixed Rate Serial and Term Bonds due 2039….	—	108,785	—	108,785	—
2009 Series L-1 (Non- AMT) — 1.65% to 4.95% Fixed Rate Serial and Term Bonds due 2043……………………………………………	—	23,590	—	23,590	—
2009 Series L-2 (Non- AMT) — 2.00% Fixed Rate Term Bonds mandatory tender in 2013……………………………………………	—	68,000	—	68,000	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2009 Series L-3 (Non- AMT) — 2.50% Fixed Rate Term Bonds mandatory tender in 2013……………………………..................	—	27,745	—	27,745	—
2009 Series L-4 (Non- AMT) — 2.00% Fixed Rate Term Bonds mandatory tender in 2012…	—	10,200	—	10,200	—
2009 Series M (Non- AMT) — 1.85% to 5.15% Fixed Rate Serial and Term Bonds due 2045…..	—	30,945	—	30,945	—
2010 Series A-1 (Non- AMT) — 3.35% to 4.90% Fixed Rate Serial and Term Bonds maturing in vary installments through 2041…..	—	25,325	—	25,325	—
2010 Series A-2 (Federally Taxable) — 3.67% to 4.97% Fixed Rate Term Bonds maturing in vary installments through 2019……………….	—	3,000	—	3,000	—
2010 Series B (Non- AMT) — 2.13% Fixed Rate Serial Bonds maturing 2014…………….	—	150,000	—	150,000	—
2010 Series C (Non- AMT) — 1.50% to 4.95% Fixed Rate Serial and Term Bonds due 2047…	—	14,815	—	14,815	—
2010 Series D-1-A (Non- AMT) — 1.60% to 5.00% Fixed Rate Serial and Term Bonds due 2042……………………………………………	—	43,475	—	43,475	—
2010 Series D-2 (Non- AMT) — 0.20% to 0.27% Variable Rate Term bond due 2015……	—	11,190	—	11,190	—
2010 Series E (Non- AMT) — 0.80% to 3.85% Fixed Rate Serial and Term Bonds due 2013…..	—	10,570	—	10,570	225
2010 Series F (Non- AMT) — 1.70% to 4.75% Fixed Rate Serial and Term Bonds due 2030…..	—	4,130	—	4,130	—
2010 Series G (Non- AMT) — 0.40% to 4.75% Fixed Rate Serial and Term Bonds maturing in vary installments through 2041………………..	—	50,765	—	50,765	905
2010 Series H (Federally Taxable) — 0.83% Variable Rate Term Bonds due 2040…………	—	74,575	—	74,575	2,570
2010 Series I (Non- AMT) — 2.05% Fixed Rate Serial Bonds due 2014…………………	—	8,115	—	8,115	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands)					
(variable rates cover fiscal year 2010)					
Multi-Family Secured Mortgage Revenue Bonds					
2005 Series A-1 Secured Mortgage Revenue Bonds — 5.65% Term Bonds due upon demand through 2031…………………………………..	6,030	—	(50)	5,980	50
2005 Series A-2 Secured Mortgage Revenue Bonds — 6.32% Term Bonds due upon demand through 2037…………………………………..	4,415	—	(60)	4,355	60
2005 Series B — Secured Mortgage Revenue Bonds 6.35% Term Bonds due upon demand through 2038………………………………….	3,415	—	(40)	3,375	45
Federal New Issue Bond Program					
2009 Series 1 (Federally Taxable) (NIBP) — 0.004% to 0.15% Variable Rate Bonds due 2051……………………………………………	—	373,150	—	373,150	—
2009 Series 2 (Federally Taxable) (NIBP) — 0.004% to 0.15% Variable Rate Bonds due 2051……………………………………………	—	68,410	—	68,410	—
2009 Series 1-1 HRB (NIBP) — 3.96% Fixed Rate Term Bonds due 2043……………………	—	41,850	—	41,850	—
2009 Series 2-1 HRB (NIBP) — 3.96% Fixed Rate Term Bonds due 2043………………….	—	16,590	—	16,590	130
Total Housing Revenue Bond Program	2,863,580	1,265,225	(385,250)	3,743,555	388,320
LIBERTY BOND PROGRAM:					
Multi-Family Mortgage Revenue Bonds					
2005 Series A 90 Washington Street — 0.08% to 0.30% Variable Rate Bonds due upon demand through 2035………………………….	74,800	—	—	74,800	—
2005 Series A The Crest— 0.13% to 0.36% Variable Rate Bonds due upon demand through 2036…………………………………………….	132,500	—	—	132,500	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2005 Series B (Federally Taxable) The Crest— 0.26% to 0.60% Variable Rate Bonds due upon demand through 2036……………………….	10,700	—	(700)	10,000	800
2006 Series A 90 West Street — 0.10% to 0.28% Variable Rate Bonds due upon demand through 2036..	104,000	—	—	104,000	—
2006 Series B (Federally Taxable) 90 West Street — 0.20% to 0.33% Variable Rate Bonds due upon demand through 2036.........................	8,000	—	—	8,000	—
2006 Series A - 2 Gold Street — 0.10% to 0.28% Variable Rate Bonds due upon demand through 2036..	162,000	—	—	162,000	—
2006 Series B (Federally Taxable) - 2 Gold Street — 0.20% to 0.33% Variable Rate Bonds due upon demand through 2036........................	52,000	—	(1,200)	50,800	1,300
2006 Series A - 20 Exchange Place — 0.13% to 0.36% Variable Rate Bonds due upon demand through 2039……………………………….	66,400	—	—	66,400	—
2006 Series B (Federally Taxable) 20 Exchange Place— 0.26% to 0.68% Variable Rate Bonds due upon demand through 2039……………..	139,100	—	(2,000)	137,100	—
2006 Series A 201 Pearl Street — 0.10% to 0.28% Variable Rate Bonds due upon demand through 2041………..	65,000	—	—	65,000	—
2006 Series B (Federally Taxable) 201 Pearl Street — 0.20% to 0.33% Variable Rate Bonds upon demand through 2041………………….	25,000	—	—	25,000	—
2008 Series A Beekman Tower – 0.20% to 0.50% Variable Rate Bonds due upon demand through 2048……………………………….	203,900	—	—	203,900	—
2009 Series A-1 Beekman Tower — 0.28% to 0.80% Variable Rate Bonds due upon demand through 2048………………………………..	158,700	—	—	158,700	—
2009 Series A-2 Beekman Tower — 0.30% to 1.07% Variable Rate Bonds due upon demand through 2048……………………………….	79,350	—	—	79,350	—

Description of Bonds as Issued	Balance at Oct. 31, 2009	Issued	Retired	Balance at Oct. 31, 2010	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2010)*					
2010 Series A-1 (Federally Taxable) Beekman Tower — 0.32% to 0.55% Variable Rate Bonds due upon demand through 2048……………….	—	98,050	—	98,050	—
2010 Series A-2 (Federally Taxable) Beekman Tower — 0.32% to 0.58% Variable Rate Bonds due upon demand through 2048……………..	—	95,000	—	95,000	—
Total Liberty Bond Program	1,281,450	193,050	(3,900)	1,470,600	2,100
SECTION 223(f) REFINANCING BOND PROGRAM:					
Multi-Family Housing Bond Program—6.50% to 7.25% Bonds maturing in varying installments through 2019……………………..	38,542	—	(3,885)	34,657	4,466
Total Section 223(f) Refinancing Bond Program	38,542	—	(3,885)	34,657	4,466
CAPITAL FUND PROGRAM REVENUE BOND (New York City Housing Authority (“NYCHA”))					
2005 Series A Capital Fund Program—3.00% to 5.00% Serial and Term Bonds maturing in varying installments through 2025……………..	246,615	—	(10,340)	236,275	10,865
Total Capital Fund Program Revenue Bonds	246,615	—	(10,340)	236,275	10,865
Total Bonds Payable Prior to Net Premium (Discount) on Bonds Payable and Deferred Bond Refunding Costs	$ 7,454,967	1,591,345	(572,600)	8,473,712	481,566
Net Premium (Discount) on Bonds Payable	14,531	—	(795)	13,736	—
Deferred Bond Refunding Costs	(14,013)	—	779	(13,234)	—
Total Bonds Payable (Net)	$ 7,455,485	1,591,345	(572,616)	8,474,214	481,566

Interest on the Corporation’s variable rate debt is based on the Securities Industry and Financial Markets Association (“SIFMA”) rate and is reset daily and weekly.

<u>Bonds issued in Fiscal Year 2010</u>

(A) New York City Housing Development Corporation

On December 17, 2009, three Multi-Family Housing Revenue Bonds were issued in the amount totaling $269,265,000. The fixed rate 2009 Series K Bonds were issued in the amount of $108,785,000, the term rate 2009 Series L Bonds were issued in the amount of $129,535,000, and the fixed rate 2009 Series M Bonds were issued in the amount of $30,945,000. The 2009 Bonds were issued and combined with other available monies to directly or indirectly finance construction and permanent mortgage loans for the new construction and/or rehabilitation of certain developments.

On December 17, 2009, the variable rate 2009 Series A Multi-Family Rental Housing Revenue Bonds (Lexington Courts) were issued in the amount of $25,500,000 to finance a mortgage loan for the purpose of paying a portion of the costs of acquiring and rehabilitating a project located in Manhattan, New York, and to pay certain other related costs.

On December 23, 2009, two Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program) were issued in the amount totaling $500,000,000. The variable rate 2009 Series 1 (Federally Taxable) Bonds were issued in the amount of $415,000,000 and the 2009 Series 2 (Federally Taxable) Bonds were issued in the amount of $85,000,000. The 2009 Bonds were issued to finance construction and permanent mortgage loans for the new construction and/or rehabilitation of certain developments.

On March 4, 2010, two Multi-Family Mortgage Revenue Bonds were issued in the amount totaling $41,130,000. The variable rate 2010 Series A (Federally Taxable) Bonds (Via Verde Apartments) were issued in the amount of $33,690,000, and the 2010 Series A (Federally Taxable) Bonds (Via Verde Cooperative Apartments) were issued in the amount of $7,440,000. The 2010 Bonds were issued to finance two mortgage loans located in the borough of Bronx, New York, and to pay certain other related costs.

On March 16, 2010, three Multi-Family Housing Revenue Bonds were issued in the amount totaling $178,325,000. The fixed rate 2010 Series A-1 Bonds were issued in the amount of $25,325,000, the 2010 Series A-2 (Federally Taxable) Bonds were issued in the amount of $3,000,000, and the 2010 Series B Bonds were issued in the amount of $150,000,000. The 2010 Bonds were issued and combined with other available monies to directly or indirectly finance construction and permanent mortgage loans for the acquisition and rehabilitation of certain developments.

On May 12, 2010, the fixed rate Multi-Family Housing Revenue Bonds 2010 Series C were issued in the amount of $14,815,000 to finance construction and permanent mortgage loans for a project located in the borough of Manhattan, New York, and to pay certain other related costs.

On May 13, 2010, two Multi-Family Mortgage Revenue Bonds (Beekman Tower) were issued in the amount totaling $193,050,000. The variable rate 2010 Series A-1 (Federally Taxable) Bonds were issued in the amount of $98,050,000 and the 2010 Series A-2 (Federally Taxable) Bonds were issued in the amount of $95,000,000. The 2010 Bonds were issued to finance an additional portion of a mortgage loan for the purposes of paying a portion of the costs of constructing and equipping a multi-family rental housing development and ancillary retail space located in the borough of Manhattan, New York, and to pay certain other related costs.

On May 25, 2010, the variable rate Multi-Family Mortgage Revenue Bonds (101 Avenue D Apartments) 2010 Series A were issued in the amount of $25,000,000 to finance a mortgage loan for the purpose of paying a portion of the costs of acquiring, constructing and equipping a multi-family rental housing facility, retail space and certain related facilities located in the borough of Manhattan, New York, and to pay certain other related costs.

On June 29, 2010, four Multi-Family Housing Revenue Bonds were issued in the amount totaling $69,365,000. The fixed rate 2010 Series D-1-A Bonds were issued in the amount of $43,475,000, the 2010 Series E Bonds were issued in the amount of $10,570,000, the 2010 Series F Bonds were issued in the amount of $4,130,000, and the variable rate 2010 Series D-2 Bonds were issued in the amount of $11,190,000. The 2010 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for the new construction or rehabilitation of certain developments.

On July 8, 2010, the variable rate Multi-Family Mortgage Revenue Bonds (Elliott Chelsea Development) 2010 Series A were issued in the amount of $41,440,000 to finance a mortgage loan for a purpose of paying a portion of the costs of acquiring, constructing and equipping a project located in the borough of Manhattan, New York, and to pay certain other related costs.

On September 15, 2010, the variable rate 2006 Series J-1 (AMT) Bonds were remarketed and reissued as the new fixed rate 2006 Series J-1 (Non-AMT) Bonds. The Bonds were issued in the amount of $100,000,000 to finance a mortgage loan for the construction of a project located in the borough of Manhattan, New York, and to pay certain other related costs.

On October 26, 2010, three Multi-Family Housing Revenue bonds were issued in the amount totaling $133,455,000. The fixed rate 2010 Series G (Non-AMT) Bonds were issued in the amount of $50,765,000, the index floating rate 2010 Series H (Federally Taxable) Bonds were issued in the amount of $74,575,000, and the 2010 Series I (Non-AMT) Bonds were issued in the amount of $8,115,000. The 2010 Bonds were issued and combined with other available monies to directly or indirectly finance construction and permanent mortgage loans for the new construction or rehabilitation of certain developments.

All the bonds of the programs listed above are subject to redemption. Certain issues are also subject to special redemption provisions. The parameters under which the redemptions may occur are set forth in the respective bond resolutions. During fiscal year 2010, as per the New York State Public Authority Law section 2976, the Corporation collected funds totaling $1,025,000 from developers as Bond Issuance Charges ("BIC"). Currently, the said amount is included in the financial statements as Accounts and Other Payables.

During fiscal year 2010, as part of the Housing Finance Agency ("HFA") initiative using authority provided to Treasury by the HERA to help support low mortgage rates and expand resources to provide affordable mortgages for low and middle income households, and to support the development and rehabilitation of affordable housing units, the Corporation was allocated $500,000,000 by Treasury to issue bonds under the New Issue Bond Program ("NIBP"). HDC has issued two Multi-Family Housing Revenue Bonds under the NIBP. The variable rate 2009 Series 1 (Federally Taxable) Bonds were issued in the amount of $415,000,000 and the 2009 Series 2 (Federally Taxable) Bonds were issued in the amount of $85,000,000 on December 23, 2009. On June 29, 2010, $41,850,000 of the principal amount of the 2009 Series 1 (NIBP) Bonds and $16,590,000 principal amount of the 2009 Series 2 (NIBP) Bonds were converted to fixed rate tax exempt bonds. These Bonds were designated as the 2009 Series 1-1 (Non-AMT) and the 2009 Series 2-1 (Non-AMT) (the "Converted Bonds"), respectively. As of October 31, 2010, a total of $441,560,000 remains outstanding for the 2009 Series 1 (NIBP) Bonds and the 2009 Series 2 (NIBP) Bonds combined. The Corporation may direct any or all of the remaining portion of the 2009 Series 1 (NIBP) and 2009 Series 2 (NIBP) Bonds be converted to tax-exempt bonds and to another interest rate mode by December 31, 2011.

Since fiscal year 2005, the Corporation has defeased several series of bonds. The table below lists those series as well as the amount outstanding as of October 31, 2010. These bonds are held with an escrow agent.

Detail of Defeased Bonds outstanding as of October 31, 2010:

Bond issues	Date Defeased	Amount Defeased	Bonds Outstanding 10/31/10
2003 Series C Multi-Family Housing Revenue Bond	April 3, 2006	$ 4,175,000	$ 2,650,000
2004 Series D Multi-Family Housing Revenue Bond	October 24, 2006	18,000,000	18,000,000
2004 Series E-2 Multi-Family Housing Revenue Bond	October 24, 2006	19,720,000	19,720,000
Total		$41,895,000	$40,370,000

Future Debt Service:

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

Year Ending October 31,	Principal	Interest	Total
(in thousands)			
2011…………………..	$481,566	146,536	628,102
2012…………………..	174,608	139,440	314,048
2013…………………..	288,436	132,409	420,845
2014…………………..	286,902	124,830	411,732
2015…………………..	217,803	115,620	333,423
2016 – 2020………..….	763,238	516,213	1,279,451
2021 – 2025…………..	637,400	419,665	1,057,065
2026 – 2030…………..	910,435	314,852	1,225,287
2031 – 2035…………..	1,149,354	222,784	1,372,138
2036 – 2040…………..	1,682,410	116,457	1,798,867
2041 – 2045…………..	592,510	42,352	634,862
2046 – 2050…………..	847,490	11,987	859,477
2051 – 2055…………..	441,560	625	442,185
Total	$ 8,473,712	2,303,770	10,777,482

Changes in Long Term Liabilities:

Long term liability activities for the year ended October 31, 2010, are as follows:

Descriptions	Balance at Oct. 31, 2009	Additions	Deductions	Balance at Oct. 31, 2010	Due Within 1 Year
(in thousands)					
Bonds Payable, (net)	$7,455,485	1,591,345	(572,616)	8,474,214	481,566
Payable to The City of New York	808,110	126,956	(131,019)	804,047	—
Payable to Mortgagors & Restricted Earnings on Investments	322,685	883,878	(798,544)	408,019	205,240
Other	216,111	247,384	(194,710)	268,785	95,795
Total	$8,802,391	2,849,563	(1,696,889)	9,955,065	782,601

Note 10: Consultant's Fees

The fees paid by the Corporation for legal, accounting and consulting services in fiscal year 2010 for HDC include $124,653 to Epstein, Becker & Green, PC.; $13,737 to City of New York Law Department and $300 to Hessel, Aluise and Neun, P.C. Auditing Fees of $205,000 were paid to Ernst & Young, LLP.

The Corporation paid consulting fees in the amount of $267,905 to Quest America, Inc.; $102,534 to Hawkins, Delafield & Wood, LLP; $95,220 to Finsoft Consultant, Inc.; $51,703 to Bartley & Dick Advertising/Design; $38,888 to IT Convergence, Inc.; $31,853 to Buck Consultant, LLC; $29,000 to Cristo Rey New York High School; $8,000 to KTT Enterprises; $5,855 to Carlton Architecture, PC;

$5,511 to Dyntek Services, Inc.; $3,290 to Kirsten Major; $2,400 to Insurance Advisors, LLC; $1,710 to Irene Yau, and $1,570 to Application Oriented Design.

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. Fees of $1,140,667 to Hawkins, Delafield & Wood, LLP; $63,000 Ernst & Young, LLP ; $48,500 to Carter, Ledyard & Milburn, LLP; $35,000 to Orrick, Herington & Sutcliffe, LLP; $23,000 to Dorsey & Whitney, LLP; $6,000 to Dewey & LeBoeuf, LLP; $5,000 to Nixon Peabody, LLP and $4,000 to Causey Demgen & Moore.

Note 11: Payable to the City of New York

(A) New York City Housing Development Corporation

Since fiscal year 2002, the Corporation has 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. Additionally, starting from fiscal year 2005 and 2006 and onward, HDC originated second mortgage loans in which it sold a residual interest to the City. Cash flow derived from these loan interests is pledged to the repayment of the related HDC bonds. At such time as these HDC bonds are retired, ownership of the associated loan interests transfers to the City. The excess of such interest over the amount of the related bonds, which totaled $609,581,000 at October 31, 2010 is reported in the Corporation Balance Sheet as “Loan participation receivable - The City of NY” in the Noncurrent Assets section and “Payable to The City of New York: Loan participation agreement” in the Noncurrent Liabilities. The related details are described in the next three paragraphs.

In fiscal years 2002 and 2003, the Corporation issued its Multi-Family Housing Revenue Bonds, 2002 Series D and Multi-Family Housing Revenue Bonds, 2003 Series D (the “2002 Series D Bonds” and “2003 Series D Bonds”, respectively). In each case, HDC used the bond proceeds to purchase from the City a 100% participation interest in the cash flow of a portfolio of mortgage loans and a 100% participation interest in the cash flows of a loan pool securitized by the City in 1996 and known as the Sheridan Trust II. As noted in Note 6: “Loan Participation Interest Receivable”, the 2002 Series D Bonds and 2003 Series D Bonds were substantially over-collateralized by their respective total loan assets. Due to over-collateralization of these bonds and the opportunity to release funds to the Corporation by capitalizing the underlying loan portfolio, the Corporation issued the 2006 Series A bonds to refinance the 2002 Series D Bonds and 2003 Series D Bonds. At October 31, 2010, the Corporation’s payable to the City relating to its Multi-Family Housing Revenue Bonds, 2006 Series A bonds was $293,034,000.

The Corporation has completed numerous transactions as part of its Mitchell-Lama Restructuring Program, an affordable housing preservation program. The following Multi-Family Housing Revenue Bonds were issued prior to the current fiscal year: 2004 Series D, 2004 Series E-1, 2004 Series E-2, 2005 Series A-1, 2005 Series A-2, 2005 Series F-1, 2005 Series F-2, 2005 Series J-1, 2005 Series J-2, 2006 Series D-1, 2006 Series D-2, 2008 Series C-1, 2008 Series C-2, 2008 Series G-1, 2008 Series G-2, 2008 Series J, 2008 Series L and, this fiscal year, 2010 Series G and a portion of 2010 Series H

("Mitchell-Lama Restructuring Bonds"), in which HDC funded, in addition to various new first and second mortgage loans, 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 revert to the City. HDC also sold to the City a residual interest in the second mortgage loans the Corporation originated. These loans also transfer to the City when the bonds are retired. At October 31, 2010, the Corporation's payable to the City under the Mitchell-Lama Restructuring Bonds program was $316,547,000.

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 Act, to make subordinate loans for affordable housing. At October 31, 2010, the total related payable to the City was $30,710,000.

During fiscal year 2010, the Corporation issued the Multi-Family Housing Revenue Bonds 2010 Series G to finance the first mortgage of Tivoli Towers. The Corporation also made a second mortgage in the amount of $5,038,000 to finance such development. With respect to Tivoli Towers, the Corporation also entered into a Purchase and Sales Agreement with the City in which HDC sold to the City, for a purchase price of $10, the residual interest in a new third mortgage loan in the amount of $4,050,000 that was a partial refinancing of a pre-existing second mortgage that had been pledged to the REMIC Trust.

The Corporation also administers construction loans on behalf of HPD, using funds provided by HPD. All such funds are the property of HPD and are thus reported as due to the City in the Corporation's financial statements. At October 31, 2010, the total related payable to the City was $163,756,000.

(B) Housing Assistance Corporation

Funding for HAC was received through the City in 1985. All of HAC's assets, after repayment of HDC advances to HAC and if unused for HAC purposes, will revert back to the City. At October 31, 2010, total resources payable to the City amounted to $50,470,000. The resources held for the City are primarily the mortgage loans described in Note 4, "Mortgage Loans," and the investments held to fund tenant assistance payments.

Since fiscal year 2009, in order for HAC to continue providing subsidy under the Tenant Assistance Contract ("TAC") to the Ruppert/Yorkville project, the Corporation has been transferring funds to HAC in monthly increments in an amount not to exceed $5,000,000 to provide funds for the TAC payments for Ruppert/Yorkwille. As of October 31, 2010, the total advances from HDC to HAC were $4,000,000. HAC is obligated to repay the Corporation for all funds advanced by HDC, without interest, at such time as funds become available to HAC.

Note 12: Retirement Programs

The Corporation is a participating employer in the New York City Employees' Retirement System ("NYCERS"), a cost sharing multi-employer plan, of which 89 employees of the Corporation are members. The Corporation made contributions to NYCERS of $898,559, $1,019,415 and $865,160 during fiscal years 2010, 2009 and 2008, respectively. Copies of NYCERS' financial statements can be obtained by writing to 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3751.

The Corporation also offers its employees the option of participating in a Tax Sheltered Annuity Plan managed by Wachovia/Wells Fargo Bank, N.A. 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 13: Postemployment Benefits Other Than Pension

The Corporation sponsors a single employer defined benefit health care plan that provides postemployment medical benefits for eligible retirees and their spouses. The Corporation does not issue a publicly available financial report for the plan.

Benefit provisions for the plan are established and amended by actions taken by HDC's Members and there is no statutory requirement for HDC to continue this plan for future HDC employees. The plan is a non-contributory plan with all payments for plan benefits being funded by HDC on a pay-as-you-go-basis.

HDC follows the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement establishes guidelines for reporting costs associated with "other postemployment benefits" ("OPEB"). HDC's annual OPEB cost for the plan is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC includes interest of $63,000 on the net OPEB obligation. HDC's annual OPEB cost for the current year and the related information for the plan are as follows (dollar amounts in thousands):

Annual required contribution	$1,643
Contributions made	(37)
Increase in net OPEB obligation	1,606
Net OPEB obligation—beginning of year	6,429
Net OPEB obligation—end of year	$8,035

HDC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the previous three years were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
10/31/10	$1,643	2.24%	$8,035
10/31/09	1,592	1.19%	6,429
10/31/08	1,675	1.06%	4,856

As of October 31, 2010, the actuarial accrued liability for benefits was $20,301,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $12,244,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 152%.

The actuarial valuation date was October 31, 2008. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the actuarial valuation, the frozen entry age actuarial cost method was used. The actuarial assumptions included a 4% discount rate, 3% wage inflation rate and an annual healthcare cost trend rate of 9% grading down to an ultimate rate of 5%. The unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payroll on an open basis. The remaining amortization period was 25 years.

Note 14: Due to the United States Government – Non Current

The amount reported in this classification is made up of two major components.

A. Due to HUD

The Corporation has entered into contracts with HUD to administer housing assistance payment contracts with housing projects occupied by tenants qualifying for Section 8 housing assistance payments. Pursuant to the contracts, HUD makes annual contributions to the Corporation in an amount equal to the annual assistance payments plus an administrative fee, if applicable, for the Corporation.

The Corporation receives the annual contract contributions periodically during the year and disburses funds monthly for the benefit of the covered projects. As of October 31, 2010, the Corporation held $652,000 in prefunded annual contributions. Related fees earned during fiscal year 2010 amounted to $436,000 and are included in operating income.

B. Rebate Fund

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. At October 31, 2010, HDC had set aside $2,191,000 to make future rebate payments when due.

Note 15: Commitments

(A) New York City Housing Development Corporation

The Corporation is committed under one operating lease for office space for minimum annual rentals for the next five years and thereafter as follows:

Year Ending October 31,	
2011	$1,640,000
2012	1,640,000
2013	1,640,000
2014	1,640,000
2015	410,000
Total	$ 6,970,000

For fiscal year 2010, the Corporation's rental expense amounted to $ 2,098,000.

HDC'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.

The portion of closed construction loans that had not yet been advanced as of October 31, 2010 is as follows:

Programs:	
Multi-Family Bond Programs	
Housing Revenue	$560,489,000
Liberty Bond	150,892,000
New Housing Opportunity Program (NEW HOP)	173,157,000
Loans Secured by GNMA Certificates	778,000
Low-Income Affordable	15,344,000
Mitchell-Lama Repair Loans	11,574,000
Mixed Income Rental Program (MIRP)	32,000
Corporate Services Fund Loans	148,079,000
Unadvanced Construction Loans (closed loans)	$1,060,345,000

As of October 31, 2010 the Corporation had executed commitment letters for several loans that had not yet closed in the amount totaling $16,032,000.

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:

- The Corporation entered into a Memorandum of Understanding ("MOU") with HPD dated as of May 5, 2004 that outlines the Corporation's obligations to purchase participations totaling up to $55,632,000 in affordable housing loans for various HPD programs during fiscal years 2004 to 2006, and HPD's commitment to purchase these loans extend back to that period with accrued interest in 2007 and 2008. As of October 31, 2010, loans totaling $27,208,000 had been closed and $27,176,000 had been advanced. An unadvanced portion of $32,000 for the closed loans is included in the chart above. The Corporation's commitment to purchase loans under the MOU has expired. Out of the total loans advanced through FY 2010, $9,992,000 in loans were assigned back to HPD after repayment to HDC of the same amount.

(B) New York City Residential Mortgage Insurance Corporation

As of October 31, 2010, REMIC insured loans with coverage totaling $124,613,000 and had outstanding commitments to insure loans with a maximum insurance coverage of $93,054,000.

Note 16: Contingencies

In the normal conduct of the Corporation's business, it 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 combined financial position of the Corporation.

Note 17: Net Assets

The Corporation's Net Assets represent the excess of assets over liabilities and consist largely of mortgage loans and investments. HDC's net assets are categorized as follows:

- Restricted Net Assets are net assets that have been restricted in use in accordance with the terms of an award, agreement or by State law. This includes net assets 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 Assets are the remaining net assets, which can be further categorized as Designated or Undesignated. Designated Assets are not governed by statute or contract but are committed for specific purposes pursuant to HDC policy and/or Board directives. Designated Assets include funds and assets committed to various housing initiatives, reserves to maintain HDC's credit ratings, and working capital.

Changes in Net Assets
The changes in Net Assets are as follows:

	Restricted	Unrestricted	Total
Net assets at October 31, 2008	$420,651,000	685,222,000	1,105,873,000
Income	50,530,000	10,154,000	60,684,000
Transfers	51,288,000	(51,288,000)	—
Net assets at October 31, 2009	$522,469,000	644,088,000	1,166,557,000
Income	50,526,000	8,800,000	59,326,000
Transfers	(47,623,000)	47,623,000	—
Net assets at October 31, 2010	$525,372,000	700,511,000	1,225,883,000

Summary of Restricted Net Assets	2010	2009
Multi-Family Bond Programs	$515,693,000	$510,430,000
Corporate Debt Service Reserve for HPD Loan Purchase Bonds	7,335,000	9,251,000
Claim Payment Fund for 223(f) Program	2,344,000	2,788,000
Total Restricted Net Assets	$525,372,000	$522,469,000

Of the total Unrestricted Net Assets listed below, $558,455,000 is existing mortgages and other loans. An additional $54,322,000 has been designated by the Members of the Corporation for future mortgage advances pursuant to housing programs established by the Corporation. The Corporation also has $1,363,000 in capital assets.

Summary of Unrestricted Net Assets	2010	2009
Designated Assets:		
Housing Programs	$54,322,000	$167,408,000
Existing Mortgages	558,455,000	402,377,000
Working Capital	18,418,000	14,512,000
Rating Agency Reserve Requirement	65,000,000	55,000,000
Total Designated Net Assets	696,195,000	639,297,000
Undesignated Assets:		
Loan spread purchased from New York City	2,953,000	3,109,000
Capital Assets	1,363,000	1,682,000
Total Undesignated Net Assets	4,316,000	4,791,000
Total Unrestricted Net Assets	$ 700,511,000	$644,088,000

Note 18: Subsequent Events

Subsequent to October 31, 2010, a total of $222,230,000 bonds were issued in the course of the Corporation's normal business activities. On December 22, 2010, there was an additional rollout of $89,600,000 from the NIBP series 1 Bonds and $10,830,000 from NIBP series 2 Bonds.

New York City Housing Development Corporation
Required Supplementary Information
October 31, 2010

Schedule 1:
The following schedule is being presented to provide information on the funding progress of the OPEB Plan.

Schedule of Funding Progress
For the Retiree Healthcare Plan ($ in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10-31-2008	0	$17,050	$17,050	0%	$11,260	151%
10-31-2006	0	$13,779	$13,779	0%	$9,097	151%

New York City Housing Development Corporation
Other Information
October 31, 2010

Schedule 2:
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
Balance Sheet
October 31, 2010 and 2009 (in thousands)

		2010	2009
ASSETS:			
Current Assets:			
Cash, cash equivalents and investments	$	284,605	206,770
Mortgage loan receivable		51,090	36,656
Accrued interest receivable		12,105	11,134
Other receivables		505	348
Other assets		33	25
Total Current Assets	**$**	**348,338**	**254,933**
Noncurrent Assets:			
Restricted cash and investments		1,335,720	839,362
Purpose investment (note 3)		190,631	194,196
Mortgage loan receivable		2,485,705	2,126,285
Loan participation receivable - The City of NY (note 6)		609,581	614,063
Unamortized issuance costs		20,881	16,481
Primary government/component unit receivable (payable)		(167)	(6,708)
Other assets		3,104	5,923
Total Noncurrent Assets	**$**	**4,645,455**	**3,789,602**
Total Assets	**$**	**4,993,793**	**4,044,535**
LIABILITIES:			
Current Liabilities:			
Bonds payable (net)		388,165	437,490
Accrued interest payable		52,298	43,841
Due to mortgagors		24,813	210
Deferred fee and mortgage income and other liabilities		-	-
Due to the United States Government		-	1
Total Current Liabilities	**$**	**465,276**	**481,542**
Noncurrent Liabilities:			
Bonds payable (net)		3,340,783	2,410,652
Loan participation due to The City of New York (note 11)		609,581	614,063
Due to mortgagors		32,186	7,970
Deferred fee and mortgage income and other liabilities		62,160	50,600
Due to the United States Government		2,843	1,826
Total Noncurrent Liabilities	**$**	**4,047,553**	**3,085,111**
Total Liabilities	**$**	**4,512,829**	**3,566,653**
NET ASSETS:			
Restricted for bond obligations		480,964	477,882
Total Net Assets	**$**	**480,964**	**477,882**
Total Liabilities and Net Assets	**$**	**4,993,793**	**4,044,535**

New York City Housing Development Corporation
Other Information

October 31, 2010

Schedule 2 (cont'd):

Housing Revenue Bond Program
Schedule of Revenues, Expenses and Changes in Fund Net Assets
Fiscal Years ended October 31, 2010 and 2009 (in thousands)

		2010	2009
OPERATING REVENUES:			
Interest on loans	$	123,715	102,196
Fees and charges		14,256	7,545
Income on loan participation interests		4,858	15,593
Total Operating Revenues	**$**	**142,829**	**125,334**
OPERATING EXPENSES:			
Interest and amortization of bond premium and discount		106,932	91,520
Trustees' and other fees		576	522
Amortization of debt issuance costs		2,135	1,573
Corporate operating expenses		13	15
Total Operating Expenses	**$**	**109,656**	**93,630**
Operating Income	**$**	**33,173**	**31,704**
NON-OPERATING REVENUES (EXPENSES):			
Earnings on investments		19,832	23,984
Other non-operating revenues, net		6,326	2,467
Total Non-operating Revenues	**$**	**26,158**	**26,451**
Income before Transfers	**$**	**59,331**	**58,155**
Transfers to Corporate Services Fund		(8,776)	(7,208)
Capital transfers		(47,473)	47,498
Change in Net Assets	**$**	**3,082**	**98,445**
Total net assets - Beginning of year		477,882	379,437
Total Net Assets - End of Year	**$**	**480,964**	**477,882**