



Combined Financial Statements
and Other Information

New York City Housing
Development Corporation

October 31, 2009



New York City Housing Development Corporation

**Combined Financial Statements and
Additional Information**

Year Ended October 31, 2009

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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, 2009, 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 an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Corporation's 2008 financial statements and, in our report dated February 12, 2009 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, 2009, 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.

Management's discussion and analysis and the schedule of funding progress on pages 3 to 8 and page 61 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 62 to 63 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 15, 2010

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Management's Discussion and Analysis
Year Ended October 31, 2009

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, 2009. This period is also referred to as Fiscal Year 2009. 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.
- Thirty-one bond series sold, totaling \$1.43 billion, to create and preserve affordable housing. Of the total issued, \$1.24 billion was new money and \$192.4 million was refinancing of previously issued debt.
- Total assets of \$9.97 billion, an increase of \$840.4 million or 9.2% from 2008 as a result of borrowing activities noted above and related mortgages.
- Total liabilities of \$8.80 billion, an increase of \$779.7 million or 9.7% from 2008 as a result of the bonds issued and noted above.
- Total net assets of \$1.17 billion, an increase of \$60.7 million or 5.5% from 2008 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. In addition, HDC also services construction and permanent loans on behalf of New York City's Department of Housing Preservation and Development ("HPD"). These sub-funds permit HDC to control and manage money for particular purposes and to demonstrate that the Corporation is properly using specific resources.

HDC's Assets and Liabilities

The balance sheet presents the Corporation's assets, liabilities, and net assets as of October 31, 2009. The following table represents the changes in the primary entity, HDC's, net assets between October 31, 2008 and 2009 and should be read in conjunction with the financial statements. (Dollar amounts are in thousands):

	2009	2008	Change	Percent Change
Assets				
Cash and Investments	\$2,200,335	\$2,032,993	\$167,342	8.2%
Mortgage Loans	6,563,945	5,899,464	664,481	11.3
Other	1,204,668	1,196,115	8,553	0.7
Total Assets	9,968,948	9,128,572	840,376	9.2
Liabilities				
Bonds Payable (net)	7,455,485	6,625,285	830,200	12.5
Payable to New York City	808,110	780,255	27,855	3.6
Other	538,796	617,159	(78,363)	(12.7)
Total Liabilities	8,802,391	8,022,699	779,692	9.7
Net Assets				
Restricted for bond obligations	522,469	420,651	101,818	24.2
Unrestricted	644,088	685,222	(41,134)	(6.0)
Total Net Assets	\$1,166,557	\$1,105,873	\$60,684	5.5%

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 9.2% or \$840.4 million from 2008 due to the Corporation's ongoing debt issuances and lending activities. In the prior fiscal year, total assets increased \$924.3 million or 11.3%.

As noted above, the growth in total assets in 2009 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 \$7.5 billion at October 31, 2009. 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 \$8.80 billion at October 31, 2009. Liabilities grew 9.7% or \$779.7 million from the prior year, principally as a result of HDC issuing 31 new bond series during Fiscal Year 2009, net of bond redemptions and retirements. Although there was a net increase 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 decline of \$5.5 million in Payable to the City. Second, a decline of \$4.8 million in the participation loan program with HPD due to the receipt of non-operating revenues and bond credit facility fees. Third, an increase of \$38.2 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 \$1.17 billion for the Corporation as of October 31, 2009. This represents an increase of \$60.7 million or 5.5% over the prior year. In 2008 total net assets increased \$45.7 million or 4.3%. The growth in net assets of \$60.7 million in 2009 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, 2009. 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):

	2009	2008	Change	Percent Change
Revenues				
Interest on Loans and Participation Interests	\$172,879	\$215,408	\$(42,529)	(19.7)%
Investment Earnings	34,904	61,753	(26,849)	(43.5)
Fees and Charges	26,804	24,936	1,868	7.5
Other Revenues	911	366	545	148.9
Total Revenues	235,498	302,463	(66,965)	(22.1)
Expenses				
Bond Interest	145,168	231,086	(85,918)	(37.2)
Operating Expense	31,800	30,464	1,336	4.4
Other (Revenues) Expenses	(2,154)	(4,817)	2,663	(55.3)
Total Expenses	174,814	256,733	(81,919)	(31.9)
Change in Net Assets	60,684	45,730	14,954	32.7
Net Assets, Beginning of year	1,105,873	1,060,143	45,730	4.3
Net Assets, End of Year	\$1,166,557	\$1,105,873	\$60,684	5.5%

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 82.0% of operating expenses in Fiscal Year 2009. 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 2009 was positively or negatively affected as described below:

- Interest on loans declined by \$42.5 million or 19.7%. Although there was an increase in income from prepayments of non-participating loans in the Mitchell-Lama program, due to lower interest rates on the variable rate mortgages, interest on loans decrease for the year. In 2008, interest on loans decreased by \$25.5 million or 10.6% 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 \$26.8 million or 43.5% mainly due to an environment of lower short-term interest rates that continued from last year. In 2008, earnings on investments decreased by \$20.0 million or 24.5% from the previous year.
- Interest expense declined from \$231.1 million to \$145.2 million or 37.2% mainly due to lower interest rates on Variable Rate Debt Obligations ("VRDO") which has continued from last year. In 2008, interest expense decreased by \$19.7 million or 7.8% from the previous year due to lower interest rates on "VRDO".
- Other operating expenses increased by \$1.3 million or 4.4% mainly as a result of an increase in bond related operating costs and costs related to Other Post Employment Benefits ("OPEB") for FY 2009. All other operating costs increased due to the growth in HDC's volume of business. In 2008, other operating expenses increased by \$2.0 million or 7.2% 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, particularly the large decline in interest expense, the Corporation's growth in net assets resulting from revenues in excess of expenses amounted to \$60.7 million, an increase of \$15.0 million from \$45.7 million in 2008.

DEBT ADMINISTRATION

At year-end, the Corporation had approximately \$7.5 billion of bond principal outstanding, net of deferred bond refunding costs and discount and premium, an increase of 12.5% over the prior year. The following table summarizes the changes in bonds payable between October 31, 2008 and October 31, 2009. (Dollar amounts are in thousands):

	2009	2008	Percentage Increase FY 2008 to 2009
Bonds Payable	\$7,455,485	6,625,285	12.5%

Due to the ongoing credit crisis in the financial market, few of the Corporation's "VRDO" bond series were tendered during fiscal year 2009. These bonds series, which totaled \$17,120,000 were not remarketed for a certain period of time during the fiscal year and became Bank Bonds, along with the outstanding Bank Bonds held at October 31, 2008 of \$83,555,000. Between the end of fiscal year 2008 and March 31, 2009, all Bank Bonds under the Corporation's Housing Revenue Bond Program were successfully remarketed. There have been no Bank Bonds since March 31, 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 2009, the Corporation issued 31 new taxable and tax-exempt bond series totaling \$1.43 billion. Included in this total were 22 series of Housing Revenue Bond Program bonds totaling \$946.8 million, six series of Multi-Family Mortgage Revenue Bonds Rental Projects Program bonds amounting to \$365.2 million, two series of Multi-Family Rental Housing Revenue Bond program bonds totaling \$51.9 million and one series of Residential Revenue Bonds program bonds for \$69.9 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 2009, HDC issued 6 additional series of bonds in the aggregate amount of \$794.8 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, 2009 (with comparative summarized financial information as of October 31, 2008) (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	
			2009	2008

Assets

Current Assets:

Cash and cash equivalents (note 3)	\$ 433,420	\$ -	\$ -	\$ 433,420	\$ 275,582
Investments (note 3)	105,434	-	-	105,434	202,358
Receivables:					
Mortgage loans (note 4)	59,500	104	-	59,604	172,679
Accrued interest	18,687	18	-	18,705	24,857
Other (note 7)	3,807	-	-	3,807	1,687
Total Receivables	81,994	122	-	82,116	199,223
Other assets	83	-	-	83	55
Total Current Assets	620,931	122	-	621,053	677,218

Noncurrent Assets:

Restricted cash and cash equivalents (note 3)	658,988	4,521	1,963	665,472	441,616
Restricted investments (note 3)	1,002,493	15,263	58,229	1,075,985	1,229,985
Purpose investment (note 3)	194,196	-	-	194,196	194,866
Mortgage loans (note 4)	401,808	-	-	401,808	447,504
Restricted receivables:					
Mortgage loans (note 4)	6,102,637	30,315	-	6,132,952	5,309,738
Loan participation receivable - The City of NY (note 6)	614,063	-	-	614,063	624,412
Accrued interest	296	2,471	-	2,767	2,430
Notes (note 5)	312,168	-	-	312,168	254,077
Other (note 7)	7,907	-	-	7,907	8,740
Total restricted receivables	7,037,071	32,786	-	7,069,857	6,199,397
Unamortized issuance costs	45,680	-	-	45,680	42,522
Primary government/component unit receivable (payable)	(2,933)	2,952	(19)	-	-
Capital assets	1,682	-	-	1,682	1,950
Other assets (note 8)	9,032	-	-	9,032	7,691
Total Noncurrent Assets	9,348,017	55,522	60,173	9,463,712	8,565,531

Total Assets	\$ 9,968,948	\$ 55,644	\$ 60,173	\$ 10,084,765	\$ 9,242,749
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See accompanying notes to the basic financial statements.

New York City Housing Development Corporation

Balance Sheets (continued)

At October 31, 2009 (with comparative summarized financial information as of October 31, 2008) (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	
			2009	2008

Liabilities and Net Assets

Current Liabilities:

Bonds payable (net) (note 9)	\$ 472,275	\$ -	\$ -	\$ 472,275	\$ 310,756
Accrued interest payable	54,142	-	-	54,142	61,065
Payable to mortgagors	172,881	-	-	172,881	214,488
Restricted earnings on investments	13,851	37	-	13,888	10,889
Accounts and other payables	1,632	-	-	1,632	2,175
Deferred fee and mortgage income and other liabilities	-	-	-	-	146
Due to the United States Government (note 14)	2	-	-	2	-
Total Current Liabilities	714,783	37	-	714,820	599,519

Noncurrent Liabilities:

Bonds payable (net) (note 9)	6,983,210	-	-	6,983,210	6,314,529
Payable to The City of New York:					
Loan participation agreement (note 11)	614,063	-	-	614,063	624,413
Other	194,047	54,405	-	248,452	213,730
Payable to mortgagors	135,953	504	-	136,457	184,300
OPEB liability (note 13)	6,429	-	-	6,429	4,856
Deferred fee and mortgage income and other liabilities	152,080	-	-	152,080	136,479
Due to the United States Government (note 14)	1,826	-	-	1,826	3,300
Total Noncurrent Liabilities	8,087,608	54,909	-	8,142,517	7,481,607
Total Liabilities	8,802,391	54,946	-	8,857,337	8,081,126

Net Assets:

Restricted for bond obligations (note 17)	522,469	698	-	523,167	420,651
Restricted for insurance requirement and others (note 17)	-	-	40,924	40,924	35,644
Unrestricted (note 17)	644,088	-	19,249	663,337	705,328
Total Net Assets	1,166,557	698	60,173	1,227,428	1,161,623

Total Liabilities and Net Assets	\$ 9,968,948	\$ 55,644	\$ 60,173	\$ 10,084,765	\$ 9,242,749
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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, 2009 (with comparative summarized financial information for the year ended October 31, 2008) (in thousands)

	Discretely Presented Component Units			Total	
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	2009	2008
Operating Revenues					
Interest on loans (note 4)	\$ 157,203	\$ -	\$ -	\$ 157,203	\$ 209,686
Fees and charges (note 7)	26,804	-	1,753	28,557	25,936
Income on loan participation interests (note 6)	15,676	-	-	15,676	5,722
Other	93	-	-	93	153
Total Operating Revenues	199,776	-	1,753	201,529	241,497
Operating Expenses					
Interest and amortization of bond premium and discount (note 9)	145,168	-	-	145,168	231,086
Salaries and related expenses (note 12)	17,834	-	-	17,834	17,031
Trustees' and other fees	4,012	-	-	4,012	3,334
Amortization of debt issuance costs	4,981	-	-	4,981	5,066
Corporate operating expenses (note 10)	4,973	-	-	4,973	5,048
Total Operating Expenses	176,968	-	-	176,968	261,565
Operating Income (Loss)	22,808	-	1,753	24,561	(20,068)
Non-operating Revenues (Expenses)					
Earnings on investments (note 3)	34,904	116	4,070	39,090	63,714
Other non-operating revenues, net (note 11)	2,154	-	-	2,154	4,817
Payments to HDC Corporate Services Fund	-	-	(818)	(818)	(213)
Payments from REMIC Subsidiary	818	-	-	818	213
Total Non-operating Revenues, net	37,876	116	3,252	41,244	68,531
Change in Net Assets	60,684	116	5,005	65,805	48,463
Total net assets - beginning of year	1,105,873	582	55,168	1,161,623	1,113,160
Total Net Assets - End of Year	\$ 1,166,557	\$ 698	\$ 60,173	\$ 1,227,428	\$ 1,161,623

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation Statements of Cash Flows

Year ended October 31, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities		
Mortgage loan repayments	\$ 478,564	\$ 317,702
Receipts from fees and charges	16,903	10,766
Mortgage escrow receipts	70,437	53,811
Reserve for replacement receipts	19,427	34,358
Mortgage loan advances	(1,088,259)	(1,031,645)
Escrow disbursements	(71,966)	(56,640)
Reserve for replacement disbursements	(30,349)	(34,795)
Payments to employees	(16,692)	(15,187)
Payments to suppliers for corporate operating expenses	(4,726)	(4,813)
Project contributions and funds received from NYC	161,345	111,649
Advances and other payments for NYC	(112,184)	(107,299)
Bond cost of issuance	(1,591)	(440)
Other receipts	156,822	226,637
Other payments	(167,529)	(127,628)
Net Cash Used in Operating Activities	(589,798)	(623,524)
Cash Flows From Non Capital Financing Activities		
Proceeds from sale of bonds	1,436,404	1,118,805
Retirement of bonds	(604,543)	(390,266)
Interest paid	(154,927)	(230,423)
Payments from component units	39,971	-
Payments to component units	(1,000)	(38,958)
Net Cash Provided by Non Capital Financing Activities	715,905	459,158
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(97)	(584)
Net Cash Used in Capital and Related Financing Activities	(97)	(584)
Cash Flows From Investing Activities		
Sale of investments	17,346,042	31,275,115
Purchase of investments	(17,133,919)	(31,207,015)
Interest and dividends collected	43,100	77,822
Net Cash Provided by Investing Activities	255,223	145,922
Increase (Decrease) in cash and cash equivalents	381,233	(19,028)
Cash and cash equivalents at beginning of year	711,175	730,203
Cash and Cash Equivalents at End of Year	\$ 1,092,408	\$ 711,175

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation

Statements of Cash Flows (continued)

Year ended October 31, 2009 and 2008

	2009	2008
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:		
Operating Income (Loss)	\$ 22,808	\$ (21,053)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation expenses	365	398
Amortization of bond discount and premium	(1,375)	(1,366)
Amortization of deferred bond refunding costs	809	1,669
Amortization of bond issuance costs	4,172	3,397
Net cash provided by nonoperating activities	154,928	237,122
Changes in Assets & Liabilities:		
Mortgage loans	(396,918)	(910,890)
Accrued interest receivable	8,692	(4,446)
Other receivables	(55,151)	(41,339)
Bond issuance costs	(1,887)	(3,670)
Primary government/component unit receivable (payable)	(250,533)	(20,534)
Other assets	(1,659)	134
Payable to The City of New York	24,090	(675)
Payable to mortgagors	(92,654)	124,560
Accounts and other payables	2,137	5,481
Due to the United States Government	12	(43)
Restricted earnings on investments	(3,560)	(6,822)
Deferred fee, mortgage income and other liabilities	2,849	12,676
Accrued interest payable	(6,923)	1,877
Net Cash Used in Operating Activities	\$ (589,798)	\$ (623,524)
Non Cash Investing Activities:		
Decrease in fair value of investments	\$ (437)	\$ (960)

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2009

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

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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, 2009 is \$40,674,000.

REMIC must also maintain a Mortgage Insurance Fund which shall be used solely for the payment of

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liabilities arising from mortgage insurance contracts of the Old REMIC. The Mortgage Insurance Fund requirement at October 31, 2009 is \$250,000, 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 \$10,184,000 at October 31, 2009. REMIC is 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.

(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.

Blended Component Unit

(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 2009 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.

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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 revenue consists 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 interest 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, 2009 \$228,806,000 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

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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 GNMA's at amortized cost, which amounted to \$194,196,000 and \$194,866,000, at October 31, 2009 and October 31, 2008, respectively. The fair value of these purpose investments amounted to \$198,199,000 and \$189,683,000, at October 31, 2009 and at October 31, 2008, 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, 2008 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, 2008 (which are available from the Corporation and on its website).

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H. Reclassifications

Certain fiscal year 2008 balances have been reclassified in order to conform to the current year presentation.

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 2009, HDC continued investing in municipal bonds of New York State and New York City, consistent with the Corporation statute and Investment Guidelines. The Corporation did not enter into any reverse repurchase agreements during the year ended October 31, 2009. 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, 2009, the Corporation had the following investments.

Investment Type <i>(in thousands)</i>	<u>Fair Value</u>	<u>Investment Maturities at October 31, 2009 (in Years)</u>			
	2009	Less than 1	1-5	6-10	More than 10
Money Market	\$ 785,070	785,070	—	—	—
Open Time Deposits	321,803	110,297	173,668	8,398	29,440
Fixed Repurchase Agreements	278,097	278,097	—	—	—
U.S. Treasury (Bonds, Notes, Bills)	230,092	225,942	91	—	4,059
FHLMC	175,620	113,613	50,188	11,819	—
FHLB	150,498	91,035	20,089	—	39,374
Certificates of Deposit	114,647	96,727	—	17,920	—
NYS/NYC Municipal Bonds *	78,962	1,522	20,956	11,110	45,374
FNMA	32,218	8,082	11,108	—	13,028
Term Repurchase Agreements	29,730	—	28,540	1,190	—
Total	2,196,737	1,710,385	304,640	50,437	131,275
Less amounts classified as cash					
Equivalents	(1,088,810)	(1,088,810)	—	—	—
Total investments	\$1,107,927	621,575	304,640	50,437	131,275

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

In addition to the investments identified above, as of October 31, 2009, the Corporation held \$3,598,000 uninvested as cash in various trust and escrow accounts. As of October 31, 2008, this amounted to \$6,087,000.

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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, 2009, 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 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. Some investments were not rated by Fitch Ratings. Of the investments that were rated by Fitch Ratings, they carried ratings from AAA to A-. Money Market, OTDs and Repurchase Agreements in the form of OTDs are not rated, however, the providers are rated.

Investments in Fannie Mae, Freddie Mac and FHLB are implicitly guaranteed by the U.S. government and are classified as U.S. Agency securities. They carry ratings equivalent to the credit ratings for the U.S. government. As of October 31, 2009, the credit ratings for the U.S. government securities were the highest category of AAA and Aaa (as applicable) by Standard & Poor's and Moody's Investors Service, respectively.

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 A, and Aaa to A1, 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.

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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. Shortly after the close of fiscal year 2009, HDC received notice from the trustee for the liquidation of LBI regarding the above transaction. HDC’s legal department is in contact with the trustee and the resolution of this matter is pending.

As of October 31, 2009, open time deposits in the amount of \$30,351,000, repurchase agreements in the amount of \$307,827,000, and demand accounts in the amount of \$784,420,000 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 \$11,914,000 as of October 31, 2009, of which \$2,593,000 was secured in trust accounts, which are protected under state law. \$9,321,000 was held in DDA accounts, which are FDIC-insured through the Temporary Liquidity Guarantee Program’s Transaction Account Guarantee Program, 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, 2009 (\$ in thousands):

Issuer	Dollar Amount	Percentage
HSBC	\$346,337	15.7%
Wachovia National Bank	182,028	8.3
FHLMC	175,620	8.0
Signature Bank	161,476	7.4
Calyon	158,480	7.2
FHLB	150,498	6.9
Bank of America	135,204	6.2

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Note 4: Mortgage Loans

The Corporation has outstanding, under various loan programs, mortgage loans of \$6,563,945,000 and \$5,899,464,000 as of October 31, 2009 and 2008, 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 \$1,087,127,000 and \$1,007,649,000 at October 31, 2009 and October 31, 2008, respectively. (See Note 15: “Commitments”).

Changes in Mortgage Loans

The changes in Mortgage Loans are as follows:

Mortgage loans outstanding at October 31, 2007	\$4,996,460,000
Mortgage Advances	1,016,755,000
Principal Collections	(113,766,000)
Discount/Premium Amortized	15,000
<hr/>	
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
<hr/>	
Mortgage loans outstanding at October 31, 2009	\$6,563,945,000

(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 0.08% 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 secured by notes (See Note 5: “Notes Receivable”) and loans secured by GNMA certificates (see Note 2C: “Purpose Investments”). Of the total HDC mortgages held as of October 31, 2009, 82% are first mortgages and 18% are subordinate loans.

In FY 2008, HDC received \$106,745,000 in mortgage loans prepayments from various projects and recorded such amount as prepaid mortgage principal. As of October 2009, the projects satisfied the conditions of prepayment and the mortgage loan receivable balance was reduced.

On August 26, 2009, HDC purchased from the United States Department of Housing and Urban Development (“HUD”) a Multi-Family Loan Portfolio for the purchase price of \$5,530,000. The Portfolio is composed of ten (10) fixed rate, self-amortizing mortgage loans with an aggregate unpaid principal balance of \$15,225,000. Nine (9) of the Mortgages are first lien mortgages and one is a second lien mortgage. By acquiring the portfolio at a significant discount below the par value of mortgages, HDC will be able to provide a substantial amount of preservation funding through a Repair Revolving Fund (RRF) created as a condition of the sale as required by HUD.

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(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, 2009, there were five loans remaining and the total outstanding loan balance was \$30,419,000 and \$30,457,000 at October 31, 2009 and October 31, 2008, respectively.

Note 5: Notes Receivable

HDC has two loans outstanding that are secured by notes and pledged revenues. Military Housing Notes Receivable of \$47,165,000 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 New York City Housing Authority (“NYCHA”) in connection with the Corporation’s 2005 Series A Capital Fund Program Revenue Bond issuance was \$265,003,000 at October 31, 2009. 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, subject to the prior lien of the senior interest holder. Because HDC’s ownership interest in the asset was subordinate to that of another owner, with no rights to revenues from the asset until the senior holder was retired, the related loan asset was not recorded when purchased. 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. This presented the Corporation with an opportunity to recapitalize the underlying loan portfolio. In April 2006, the Corporation issued its Multi-Family Housing Revenue

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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, 2009, the principal amount was \$147,315,000.

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, 2009, this amount was \$6,745,000.

Third, the remaining \$460,003,000 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 \$11,714,000 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, and interest receivable on HPD loans serviced (but not owned) by HDC.

Note 8: Other Non Current Assets

Other non-current assets totaled \$9,032,000 at October 31, 2009, 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

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Series A bond program. At October 31, 2009, the value of the interest rate caps for 2006 Series A and 2002 Series C were \$5,923,000 and \$1.00, 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 2009, \$313,000 was amortized and is reported as a non-operating expense. The unamortized value of these purchased cash flows is \$3,109,000 at October 31, 2009.

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 \$8.75 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. As of October 31, 2009, the limit on aggregate principal amount outstanding remains unchanged at \$8.75 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, 2009, the Corporation had bonds outstanding in the aggregate principal amount of \$7,454,967,000. 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

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

C. 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, 2009, one hundred and twenty one (121) series of bonds have been issued under the Housing Revenue Bond Program.

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”.

New York City Housing Development Corporation

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E. Section 223(f) Refinancing Bond Program. Under this program, the Corporation acquired mortgages originally made by The City of New York (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.

Changes in Bonds Payable

The summary of changes in Bonds Payable was as follows:

Bonds Payable outstanding at October 31, 2007	\$5,897,268,000
Bond Issued	1,118,805,000
Bond Principal Retired	(390,266,000)
Deferred Bond Refunding Costs	844,000
Net Premium/Discount on Bonds Payable	(1,366,000)
<hr/>	
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
<hr/>	
Bonds Payable outstanding at October 31, 2009	\$7,455,485,000

New York City Housing Development Corporation
Notes to the Financial Statements
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Details of changes in HDC bonds payable for the year ended October 31, 2009 were as follows:

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<u>MULTI-FAMILY BOND PROGRAM:</u>					
<i>Multi-Family Rental Housing Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced</i>					
1997 Series A Related-Carnegie Park Project— 0.11% to 1.35% Variable Rate Bonds due upon demand through 2019.....	\$ 66,800	—	—	66,800	—
1997 Series A Related-Monterey Project— 0.12% to 1.45% Variable Rate Bonds due upon demand through 2019.....	104,600	—	—	104,600	—
1997 Series A Related-Tribeca Tower Project— 0.26% to 2.50% Variable Rate Bonds due upon demand through 2019.....	55,000	—	—	55,000	—
1998 Series A Jane Street Development— 0.20% to 1.50% Variable Rate Bonds due upon demand through 2028.....	16,450	—	—	16,450	—
1998 Series A One Columbus Place Project— 0.20% to 1.50% Variable Rate Bonds due upon demand through 2028.....	142,300	—	—	142,300	—
1999 Series A West 43rd Street Project—0.20% to 1.50% Variable Rate Bonds due upon demand through 2029.....	51,900	—	—	51,900	—
1999 Series A Brittany Development Project— 0.20% to 1.50% Variable Rate Bonds due upon demand through 2029.....	57,000	—	—	57,000	—
2000 Series A Related West 89 th Street Development—0.18% to 1.85% Variable Rate Bonds due upon demand through 2029.....	53,000	—	—	53,000	—
2001 Series A Queenswood Refunding—0.11% to 1.40% Variable Rate Bonds due upon demand through 2031.....	10,800	—	—	10,800	—

New York City Housing Development Corporation
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Description of Bonds as Issued	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2009)</i>					
2001 Series A Related Lyric Development— 0.20% to 1.50% Variable Rate Bonds due upon demand through 2031.....	85,000	—	—	85,000	—
2001 Series B (Federally Taxable) Related Lyric Development—0.28% to 4.50% Variable Rate Bonds due upon demand through 2031.....	4,000	—	—	4,000	—
2002 Series A James Tower Development— 0.13% to 1.45% Variable Rate Bonds due upon demand through 2032.....	21,070	—	(260)	20,810	280
2002 Series A The Foundry—0.20% to 1.50% Variable Rate Bonds due upon demand through 2032.....	55,100	—	—	55,100	—
2002 Series B (Federally Taxable) The Foundry—0.36% to 4.50% Variable Rate Bonds due upon demand through 2032.....	200	—	(200)	—	—
2003 Series A Related-Sierra Development— 0.20% to 1.50% Variable Rate Bonds due upon demand through 2033.....	56,000	—	—	56,000	—
2004 Series A West End Towers—0.20% to 1.50% Variable Rate Bonds due upon demand through 2034.....	135,000	—	—	135,000	—
2004 Series A Related-Westport Development—0.20% to 1.50% Variable Rate Bonds due upon demand through 2034.....	110,000	—	—	110,000	—
2004 Series B (Federally Taxable) Related- Westport Development—0.28% to 4.50% Variable Rate Bonds due upon demand through 2034.....	13,800	—	—	13,800	—
2005 Series A Atlantic Court Apartments— 0.20% to 1.50% Variable Rate Bonds due upon demand through 2035.....	83,700	—	—	83,700	—
2005 Series B (Federally Taxable) Atlantic Court Apartments—0.28% to 4.50% Variable Rate Bonds due upon demand through 2035.....	19,400	—	(800)	18,600	900

New York City Housing Development Corporation
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Description of Bonds as Issued	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2009)</i>					
2005 Series A The Nicole Development— 0.20% to 1.50% Variable Rate Bonds due upon demand through 2035.....	54,600	—	—	54,600	—
2005 Series B (Federally Taxable) The Nicole Development—0.28% to 4.50% Variable Rate Bonds due upon demand through 2035.....	9,600	—	(500)	9,100	500
2005 Series A Progress of People Development—1.05% to 1.85% Variable Rate Bonds due upon demand through 2008.....	28,400	—	(28,400)	—	—
2005 Series B Progress of People Development—3.50% to 4.95% Term Bonds maturing in varying installments through 2036	53,490	—	(810)	52,680	855
2005 Series A Royal Charter Properties— 0.13% to 0.95% Variable Rate Bonds due upon demand through 2035.....	89,200	—	—	89,200	—
2005 Series B (Federally Taxable) Royal Charter Properties—0.28% to 4.50% Variable Rate Bonds due upon demand through 2011.....	4,750	—	(1,500)	3,250	1,600
2006 Series A Rivereast Apartments – 0.16% to 1.65% Variable Rate Bonds due upon demand through 2036.....	50,000	—	—	50,000	—
2006 Series B (Federally Taxable) Rivereast Apartments – 0.33% to 4.45% Variable Rate Bonds due upon demand through 2036.....	6,500	—	(400)	6,100	500
2006 Series A Seaview Towers – 3.70% to 4.75% Serial & Term Bonds maturing in varying installments through 2039.....	30,905	—	(6,600)	24,305	930
2007 Series A Ocean Gate Development – 0.26% to 1.75% 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 varying installments through in 2025.....	15,365	—	(545)	14,820	580
2007 Series A West 61 st Street Apartments — 0.18% to 1.80% Variable Rate Bonds due upon demand through 2037.....	54,000	—	—	54,000	—

New York City Housing Development Corporation
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Description of Bonds as Issued	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2009)</i>					
2007 Series B (Federally Taxable) West 61 st Street Apartments — 5.63% Fixed Rate Term Bonds due 2019.....	13,585	—	(870)	12,715	930
2007 Series A 155 West 21 st Street Apartments —0.18% to 1.85% Variable Rate Bonds due upon demand through 2037	37,900	—	—	37,900	—
2007 Series B (Federally Taxable) 155 West 21 st Street Apartments —0.25% to 3.10% Variable Rate Bonds due upon demand through 2037.....	14,700	—	(300)	14,400	400
2008 Series A Linden Plaza — 0.26% to 2.50% Variable Rate Bonds due upon demand through 2043.....	73,340	—	(1,175)	72,165	1,240
2009 Series A Gateways Apartments – 2.65% to 4.5% Term Bonds due upon demand through 2025.....	—	22,190	—	22,190	170
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced</i>					
1995 Series A Columbus Apartments Development—0.12% to 1.45% Variable Rate Bonds maturing in varying installments through 2025.....	21,870	—	—	21,870	—
2001 Series A West 48th Street— 0.20% to 1.50% Variable Rate Bonds due upon demand through 2034.....	20,000	—	—	20,000	—
2002 Series A First Ave Development—0.23% to 1.50% Variable Rate Bonds due upon demand through 2035.....	44,000	—	—	44,000	—
2004 Series A State Renaissance Court—0.16% to 1.65% Variable Rate Bonds due upon demand through 2037.....	35,200	—	—	35,200	—
2005 Series A 89 Murray Street Development —0.23% to 1.50% Variable Rate Bonds due upon demand through 2039.....	49,800	—	—	49,800	—

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Description of Bonds as Issued	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2009)</i>					
2006 Series A Linden Boulevard Apartments – 3.90% to 4.75% Serial and Term Bonds maturing in varying installments through 2039	14,000	—	—	14,000	190
2008 Series A 245 East 124 th Street – 0.08% to 1.00% Variable Rate Bonds due upon demand through 2046.....	—	40,000	—	40,000	—
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Letter of Credit Enhanced</i>					
2003 Series A (AMT) Related-Upper East — 0.35% to 1.85% Variable Rate Bonds due upon demand through 2036.....	67,000	—	—	67,000	—
2003 Series B (Federally Taxable) Related- Upper East —0.40% to 3.10% Variable Rate Bonds due upon demand through 2036.....	3,000	—	—	3,000	—
2004 Series A Manhattan Court Development —0.20% to 1.75% Variable Rate Bonds due upon demand through 2036.....	17,500	—	—	17,500	—
2004 Series A East 165 th Street Development —0.20% to 1.75% Variable Rate Bonds due upon demand through 2036.....	7,665	—	—	7,665	—
2004 Series A Aldus Street Apartments— 0.16% to 1.75% Variable Rate Bonds due upon demand through 2037.....	8,100	—	—	8,100	—
2004 Series A 941 Hoe Avenue Apartments — 0.16% to 1.75% Variable Rate Bonds due upon demand through 2037.....	6,660	—	—	6,660	—
2004 Series A Peter Cintron Apartments — 0.16% to 1.75% Variable Rate Bonds due upon demand through 2037.....	7,840	—	—	7,840	—
2004 Series A Parkview Apartments —0.27% to 1.83% Variable Rate Bonds due upon demand through 2036.....	5,935	—	—	5,935	—
2004 Series A Louis Nine Boulevard Apartments —0.12% to 1.85% Variable Rate Bonds due upon demand through 2037.....	7,300	—	—	7,300	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
2004 Series A Courtlandt Avenue Apartments —0.18% to 1.85% Variable Rate Bonds due upon demand through 2037.....	7,905	—	—	7,905	—
2004 Series A Ogden Avenue Apartments — 0.16% to 1.75% Variable Rate Bonds due upon demand through 2038.....	4,760	—	—	4,760	—
2004 Series A Nagle Courtyard Apartments — 0.16% to 1.75% Variable Rate Bonds due upon demand through 2038.....	4,200	—	—	4,200	—
2004 Series A Thessalonica Court Apartments —0.23% to 1.50% Variable Rate Bonds due upon demand through 2036.....	19,100	—	(300)	18,800	—
2004 Series A Brookhaven Apartments — 0.23% to 1.50% Variable Rate Bonds due upon demand through 2036.....	8,900	—	(100)	8,800	—
2004 Series A Marseilles Apartments — 0.13% to 1.38% Variable Rate Bonds due upon demand through 2034.....	12,925	—	(200)	12,725	200
2005 Series A Morris Avenue Apartments — 0.16% to 1.75% Variable Rate Bonds due upon demand through 2038.....	22,700	—	(8,000)	14,700	—
2005 Series A Vyse Avenue Apartments — 0.16% to 1.75% Variable Rate Bonds due upon demand through 2038.....	4,335	—	—	4,335	—
2005 Series A —33 West Tremont Avenue Apartments —0.16% to 1.75% Variable Rate Bonds due upon demand through 2038.....	3,490	—	—	3,490	—
2005 Series A 2007 LaFontaine Avenue Apartments —0.20% to 2.00% Variable Rate Bonds due upon demand through 2037.....	3,825	—	—	3,825	—
2005 Series A La Casa del Sol Apartments — 0.23% to 1.50% Variable Rate Bonds due upon demand through 2037.....	10,800	—	(5,750)	5,050	100
2005 Series A 15 East Clarke Place Apartments —0.25% to 5.70% Variable Rate Bonds due upon demand through 2037.....	11,600	—	(6,170)	5,430	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
2005 Series A Ogden Avenue Apartments II — 0.23% to 2.00% Variable Rate Bonds due upon demand through 2038.....	2,500	—	—	2,500	—
2005 Series A White Plains Courtyard Apartments —0.23% to 1.75% Variable Rate Bonds due upon demand through 2038.....	4,900	—	—	4,900	100
2005 Series A Highbridge Apartments — 0.20% to 1.75% Variable Rate Bonds due upon demand through 2039.....	32,500	—	(18,900)	13,600	—
2005 Series A Urban Horizons II Development —0.27% to 1.50% Variable Rate Bonds due upon demand through 2038.....	19,600	—	—	19,600	—
2005 Series A The Schermerhorn Development — 0.18% to 1.30% Variable Rate Bonds due upon demand through 2038.....	30,000	—	(30,000)	—	—
2005 Series A 1090 Franklin Avenue Apartments —0.28% to 1.50% Variable Rate Bonds due upon demand through 2037.....	2,320	—	—	2,320	—
2005 Series A Parkview II Apartments — 0.26% to 1.60% Variable Rate Bonds due upon demand through 2037.....	10,900	—	(6,645)	4,255	—
2005 Series A Grace Towers Development — 0.27% to 1.50% Variable Rate Bonds due upon demand through 2037.....	11,200	—	(100)	11,100	100
2005 Series A 270 East Burnside Avenue Apartments —0.12% to 1.80% Variable Rate Bonds due upon demand through 2039.....	13,000	—	(6,600)	6,400	—
2006 Series A Reverend Ruben Diaz Gardens Apartments —0.16% to 1.75% Variable Rate Bonds due upon demand through 2038.....	13,300	—	(6,900)	6,400	—
2006 Series A Villa Avenue Apartments — 0.16% to 5.50% Variable Rate Bonds due upon demand through 2039.....	13,700	—	(7,710)	5,990	—
2006 Series A Granville Payne Apartments — 0.23% to 1.75% Variable Rate Bonds due upon demand through 2039.....	12,250	—	(6,690)	5,560	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
2006 Series A Target V Apartments —0.23% to 1.50% Variable Rate Bonds due upon demand through 2038.....	7,200	—	(100)	7,100	100
2006 Series A Beacon Mews Development — 0.27% to 1.83% Variable Rate Bonds due upon demand through 2039.....	23,500	—	—	23,500	—
2006 Series A Bathgate Avenue Apartments — 0.16% to 5.50% Variable Rate Bonds due upon demand through 2039.....	12,500	—	(8,065)	4,435	—
2006 Series A Granite Terrace Apartments – 0.20% to 1.35% Variable Rate Bonds due upon demand through 2038.....	9,300	—	(5,240)	4,060	—
2006 Series A Intervale Gardens Apartments – 0.20% to 1.35% Variable Rate Bonds due upon demand through 2038.....	8,100	—	(4,985)	3,115	—
2006 Series A Spring Creek Apartments I & II – 0.26% to 1.50% Variable Rate Bonds due upon demand through 2039.....	24,000	—	—	24,000	—
2006 Series A 500 East 165 th Street Apartments – 0.27% to 1.50% Variable Rate Bonds due upon demand through 2039.....	17,810	—	(10,555)	7,255	—
2006 Series A 1405 Fifth Avenue Apartments – 0.20% to 1.75% Variable Rate Bonds due upon demand through 2039.....	14,190	—	—	14,190	—
2006 Series A Pitt Street Residence – 0.18% to 1.75% Variable Rate Bonds due upon demand through 2040.....	31,000	—	—	31,000	—
2006 Series A Markham Gardens Apartments – 0.26% to 1.50% Variable Rate Bonds due upon demand through 2040.....	25,000	—	—	25,000	—
2007 Series A 550 East 170 th Street Apartments – 0.20% to 1.75% Variable Rate Bonds due upon demand through 2042.....	14,300	—	(8,800)	5,500	—
2007 Series A Susan’s Court – 0.26% to 1.50% Variable Rate Bonds due upon demand through 2039.....	24,000	—	—	24,000	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
2007 Series A The Dorado Apartments – 0.27% to 1.50% Variable Rate Bonds due upon demand through 2040.....	8,750	—	—	8,750	—
2007 Series A The Plaza – 0.20% to 1.75% Variable Rate Bonds due upon demand through 2039.....	30,000	—	(17,900)	12,100	—
2007 Series A Queens Family Courthouse Apartments – 0.27% to 1.83% Variable Rate Bonds due upon demand through 2042.....	120,000	—	—	120,000	—
2007 Series A Boricua Village Apartments Site A-2 – 0.27% to 1.83% Variable Rate Bonds due upon demand through 2042.....	11,000	—	—	11,000	—
2007 Series A Boricua Village Apartments Site C – 0.27% to 1.83% Variable Rate Bonds due upon demand through 2042.....	17,300	—	—	17,300	—
2007 Series A Cook Street Apartments – 0.20% to 1.50% Variable Rate Bonds due upon demand through 2040.....	26,600	—	—	26,600	—
2008 Series A Las Casas Development 0.26% to 1.75% Variable Rate Bonds due upon demand through 2040.....	36,880	—	—	36,880	—
2008 Series A Bruckner by the Bridge — 0.12% to 1.20% Variable Rate Bonds due upon demand through 2048.....	—	68,500	—	68,500	—
2008 Series A Hewitt House Apartments — 0.20% to 1.00% Variable Rate Bonds due upon demand through 2048.....	—	11,000	—	11,000	—
2008 Series A Sons of Italy Apartments — 0.18% to 0.70% Variable Rate Bonds due upon demand through 2048.....	—	7,670	—	7,670	—
2009 Series A-1 Beekman Tower — 0.80% to 3.62% Variable Rate Bonds due upon demand through 2048.....	—	158,700	—	158,700	—
2009 Series A-2 Beekman Tower — 1.07% to 3.62% Variable Rate Bonds due upon demand through 2048.....	—	79,350	—	79,350	—

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Description of Bonds as Issued	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2009)</i>					
 <i>Multi-Family Rental Housing Revenue Bonds – Rental Projects; Letter of Credit Enhanced</i>					
2002 Series A (Federally Taxable) Chelsea Centro—0.37% to 3.10% Variable Rate Bonds due upon demand through 2033.....	78,000	—	(1,800)	76,200*	1,800
2009 Series A The Balton — 0.18% to 0.35% Variable Rate Bonds due upon demand through 2049.....	—	29,750	—	29,750	—
 <i>Residential Revenue Bonds – Residential Housing; Letter of Credit Enhanced</i>					
1993 Series A Montefiore Medical Center— 0.14% to 1.45% Variable Rate Term Bonds maturing in varying installments through 2030.....	7,600	—	(200)	7,400	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	—
2008 Series A Queens College Residences — 0.40% to 3.15% Variable Rate Bonds due upon demand through 2043.....	69,865	—	(69,865)	—	—
2009 Series A Queens College Residence — 0.20% to 0.20% Variable Rate Bonds due upon demand through 2043.....	—	69,865	—	69,865	920
 <i>Mortgage Revenue Bonds – Cooperative Housing; SONYMA-Insured Mortgage Loan</i>					
1994 Series A Maple Court Cooperative— 6.22% Term Bonds maturing in varying installments through 2027.....	10,240	—	(275)	9,965	295
1996 Series A Maple Plaza Cooperative— 6.08% Term Bonds maturing in varying installments through 2029.....	14,585	—	(335)	14,250	355

* Please see Note 18: "Subsequent Events".

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>Multi-Family Mortgage Revenue Bonds – Rental Project; REMIC-Insured Mortgage Loan</i>					
1996 Series A Barclay Avenue Development— 5.75% to 6.60% Term Bonds maturing in varying installments through 2033.....	4,980	—	(85)	4,895	4,895
<i>Multi-Family Mortgage Revenue Bonds – Senior Housing; Letter of Credit Enhanced</i>					
2000 Series A 55 Pierrepont Development - 0.13% to 1.75% Variable Rate Bonds due upon demand through 2031.....	4,600	—	—	4,600	—
<i>Mortgage Revenue Bonds – Cooperative Housing; Letter of Credit Enhanced</i>					
2008 Series A Coop-HMRB Prospect Macy (Federally Taxable) — 0.30% to 3.10% Variable Rate Bonds due upon demand through 2013.....	8,565	—	—	8,565	—
2008 Series A Coop-HMRB East Harlem South Development (Federally Taxable) — 0.35% to 5.00% Variable Rate Bonds due upon demand through 2013.....	26,700	—	—	26,700	—
Sub-Total Multi-Family Bond Program	3,003,270	487,025	(274,630)	3,215,665	18,140
<u>MILITARY HOUSING REVENUE BOND PROGRAM</u>					
2004 Series A Class I & II Fort Hamilton Housing LLC Project—5.60% to 6.72% Term Bonds maturing in varying installments through 2049.....	47,420	—	(255)	47,165	270
Total Multi-Family Bond Program	3,050,690	487,025	(274,885)	3,262,830	18,410

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<u>HOUSING REVENUE BOND PROGRAM:</u>					
<i>Multi-Family Housing Revenue Bonds Under the Corporation's General Resolution, assets pledged to bondholders include a pool of mortgage loans.</i>					
1998 Series A (Federally Taxable) —6.84% Term Bonds maturing in varying installments through 2030.....	6,200	—	(200)	6,000	200
1998 Series B —3.75% to 5.25% Serial and Term Bonds maturing in varying installments through 2031.....	19,080	—	(415)	18,665	17,665
1999 Series A-1 —5.83% to 6.06% Term Bonds maturing in varying installments through 2022	27,200	—	(3,300)	23,900	3,600
1999 Series B-2 (Federally Taxable) —6.83% to 7.32% Term Bonds maturing in varying installments through 2022	23,900	—	(1,200)	22,700	1,200
1999 Series C —4.40% to 5.70% Serial and Term Bonds maturing in varying installments through 2031.....	3,125	—	(110)	3,015	170
1999 Series E —4.40% to 6.25% Serial and Term Bonds maturing in varying installments through 2036.....	9,495	—	(125)	9,370	8,670
2000 Series B (Federally Taxable) — 7.79% Term Bonds maturing in varying installments through 2032.....	23,200	—	(300)	22,900	400
2001 Series A Carnegie East —3.70% to 5.60% Serial and Term Bonds maturing in varying installments through 2042.....	28,890	—	(285)	28,605	290
2001 Series C-2 —2.85% to 5.40% Serial and Term Bonds maturing in varying installments through 2033.....	16,370	—	(310)	16,060	325
2002 Series A (AMT) —2.20% to 5.50% Serial and Term Bonds maturing in varying installments through 2034.....	33,580	—	(615)	32,965	640

New York City Housing Development Corporation
Notes to the Financial Statements
October 31, 2009

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
2002 Series B (AMT) —2.20% to 5.50% Serial and Term Bonds maturing in varying installments through 2032.....	6,530	—	(135)	6,395	145
2002 Series C (Federally Taxable) —0.49% to 2.81% Variable Rate Term Bonds maturing in varying installments through 2034.....	47,185	—	(630)	46,555	680
2002 Serial E-2 (AMT) —2.00% to 5.20% Serial and Term Bonds maturing in varying installments through 2034.....	18,015	—	(345)	17,670	355
2002 Series F (AMT) —2.00% to 5.20% Serial and Term Bonds maturing in varying installments through 2033.....	4,260	—	(95)	4,165	95
2003 Series B-2 (AMT) —2.00% to 4.6% Serial and Term Bonds maturing in varying installments through 2036.....	28,365	—	(740)	27,625	760
2003 Series E-2 (AMT) —2.25% to 5.05% Serial and Term Bonds maturing in varying installments through 2036.....	28,085	—	(415)	27,670	435
2004 Series A —1.85% to 5.25% Serial and Term Bonds maturing through 2030.....	135,950	—	(3,445)	132,505	3,580
2004 Series B-2 (AMT) —2.00% to 5.30% Serial and Term Bonds maturing in varying installments through 2036.....	22,240	—	(440)	21,800	460
2004 Series C-2 (Federally Taxable) —5.52% to 6.34% Serial and Term Bonds maturing in varying installments through 2036.....	47,865	—	(660)	47,205	705
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.....	31,225	—	(1,965)	29,260	2,170

New York City Housing Development Corporation
Notes to the Financial Statements
October 31, 2009

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
2004 Series G (Federally Taxable) —5.63% Term Bonds maturing in varying installments through 2029.....	10,445	—	(60)	10,385	70
2004 Series H (AMT) —2.70% to 5.25% Serial and Term Bonds maturing in varying installments through 2046.....	9,190	—	(90)	9,100	90
2004 Series I-2 (AMT) —2.50% to 5.20% Serial and Term Bonds maturing in varying installments through 2038.....	25,595	—	(430)	25,165	445
2004 Series J (Federally Taxable) —2.95% to 5.70% Serial and Term Bonds maturing in varying installments through 2036.....	24,920	—	(1,050)	23,870	1,090
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.....	12,720	—	(8,515)	4,205	—
2005 Series D (AMT) —3.10% to 4.80% Serial and Term Bonds maturing in varying installments through 2047.....	5,645	—	—	5,645	—
2005 Series E (AMT) —2.90% to 4.75% Serial and Term Bonds maturing in varying installments through 2035.....	3,590	—	(185)	3,405	190
2005 Series F-1 (Non-AMT) —4.65% to 4.75% Term Bonds maturing in 2025 and 2035, respectively.....	65,410	—	—	65,410	—
2005 Series F-2 (Federally Taxable) —4.66% to 5.43% Term Bonds maturing in 2010 and 2017, respectively.....	67,895	—	(5,820)	62,075	6,100
2005 Series G (Non-AMT) —3.35% to 4.35% Serial and Term Bonds maturing in varying installments through 2018.....	4,295	—	(335)	3,960	350
2005 Series J-1 (Non-AMT) — 4.65% to 4.85% Term Bonds maturing in 2036.....	20,495	—	—	20,495	—

New York City Housing Development Corporation
Notes to the Financial Statements
October 31, 2009

Description of Bonds as Issued	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2009)</i>					
2005 Series K (AMT) —3.60% to 5.00% Serial and Term Bonds maturing in 2037.....	12,670	—	(165)	12,505	175
2005 Series L (AMT) —3.85% to 5.05% Serial and Term Bonds maturing in 2039.....	34,495	—	(12,010)	22,485	9,785
2006 Series A (Federally Taxable) —6.42% Term Bonds maturing in 2027.....	217,600	—	(32,585)	185,015	26,350
2006 Series B (AMT) —5.35% Term Bonds due upon demand through 2049.....	31,900	—	(50)	31,850	365
2006 Series C (AMT) —4.05% to 5.125% Serial and Term Bonds maturing in varying installments through 2040.....	76,575	—	(22,000)	54,575	16,105
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	—	—	25,665	370
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	55,180	—	(4,300)	50,880	—
2006 Series I (Federally Taxable) —5.33% to 5.96% Term Bonds maturing in varying installments through 2040.....	6,700	—	—	6,700	—
2006 Series J-1 (AMT) — 0.25% to 1.80% Variable Rate Term Bonds maturing in 2040.....	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) — 0.25% to 1.80% Variable Rate Term Bonds maturing in 2040.....	25,650	—	(15,550)	10,100	—

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Description of Bonds as Issued	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2009)</i>					
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 B-2 (AMT) (Auction Rate) – 0.50% to 4.00% Term Bonds maturing in varying installments through 2015	54,340	—	(54,340)	—	—
2007 Series C (Federally Taxable) – 6.02% to 6.56% Term Bonds maturing in 2040.....	5,370	—	—	5,370	—
2007 Series D (Federally Taxable) –5.95% Terms Bonds maturing in 2039.....	28,265	—	—	28,265	335
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) –0.17% to 3.30% Variable rate Bonds due upon demand through 2042.....	29,215	—	—	29,215	—
2008 A-1-A (AMT) – 0.17% to 3.30% Variable Rate Bonds due upon demand through 2046....	46,610	—	—	46,610	—
2008 Series A-1-B (AMT) - 0.25% to 1.80% Variable Rate Bonds due upon demand through 2013.....	51,705	—	—	51,705*	—
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	8,300

* Please see Note 18: “Subsequent Events”.

New York City Housing Development Corporation
Notes to the Financial Statements
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Description of Bonds as Issued	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2009)</i>					
2008 Series B (Federally Taxable) – 4.00% to 7.50% Variable Rate Term bonds due upon demand through 2046.....	37,885	—	(37,885)	—	—
2008 Series C-1(Federally Taxable) – 4.00% to 7.50% Variable Rate Term bonds due upon demand through 2048.....	25,240	—	(25,240)	—	—
2008 Series C-2 (Federally Taxable) – 3.55% to 5.69% Serial & Term Bonds maturing in varying installments through 2018.....	14,760	—	(7,210)	7,550	620
2008 Series D (Non-AMT) – 0.10% to 3.20% Variable Rate Term Bonds due upon demand through 2025.....	12,670	—	—	12,670	—
2008 Series E (Federally Taxable) – 0.49% to 2.32% Index Floating Rate Terms Bonds maturing in 2037.....	100,000	—	(495)	99,505	1,065
2008 Series F (Federally Taxable) – 0.49% to 2.81% Index Floating Rate Term Bonds maturing in 2041.....	86,825	—	—	86,825	—
2008 Series G-1(Federally Taxable) – 4.00% to 7.50% Variable Rate Term bonds maturing in 2038.....	9,350	—	(9,350)	—	—
2008 Series G-2 (Federally Taxable) – 3.80% Fixed Rate Serial bonds maturing in varying installments through 2008.....	3,150	—	(3,150)	—	—
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) – 0.17% to 4.00% Variable Rate Term Bonds maturing in 2041.....	39,030	—	—	39,030	—
2008 Series H-2-B (AMT) — 0.15% to 1.35% Variable Rate Term Bonds maturing in 2013....	47,990	—	—	47,990	—
2008 Series I-1 and I-2 (AMT) - 0.60% and 0.72% Term bonds due 2010.....	—	119,270	(25,830)	93,440	93,440

New York City Housing Development Corporation
Notes to the Financial Statements
October 31, 2009

Description of Bonds as Issued	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2009)</i>					
2008 Series J (Federally Taxable) —1.78% to 2.80% Index Floating Rate Term Bonds due 2043.....	—	34,590	—	34,590	—
2008 Series K (Federally Taxable)— 1.78% to 2.80% Index Floating Rate Term Bonds due 2043.....	—	106,945	(920)	106,025	1,795
2008 Series L (Non-AMT)— 2.25% to 6.5% Fixed Rate Serial and Term Bonds due 2028.....	—	10,515	—	10,515	5,305
2008 Series M (Non-AMT) — 3.15% to 6.88% Fixed Rate Serial and Term Bonds due 2028.....	—	30,730	—	30,730	110
2008 Series M (Non-AMT) — 0.55% Term Rate Bonds due 2010.....	—	37,175	—	37,175	37,175
2009 Series A (Non-AMT) — 2.00% to 4.20% Term Bonds maturing in varying installments through 2019.....	—	17,450	—	17,450	—
2009 Series B-1 (Non-AMT) — 0.45% Term Bonds due 2009.....	—	13,110	(13,110)	—	—
2009 Series B-2 (Non-AMT) — 0.35% Term Bonds due 2010.....	—	13,655	(9,255)	4,400	4,400
2009 Series B-3 (Non-AMT) — 0.55% Term Bonds due 2009.....	—	25,345	—	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	—
2009 Series C-3 (Non-AMT) — 0.15% to 0.31% Variable Rate Bonds due 2015.....	—	50,000	—	50,000	—
2009 Series C-4 (Non-AMT) — 0.15% to 0.35% 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	—

New York City Housing Development Corporation
Notes to the Financial Statements
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Description of Bonds as Issued	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2009)</i>					
2009 Series E (Non-AMT) — 0.45% Fixed Rate Term Bonds mandatory tender due 2010.....	—	65,215	—	65,215	65,215
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	24,175
2009 Series H (Non-AMT) — 0.55% Term Bonds due 2010.....	—	65,795	—	65,795	65,795
2009 Series I-1 (Federally Taxable) — 5.63% to 6.42% Fixed Rate Term Bonds maturing in varying installments through 2019.....	—	50,000	—	50,000	—
2009 Series I-2 (Federally Taxable) — 1.19% 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	—	25,975	385
<i>Multi-Family Secured Mortgage Revenue Bonds</i>					
2005 Series A-1 Secured Mortgage Revenue Bonds — 5.65% Term Bonds due upon demand through 2031.....	6,080	—	(50)	6,030	50
2005 Series A-2 Secured Mortgage Revenue Bonds — 6.32% Term Bonds due upon demand through 2037.....	4,465	—	(50)	4,415	60
2005 Series B — 6.35% Term Bonds due upon demand through 2038.....	3,465	—	(50)	3,415	40
Total Housing Revenue Bond Program	2,222,560	946,830	(305,810)	2,863,580	437,640

New York City Housing Development Corporation
Notes to the Financial Statements
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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
<u>LIBERTY BOND PROGRAM:</u>					
<i>Multi-Family Mortgage Revenue Bonds</i>					
2005 Series A 90 Washington Street — 0.08% to 1.00% Variable Rate Bonds due upon demand through 2035.....	74,800	—	—	74,800	—
2005 Series A The Crest— 0.22% to 1.80% Variable Rate Bonds due upon demand through 2036.....	132,500	—	—	132,500	—
2005 Series B (Federally Taxable) The Crest— 0.60% to 4.50% Variable Rate Bonds due upon demand through 2036.....	10,900	—	(200)	10,700	700
2006 Series A 90 West Street—0.13% to 1.75% Variable Rate Bonds due upon demand through 2036.....	104,000	—	—	104,000	—
2006 Series B (Federally Taxable) 90 West Street—0.25% to 3.10% Variable Rate Bonds due upon demand through 2036.....	8,000	—	—	8,000	—
2006 Series A - 2 Gold Street—0.13% to 1.75% Variable Rate Bonds due upon demand through 2036.....	162,000	—	—	162,000	—
2006 Series B (Federally Taxable) - 2 Gold Street—0.25% to 3.10% Variable Rate Bonds due upon demand through 2036.....	53,000	—	(1,000)	52,000	1,300
2006 Series A - 20 Exchange Place —0.20% to 1.80% Variable Rate Bonds due upon demand through 2039.....	66,400	—	—	66,400	—
2006 Series B (Federally Taxable) 20 Exchange Place—0.68% to 4.50% Variable Rate Bonds due upon demand through 2039.....	143,600	—	(4,500)	139,100	—
2006 Series A 201 Pearl Street —0.13% to 1.75% Variable Rate Bonds due upon demand through 2041.....	65,000	—	—	65,000	—
2006 Series B (Federally Taxable) 201 Pearl Street — 0.25% to 3.10% Variable Rate Bonds upon demand through 2041.....	25,000	—	—	25,000	—

New York City Housing Development Corporation
Notes to the Financial Statements
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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2009)</i>	Balance at Oct. 31, 2008	Issued	Retired	Balance at Oct. 31, 2009	Amount Due Within 1 Year
2008 A Beekman Tower – 0.20% to 3.00% Variable Rate Bonds due upon demand through 2048.....	203,900	—	—	203,900	—
Total Liberty Bond Program	1,049,100	—	(5,700)	1,043,400	2,000
Multi-Family Housing Bond Program—6.50% to 7.25% Bonds maturing in varying installments through 2019.....	46,850	—	(8,308)	38,542	3,885
Total Section 223(f) Refinancing Bond Program	46,850	—	(8,308)	38,542	3,885
<u>CAPITAL FUND PROGRAM REVENUE BOND (New York City Housing Authority ("NYCHA"))</u>					
2005 Series A Capital Fund Program—3.00% to 5.00% Serial and Term Bonds maturing in varying installments through 2025.....	256,455	—	(9,840)	246,615	10,340
Total Capital Fund Program Revenue Bonds	256,455	—	(9,840)	246,615	10,340
Total Bonds Payable Prior to Net Premium (Discount) on Bonds Payable and Deferred Bond Refunding Costs	\$ 6,625,655	1,433,855	(604,543)	7,454,967	472,275
Net Premium (Discount) on Bonds Payable	13,357	—	1,174	14,531	—
Deferred Bond Refunding Costs	(13,727)	—	(286)	(14,013)	—
Total Bonds Payable (Net)	\$ 6,625,285	1,433,855	(603,655)	7,455,485	472,275

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.

Bonds issued in Fiscal Year 2009

(A) New York City Housing Development Corporation

On November 6, 2008, the variable rate 2008 Series A Multi-Family Mortgage Revenue Bonds (245 East 124th Street) were issued in the amount of \$40,000,000 to finance a mortgage loan for the purposes of paying a portion of the costs of acquiring, constructing and equipping a multi-family rental housing facility located in the borough of Manhattan, New York, and to pay certain other related costs.

New York City Housing Development Corporation

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On November 13, 2008, the fixed rate 2008 Series I (AMT) Multi-Family Housing Revenue Bonds were issued in the amount of \$119,270,000. The proceeds of the 2008 Series I Bonds were used by the Corporation to redeem, within 90 days of the date of issuance of the 2008 Series I Bonds, an equal amount of certain of the Corporation's outstanding bonds. Upon the conversion of the 2008 Series I Bonds to a different interest rate mode, amounts in the 2008 Series I Bond Proceeds account were expected to be used by the Corporation to finance construction and permanent mortgage loans for certain developments.

On November 25, 2008, the variable rate 2008 Series A Multi-Family Mortgage Revenue Bonds (Bruckner by the Bridge) were issued in the amount of \$68,500,000 to finance a mortgage loan for the purposes of paying a portion of the project located in the borough of Bronx, New York, and to pay certain other related costs.

On November 25, 2008, the variable rate 2008 Series A Multi-Family Mortgage Revenue Bonds (Hewitt House Apartments) were issued in the amount of \$11,000,000 to finance a mortgage loan for the purposes of paying a portion of the project located in the borough of Bronx, New York, and to pay certain other related costs.

On December 23, 2008, four Multi-Family Housing Revenue Bonds Series were issued in the amount totaling \$219,955,000. The index floating rate 2008 Series J (Federally Taxable) Bonds were issued in the amount of \$34,590,000 and the 2008 Series K (Federally Taxable) Bonds were issued in the amount of \$106,945,000. The fixed rate 2008 Series L (Non-AMT) Bonds were issued in the amount of \$10,515,000 and the 2008 Series M (Non-AMT) Bonds were issued in the amount of \$67,905,000. The 2008 Bonds were issued and combined with other available monies to directly and indirectly finance construction and permanent mortgage loans for the acquisition and rehabilitation or new construction of certain developments.

On February 19, 2009, the variable rate 2008 Series A Multi-Family Mortgage Revenue Bonds (Sons of Italy Apartments) were issued in the amount of \$7,670,000 to finance a mortgage loan for the purposes of paying a portion of the costs of acquiring, rehabilitating, and equipping a multi-family rental housing development located in the borough of Brooklyn, New York and to pay certain other related costs.

On March 5, 2009, two Multi-Family Mortgage Revenue Bonds (Beekman Tower) were issued in the amount totaling \$238,050,000. The variable rate 2009 Series A-1 (Federally Taxable) Bonds were issued in the amount of \$158,700,000 and the 2009 Series A-2 (Federally Taxable) Bonds were issued in the amount of \$79,350,000. The 2009 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 April 30, 2009, the fixed rate 2009 Series A (Non-AMT) Multi-Family Housing Revenue Bonds were issued in the amount of \$17,450,000 to finance construction and permanent mortgage loans for the new construction of certain development located in the borough of Staten Island, New York, and to pay certain other related costs.

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2009

On May 13, 2009, three Multi-Family Housing Revenue Bonds were issued in the amount totaling \$52,110,000. The fixed rate 2009 series B-1 (Non-AMT) Bonds were issued in the amount of \$13,110,000, the 2009 Series B-2 (Non-AMT) Bonds were issued in the amount of \$13,655,000 and the 2009 Series B-3 (Non-AMT) Bonds were issued in the amount of \$25,345,000. The proceeds of the 2009 Series B Bonds proceeds were used by the Corporation to redeem, within 90 days of the date of issuance of the 2009 Series B Bonds, an equal amount of certain of the Corporation's outstanding bonds. Upon the conversion of all or a portion of the 2009 Series B Bonds to a different interest rate mode, amounts in the 2009 Series B Bond Proceeds were used by the Corporation to finance construction and permanent mortgage loans for certain developments.

On June 25, 2009, six Multi-Family Housing Revenue Bonds Series were issued in the amount totaling \$338,100,000. The fixed rate 2009 Series C-1 (Non-AMT) Bonds were issued in the amount of \$118,200,000, the 2009 Series C-2 (Non-AMT) Bonds were issued in the amount of \$82,140,000 and the 2009 Series D (Non-AMT) Bonds were issued in the amount of \$9,500,000. The variable rate 2009 Series C-3 (Non-AMT) Bonds were issued in the amount of \$50,000,000 and the 2009 Series C-4 (Non-AMT) Bonds were issued in the amount of \$13,045,000. The term rate 2009 Series E (Non-AMT) Bonds were issued in the amount of \$65,215,000. The 2009 Bond proceeds combined with other available monies were used to finance construction and permanent mortgage loans for new construction and/or rehabilitation of certain developments.

On September 15, 2009, the fixed rate 2009 Series A Multi-Family Rental Housing Revenue Bonds (Gateways Apartments) were issued in the amount of \$22,190,000 to finance a mortgage loan for the purposes of paying a portion of the costs of acquiring, renovating and equipping a multi-family rental housing facility located in the borough of Queens, New York, and to pay certain other related costs.

On September 15, 2009, the variable rate 2009 Series A Multi-Family Rental Housing Revenue Bonds (The Balton) were issued in the amount of \$29,750,000 to finance a mortgage loan for the purposes of paying a portion of the project located in the borough of Manhattan, New York, and to pay certain other related costs.

On October 1, 2009, six Multi-Family Housing Revenue Bonds were issued totaling \$199,945,000. The fixed rate 2009 Series F (Non-AMT) Bonds were issued in the amount of \$9,000,000, the 2009 Series I-1 (Federally Taxable) Bonds were issued in the amount of \$50,000,000, and the 2009 Series J (Non-AMT) Bonds were issued in the amount of \$25,975,000. The fixed rate 2009 Series G (Non-AMT) Bonds were issued in the amount of \$24,175,000. The term rate 2009 Series H (Non-AMT) Bonds were issued in the amount of \$65,795,000. The index floating rate 2009 Series I-2 (Federally Taxable) Bonds were issued in the amount of \$25,000,000. 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 rehabilitation of certain developments.

On October 29, 2009, the variable rate 2009 Series A Residential Revenue Bonds (Queens College Residences) were issued in the amount of \$69,865,000 to refund the 2008 Series A Residential Revenue Bonds; which were issued to finance a mortgage loan for the purposes of paying a portion of the costs of constructing and equipping the project located on the Queens College campus in the borough of Queens, New York.

New York City Housing Development Corporation

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October 31, 2009

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.

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, 2009. These bonds are held with an escrow agent.

Detail of Defeased Bonds outstanding as of October 31, 2009:

Bond issues	Date Defeased	Amount Defeased	Bonds Outstanding 10/31/09
2003 Series C Multi-Family Housing Revenue Bond	April 3, 2006	\$ 4,175,000	\$ 3,005,000
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	\$40,725,000

Bank Bonds outstanding as of October 31, 2009:

During fiscal year 2009, HDC had accumulated additional Bank Bonds in the amount of \$17,120,000, along with \$83,555,000 Bank Bonds outstanding from October 31, 2008, for a total of \$100,675,000. All the Bank Bonds were remarketed during the first half of fiscal year 2009. Since then, HDC has not acquired any Bank Bonds. Details of Bank Bonds are presented below.

HDC Bank Bonds as of October 31, 2009:

Bond Series Name	Bank Bonds Outstanding at 10/31/2008	Bank Bonds during FY 2009	Amount Remarketed during FY 2009	Bank Bonds Outstanding at 10/31/2009
2005 Series B (The Crest)(63 Wall)	\$10,100,000		10,100,000	\$0
2006 Series A 20 Exchange Place	5,405,000		5,405,000	0
2006 Series B 20 Exchange Place	29,020,000		29,020,000	0
2008 Series H-2-A HRB	39,030,000		39,030,000	0
2006 Series B 20 Exchange Place		3,500,000	3,500,000	0
2006 Series B 20 Exchange Place		1,600,000	1,600,000	0
2006 Series B 20 Exchange Place		500,000	500,000	0
2006 Series B 20 Exchange Place		155,000	155,000	0
2006 Series A (1405 Fifth Ave Apts)		7,500,000	7,500,000	0
2008 Series A Queens College Residences		3,865,000	3,865,000	0
Total	\$83,555,000	17,120,000	100,675,000	\$0

New York City Housing Development Corporation

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In early 2008, the Corporation acted quickly to reduce its exposure to auction rate bonds after the market collapsed and had reduced its auction rate portfolio down to one remaining series, Multi-Family Housing Revenue Bonds 2007 Series B-2. To reduce the financial losses related to this bond series, after several failed auctions that led to the bonds carrying a rate of 12%, the Corporation, acting through its REMIC subsidiary, began bidding on these bonds as was permitted under rules promulgated by the Securities and Exchange Commission (“SEC”) and Internal Revenue Service (“IRS”), without ending the tax-exempt status of such bonds, at a rate matching or below the Corporation’s underwriting rate. The Corporation provided temporary loans to REMIC to facilitate these investment purchases until the bonds were redeemed. On October 1, 2009, the Corporation issued its fixed rate 2009 Series G bonds to refund the 2007 Series B-2 Series bonds and the temporary loan made to REMIC was paid back with interest to the Corporation.

Future Debt Service:

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

Year Ending October 31, <i>(in thousands)</i>	Principal	Interest	Total
2010.....	\$472,275	156,259	628,534
2011.....	151,308	150,231	301,539
2012.....	159,608	143,456	303,064
2013.....	329,956	135,947	465,903
2014.....	103,412	128,725	232,137
2015 – 2019.....	615,108	567,442	1,182,550
2020 – 2024.....	687,550	464,843	1,152,393
2025 – 2029.....	868,305	359,031	1,227,336
2030 – 2034.....	1,155,190	253,063	1,408,253
2035 – 2039.....	1,583,315	137,248	1,720,563
2040 – 2044.....	697,355	45,523	742,878
2045 – 2049.....	631,585	14,885	646,470
Total	\$ 7,454,967	2,556,653	10,011,620

Changes in Long Term Liabilities:

Long term liability activities for the year ended October 31, 2009, are as follows:

Descriptions	Balance at Oct. 31, 2008	Additions	Deductions	Balance at Oct. 31, 2009	Due Within 1 Year
<i>(in thousands)</i>					
Bonds Payable, (net)	\$6,625,285	1,433,855	(603,655)	7,455,485	472,275
Payables to The City of New York	780,255	165,127	(137,272)	808,110	—
Payable to Mortgagors & Restricted Earnings on Investments	409,138	353,002	(439,455)	322,685	186,732
Other	208,021	179,657	(171,567)	216,111	55,776
Total	\$8,022,699	2,131,641	(1,351,949)	8,802,391	714,783

New York City Housing Development Corporation

Notes to the Financial Statements

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Note 10: Consultant's Fees

The fees paid by the Corporation for legal, accounting and consulting services in fiscal year 2009 for HDC include \$43,041 to Epstein, Becker & Green, P.C. and \$1,202 to Anderson, Kill & Olick, PC. Auditing Fees of \$193,000 were paid to Ernst & Young, LLP.

The Corporation paid consulting fees in the amount of \$204,459 to Quest America, Inc.; \$99,397 to Hawkins, Delafield & Wood, LLP; \$98,190 to Finsoft Consultant, Inc.; \$47,046 to Grubard Marketing, Inc.; \$38,220 to Irene Yau; \$29,000 to Cristo Rey New York High School; \$16,001 to Hessel, Aluise and Neun, PC; \$11,280 to IT Convergence, Inc.; \$10,500 to Dyntek Services, Inc.; \$7,866 to WB Engineering and Consulting, PLLC; \$5,977 to Carlton Architecture, PC; \$4,800 to Liz Bramlet Consulting; \$3,450 to Kirsten Major; \$2,400 to Insurance Advisors, LLC; \$1,973 to Jessica Lawrence and \$431 to Accurint.

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 \$1,378,399 to Hawkins, Delafield & Wood, LLP; \$60,000 Ernst & Young, LLP ; \$58,514 to Dorsey & Whitney, LLP; \$54,960 to Nixon Peabody, LLP.; \$40,000 to Manatt, Phelps, Phillips, LLP; \$19,500 to Dewey & LeBoeuf, LLP and \$4,000 to LeBoeuf, Lamb, Greene & Macrae.

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 \$614,063,000 at October 31, 2009 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

New York City Housing Development Corporation

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October 31, 2009

bonds to refinance the 2002 Series D Bonds and 2003 Series D Bonds. At October 31, 2009, the Corporation's payable to the City relating to its Multi-Family Housing Revenue Bonds, 2006 Series A bonds was \$301,577,000.

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 and, this fiscal year, 2008 Series J and 2008 Series L (collectively, "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, 2009, the Corporation's payable to the City under the Mitchell-Lama Restructuring Bonds program was \$312,486,000.

In fiscal year 2009, the Multi-Family Housing Revenue Bond, 2008 Series C-1 & C-2 (Big Six) and 2008 Series G-1 & G-2 (River Terrace) were refinanced by 2008 Series J. The existing third mortgage loan for Big Six in the amount of \$12,290,000 was transferred to 2008 Series J. The Corporation also issued the Multi-Family Housing Revenue Bond Series 2008 Series L to refinance two projects; Tivoli Towers in the 223F program and Tanya Tower in the Mitchell-Lama program. For Tanya Tower, the Corporation 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 the new second mortgage loan in the amount of \$2,661,000.

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, 2009, the total related payable to the City was \$25,339,000.

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, 2009, the total related payable to the City was \$168,708,000.

(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, 2009, total resources payable to the City amounted to \$54,405,000. 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.

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2009

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 83 employees of the Corporation are members. The Corporation made contributions to NYCERS of \$1,019,415, \$865,160 and \$573,453 during fiscal years 2009, 2008 and 2007, 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 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 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 \$61,000 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	\$ 1,592
Contributions made	(19)
Increase in net OPEB obligation	1,573
Net OPEB obligation—beginning of year	4,856
Net OPEB obligation—end of year	\$ 6,429

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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
10/31/09	\$ 1,592	1.19%	\$ 6,429
10/31/08	1,675	1.06%	4,856
10/31/07	1,617	0.53%	3,199

As of October 31, 2009, the actuarial accrued liability for benefits was \$18,658,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$11,260,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 151%.

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 26 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.

New York City Housing Development Corporation

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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, 2009, the Corporation held \$651,000 in prefunded annual contributions. Related fees earned during fiscal year 2009 amounted to \$422,000 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, 2009, HDC had set aside \$1,175,000 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,	
2010.....	\$1,599,000
2011.....	1,640,000
2012.....	1,640,000
2013.....	1,640,000
2014.....	1,640,000
2015.....	410,000
Total	<u>\$ 8,569,000</u>

For fiscal year 2009, the Corporation's rental expense amounted to \$1,895,000.

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.

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2009

The portion of closed construction loans that had not yet been advanced is as follows at October 31, 2009:

<u>Programs:</u>	
Multi-Family Bond Programs	
Housing Revenue	\$ 386,716,000
Liberty Bond	9,299,000
New Housing Opportunity Program (NEW HOP)	160,199,000
Loans Secured by GNMA Certificates	11,266,000
Low-Income Affordable	270,431,000
Mitchell-Lama Repair Loans	11,574,000
Mixed Income Rental Program (MIRP)	398,000
Corporate Services Fund Loans	219,117,000
Unadvanced Construction Loans (closed loans)	\$ 1,069,000,000

As of October 31, 2009 the Corporation had not executed any commitment letters.

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, 2009, loans totaling \$27,208,000 had been closed and \$26,810,000 had been advanced. An unadvanced portion of \$398,000 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 2009, \$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, 2009, REMIC insured loans with coverage totaling \$130,253,000 and had outstanding commitments to insure loans with a maximum insurance coverage of \$73,120,000.

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.

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2009

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 loan assets, bond proceeds and reserve funds that are pledged to bondholders, funds held pursuant to 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, 2007	\$425,043,000	635,100,000	1,060,143,000
Income	28,349,000	17,381,000	45,730,000
Transfers	(32,741,000)	32,741,000	—
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

Summary of Restricted Net Assets	2009	2008
Multi-Family Bond Programs	\$510,430,000	\$407,005,000
Corporate Debt Service Reserve for HPD Loan		
Purchase Bonds	9,251,000	10,880,000
Claim Payment Fund for 223(f) Program	2,788,000	2,766,000
Total Restricted Net Assets	\$522,469,000	\$420,651,000

Of the total Unrestricted Net Assets listed below, \$402,377,000 is existing mortgages and other loans. An additional \$167,408,000 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 \$1,682,000 in capital assets.

New York City Housing Development Corporation
Notes to the Financial Statements
October 31, 2009

Summary of Unrestricted Net Assets	2009	2008
Designated Assets:		
Housing Programs	\$167,408,000	\$164,791,000
Existing Mortgages	402,377,000	448,308,000
Working Capital	14,512,000	13,251,000
Rating Agency Reserve Requirement	55,000,000	53,500,000
Total Designated Net Assets	639,297,000	679,850,000
Undesignated Assets:		
Loan spread purchased from New York City	3,109,000	3,422,000
Capital Assets	1,682,000	1,950,000
Total Undesignated Net Assets	4,791,000	5,372,000
Total Unrestricted Net Assets	\$644,088,000	\$685,222,000

Note 18: Subsequent Events

Subsequent to October 31, 2009, six new bond series totaling \$794,765,000 were issued in the course of the Corporation's normal business activities.

On December 23, 2009, the 2002 Series A (Federally Taxable) Chelsea Centro Variable Rate Bonds were fully redeemed in the amount of \$76,200,000. On January 6, 2010, there was a partial redemption in the 2008 Series A-1-B (AMT) Variable Rate Bonds in the amount of \$30,945,000.

New York City Housing Development Corporation Required Supplementary Information

October 31, 2009

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) - Level Dollar (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, 2009

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, 2009 and 2008 (in thousands)

	2009	2008
ASSETS:		
Current Assets:		
Cash, cash equivalents and investments	\$ 206,770	156,670
Mortgage loan receivable	36,656	67,658
Accrued interest receivable	11,134	9,240
Other receivables	348	305
Other assets	25	25
Total Current Assets	\$ 254,933	233,898
Noncurrent Assets:		
Restricted cash and investments	839,362	527,018
Purpose investment (note 3)	194,196	194,866
Mortgage loan receivable	2,126,285	1,733,634
Loan participation receivable - The City of NY (note 6)	614,063	624,412
Unamortized issuance costs	16,481	13,264
Primary government/component unit receivable (payable)	(6,708)	(9,745)
Other assets	5,923	4,269
Total Noncurrent Assets	\$ 3,789,602	3,087,718
Total Assets	\$ 4,044,535	3,321,616
LIABILITIES:		
Current Liabilities:		
Bonds payable (net)	437,490	184,132
Accrued interest payable	43,841	42,726
Due to mortgagors	210	281
Deferred fee and mortgage income and other liabilities	-	2
Due to the United States	1	-
Total Current Liabilities	\$ 481,542	227,141
Noncurrent Liabilities:		
Bonds payable (net)	2,410,652	2,020,295
Loan participation due to The City of New York (note 11)	614,063	624,412
Due to mortgagors	7,970	31,658
Deferred fee and mortgage income and other liabilities	50,600	35,378
Due to the United States	1,826	3,295
Total Noncurrent Liabilities	\$ 3,085,111	2,715,038
Total Liabilities	\$ 3,566,653	2,942,179
NET ASSETS:		
Restricted for bond obligations	477,882	379,437
Total Net Assets	\$ 477,882	379,437
Total Liabilities and Net Assets	\$ 4,044,535	3,321,616

New York City Housing Development Corporation

Other Information

October 31, 2009

Schedule 2 (cont'd):

Housing Revenue Bond Program Schedule of Revenues, Expenses and Changes in Fund Net Assets Fiscal Years ended October 31, 2009 and 2008 (in thousands)

	2009	2008
OPERATING REVENUES:		
Interest on loans	\$ 102,196	91,139
Fees and charges	7,545	7,459
Income on loan participation interests	15,593	5,722
Total Operating Revenues	\$ 125,334	104,320
OPERATING EXPENSES:		
Interest and amortization of bond premium and discount	91,520	102,001
Trustees' and other fees	522	627
Amortization of debt issuance costs	1,573	2,629
Corporate operating expenses	15	-
Total Operating Expenses	\$ 93,630	105,257
Operating Income (loss)	\$ 31,704	(937)
NON-OPERATING REVENUES (EXPENSES):		
Earnings on investments	23,984	30,434
Other non-operating revenues, net	2,467	5,455
Total Non-operating Revenues	\$ 26,451	35,889
Income before Transfers	\$ 58,155	34,952
Transfers to Corporate Services Fund	(7,208)	(6,965)
Capital transfers	47,498	(32,692)
Change in Net Assets	\$ 98,445	(4,705)
Total net assets - Beginning of year	379,437	384,142
Total Net Assets - End of Year	\$ 477,882	379,437