

**2003 Annual Report**



**NYC**  
**REMIC** RESIDENTIAL  
MORTGAGE  
INSURANCE  
CORPORATION

***New York City  
Residential Mortgage Insurance Corporation***

**EMILY A YOUSOUF, *PRESIDENT***



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**DATE:** December 3, 2003

**TO:** The Chairman and Members

**FROM:** Emily Youssouf

**SUBJECT:** Report on Activities of the  
New York City Residential Mortgage Insurance Corporation for  
Fiscal Year 2003

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As the Chair and the Members well know the past twelve months have been a period of transition for REMIC and its staff. However, I am pleased to state that, despite what might have resulted in distractions from normal business, the Corporation continued to maintain its role in helping to establish and strengthen affordable housing in our City. In fact, overall, 2003 was a strong and productive period for REMIC.

By the end of the fiscal year, REMIC had issued 47 Commitments to Insure with a record number of housing units, 1,673, a record insurance amount of \$41,525,739, and with an aggregate mortgage amount of \$119,952,922, also a company record. In addition, the forty-seven Commitments to Insure which were issued was the 3<sup>rd</sup> highest total in the company's history.

A detailed summary of Fiscal Year 2003 is attached.

On a personal note, I am pleased to have assumed the Presidency of REMIC and I look forward to working with the Chair, the Members, and the staff. In REMIC's three decade history it has continually played an integral role in New York City's housing market. I have no doubt that this tradition will continue.

*EMILY YOUSOUF, President*

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*A subsidiary of the New York City Housing Development Corporation*

# Fiscal Year 2003—An Overview

**F**iscal Year 2003 saw REMIC issue 47 Commitments to Insure, with a record Mortgage Amount of \$119,952,922 and covering 1,673 housing units, also a record number for the Corporation. During the same period, the Corporation insured 17 loans with 475 units and a total Mortgage Amount of \$30,291,550. The 47 Commitments to Insure is a substantial increase from FY 2002's number of 33 and is the 3<sup>rd</sup> highest in REMIC's history. The Commitments range in size from four one- and two-family homes to 11 projects with over 50 units. This diversity is a goal REMIC has strived for in the hope of serving the needs of all New Yorkers.

The NYPD Home Program, inaugurated in 1999 and designed to encourage New York City Police Officers to reside in the five boroughs, has precipitated private mortgage insurance companies to become active in the market which has resulted in steadily declining numbers for REMIC. This past year two Commitments to Insure were issued and one mortgage was insured.

Since 1973, when it was created by the New York State Legislature, REMIC has committed to insure over \$500,000,000 in first mortgages on multi-family and single-family properties with over 26,000 units. Since becoming a subsidiary of HDC in 1993, 347 Commitments to Insure have been issued with a total mortgage amount of approximately \$410,000,000 and over 10,000 housing units spread throughout the five boroughs of the City.

With 62 apartments this 6-story building, located at 35 West 110th Street in Central Harlem, has \$2,432,000 of REMIC mortgage insurance.



The next page is a comparison between fiscal year 2003 and fiscal year 2002. Following that, is a brief overall summary of REMIC's year.

# A Comparison FY 2003–FY 2002

## Commitments in FY 2003

HPD subsidized:  
16 projects – 380 units

HDC subsidized:  
13 projects – 939 units

Other:  
16 projects – 351 units

NYPD HOME Program:  
2 projects – 3 units

**Total: 47 projects – 1,673 units**  
**Mortgage Amount: \$ 119,952,922**  
**Insurance Amount: \$ 41,525,739**

## Insurance in FY 2003

HPD subsidized:  
4 projects – 152 units

HDC subsidized:  
6 projects – 243 units

Other:  
6 projects – 78 units

NYPD Home Program:  
1 project – 2 units

**Total: 17 projects – 475 units**  
**Mortgage Amount - \$ 30,291,550**  
**Insurance Amount - \$ 9,173,420**

## Commitments in FY 2002

HPD subsidized:  
15 projects - 452 units

HDC subsidized:  
8 projects – 257 units

Other:  
5 projects – 74 units

NYPD HOME Program:  
5 projects – 6 units

**Total: 33 projects – 789 units**  
**Mortgage Amount: \$ 42,190,603**  
**Insurance Amount: \$ 16,290,443**

## Insurance in FY 2002

HPD subsidized:  
12 projects – 594 units

HDC subsidized:  
8 projects – 345 units

Other:  
21 projects – 409 units

NYPD Home Program:  
6 projects – 7 units

**Total: 47 projects – 1,355 units**  
**Mortgage Amount - \$ 54,235,897**  
**Insurance Amount - \$ 20,798,627**

## New HOP

In 1997, in an attempt to fill a quickly expanding gap in New York City's housing market, HDC initiated the New Housing Opportunities Program (New HOP), our City's first middle-income housing program in more than a quarter of a century.

Under this innovative program, HDC issues bonds (either taxable or tax-exempt) to provide financing for construction and permanent mortgage loans for new or substantially rehabilitated rental and cooperative housing for moderate and middle-income New Yorkers.

During FY 2003, REMIC issued 13 Commitments to Insure New HOP projects with a total of 939 housing units.



Located two blocks from the ocean in the Rockaway section of Queens and built on property that was once a public high school, this 92-unit building is an HDC development worth \$1.5 million of REMIC insurance.

## The NYPD Home Program

During Fiscal Year 2003 REMIC issued two Commitments to Insure with a total mortgage amount of \$398,950 and Insurance Coverage of \$159,580. Since its inception in 1999, REMIC has received 53 applications. Three applicants relocated from outside of New York City.

# Participation Loan Program

**T**he Participation Loan Program (PLP), administered by the New York City Department of Housing Preservation and Development (HPD), provides low-interest loans to both for-profit and not-for-profit private owners of both occupied and vacant multi-family buildings for rehabilitation with scopes ranging from moderate to substantial (gut) rehabilitation.

## Pension Funds

**C**urrently, NYCERS and the Teachers Retirement System are able to purchase up to a combined total of \$100 million of REMIC insured loans, a substantial increase over the \$30 million that was allowed just eight years ago. Of that \$100 million, \$64,708,585 is already in the portfolio and an additional \$18,705,167 is in the pipeline for a total commitment of \$83,413,752. Currently, this leaves \$16,586,248 of the potential Pension Fund allotment still available. Loans sold to the Public Employees Pension Fund are eligible for 100% Insurance coverage.

## Article 8

**T**he Article 8A Loan Program administered by HPD provides low-interest rehabilitation financing to owners of multiple dwellings for upgrading or replacement of major building systems with an emphasis on energy items.



A 40-unit building located at 922 Hoe Avenue in the Melrose section of the Bronx with \$277,000 of mortgage insurance.

# Rating Agencies

**D**uring Fiscal Year 2003 both Fitch Investor Services and Standard & Poor's reaffirmed their ratings of REMIC. Currently Fitch rates the Corporation "AA-" and S&P gives the Corporation a "AA" rating.

In its review of REMIC, S&P stated "Standard & Poor's expects REMIC financial strength and low-risk insured mortgage portfolio to provide continued financial growth. Strong management and prudent underwriting policies pay a financial dividend as REMIC maintains its mission within the City. These facts, coupled with an affordable housing market that seems impervious to economic trends, leads Standard and Poor's to believe the rating will remain stable."

Located at 2204 Frederick Douglass Boulevard in Harlem, this 8-unit rehabilitated building has 100% REMIC insurance on an \$840,000 mortgage.



## Claims Paid

**D**uring Fiscal Year 2003 *REMIC* paid one claim of \$17,340 on an "Old REMIC" property (441-443 West 151<sup>st</sup> Street, Apartment 4B in Manhattan). The total amount of claims paid since 1973 is \$598,291 for 11 claims.

# REMIC Insurance Capacity

**R**EMIC's funds are held in four accounts – the Mortgage Insurance Fund (MIF) containing reserves pledged for business written before 1993; the Housing Insurance Fund (HIF), holding the reserves for business written since the 1993 corporate restructuring; the Premium Reserve Account (PRA), representing unpledged funds that are available for new insurance commitments; and the Operating Budget Account (OBA).

Taking into account the funds that, by statute, still must be maintained for the insurance entered into by the “Old” REMIC and the reserves set aside to cover the insurance commitment and contracts into which the “New” REMIC has entered, the Corporation entered Fiscal Year 2004 with the ability to take on an additional \$55.1 million of insurance risk. During the past year, the insurance in effect for the “Old” REMIC declined by \$1.2 million, further increasing New REMIC’s insurance capacity by \$6 million.



With 14 apartments and located at 665 Riverdale Avenue in Brooklyn, REMIC committed to insure 100% of a \$568,000 mortgage issued by CPC.



Located at 673 Riverdale Avenue in the East New York section of Brooklyn, this 12-unit building has 100% mortgage insurance on a \$427,000 CPC loan.



# “Old” REMIC Properties Summary

As of October 31, 2003, Old REMIC had in its portfolio insured mortgages from nine lenders for 30 properties (26 multi-family and 4 single-family) with 774 units. The current aggregate balance of these insured mortgages is \$3,239,163 with REMIC Insurance in effect of \$2,105,793.



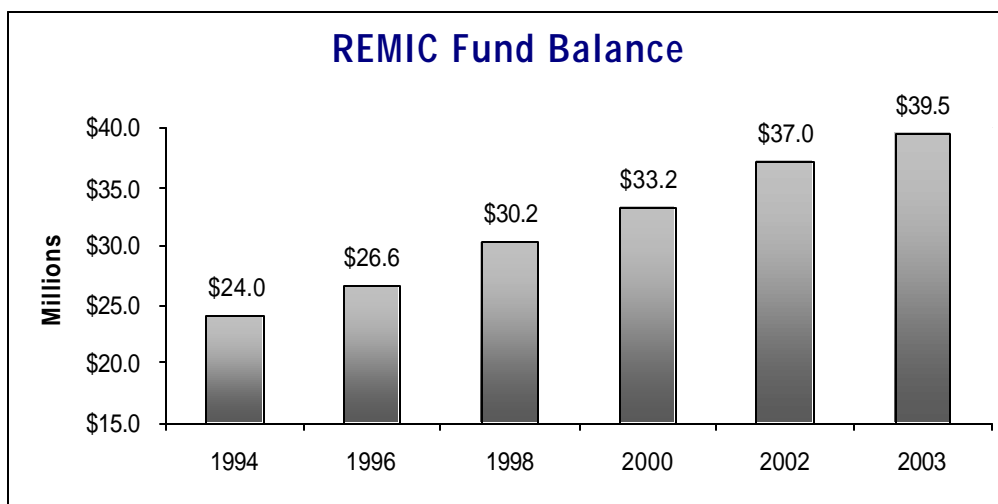
3940 Barnes Avenue in the Williamsburg section of the Bronx has 32 apartments and \$896,978 of mortgage insurance from REMIC.

# “New” REMIC Properties

As of October 31, 2003, REMIC had in its portfolio insured mortgages from 13 lenders for 227 properties (195 multi-family and 32 1-4 -family) with 7,243 units. The current aggregate mortgage balance of these insured mortgages is \$336,555,428 with REMIC insurance in effect of \$131,848,806.

# Financial Highlights

**A**t the close of Fiscal Year 2003, REMIC has an amortized fund balance of \$39,541,000 (unaudited). In Fiscal Year 2002 without adjusting the portfolio to fair market value, REMIC had an estimated net income of \$2,583,000.



## Investment Summary

**A**s of October 31, 2003 REMIC reserves were invested in securities of Fannie Mae, The Federal Home Loan Bank, Freddie Mac, The Federal Farm Credit Bureau, and Repurchase Agreements as described in the chart below.

Amount	Provider	Interest Rate (%)	Maturity Date	First Call Date
\$ 386,400	Repurchase Agreement	.09	November 6, 2003	
\$ 240,000	Money Market	1.25	October 29, 2004	
\$ 3200,000	Federal Farm Credit Bureau	6.23	May 17, 2011	May 17, 2004
\$ 10,000,000	Fannie Mae	7.23	November 17, 2014	November 17, 2004
\$ 11,500,000	Fannie Mae	7.27	December 8, 2014	December 8, 2006
\$ 1,200,000	Federal Home Loan Bank	4.50	July 23, 2015	July 23, 2004
\$ 3,000,000	Federal Home Loan Bank	6.42	April 26, 2016	April 26, 2004
\$ 1,000,000	Freddie Mac	6.50	December 19, 2016	December 19, 2003
\$ 3,400,000	Fannie Mae	5.50	August 6, 2018	February 6, 2003
\$ 5,000,000	Federal Home Loan Bank	7.56	February 18, 2020	February 18, 2010

# REMIC MEMBERS

<b>Jerilyn Perine</b>	-	<b>Chair</b>
<b>Mark Page</b>	-	<b>Member (ex-officio)</b>
<b>Martha E. Stark</b>	-	<b>Member (ex-officio)</b>
<b>Harry E. Gould, Jr.</b>	-	<b>Member</b>
<b>Michael Kelly</b>	-	<b>Member</b>
<b>Peter Madonia</b>	-	<b>Member</b>
<b>Charles G. Moerdler, Esq.</b>	-	<b>Member</b>
<b>Charles Laven</b>	-	<b>Member (Non HDC Member)</b>
<b>Vacancy</b>	-	<b>(Non-HDC Member)</b>

# REMIC Participating Lenders

Amalgamated Bank of New York

Banco Popular de Puerto Rico

Bethel Federal Credit Union

Carver Federal Savings Bank

JP Morgan Chase Community  
Development Group Residential Lending  
Unit

Citigroup

Community Capital Bank

The Community Preservation  
Corporation

Fannie Mae

First Nationwide Bank

Fleet Bank, N.A.

Freddie Mac

Greystone Servicing Corp., Inc.

HSBC Bank USA

Independence Savings Bank

Lower East Side People's Federal Credit  
Union

Low Income Housing Fund

NCB Development Corporation

Neighborhood Housing Services of  
New York City, Inc.

NYC Employees' Retirement System  
(NYCERS)

NYC Housing Development Corp.

North Fork Bank

Roslyn Savings Bank

Teachers Retirement System of the City  
of New York

Union Settlement Federal Credit Union

Washington Mutual, Inc.

# REMIC FY 2003 Activity by Borough

<u>BOROUGH</u>	<u>COMMITMENTS</u>	<u>UNITS</u>
Brooklyn	16	455
Bronx	15	367
Manhattan	11	696
Queens	5	155
Staten Island	0	0
<b>Total</b>	<b>47</b>	<b>1,673</b>

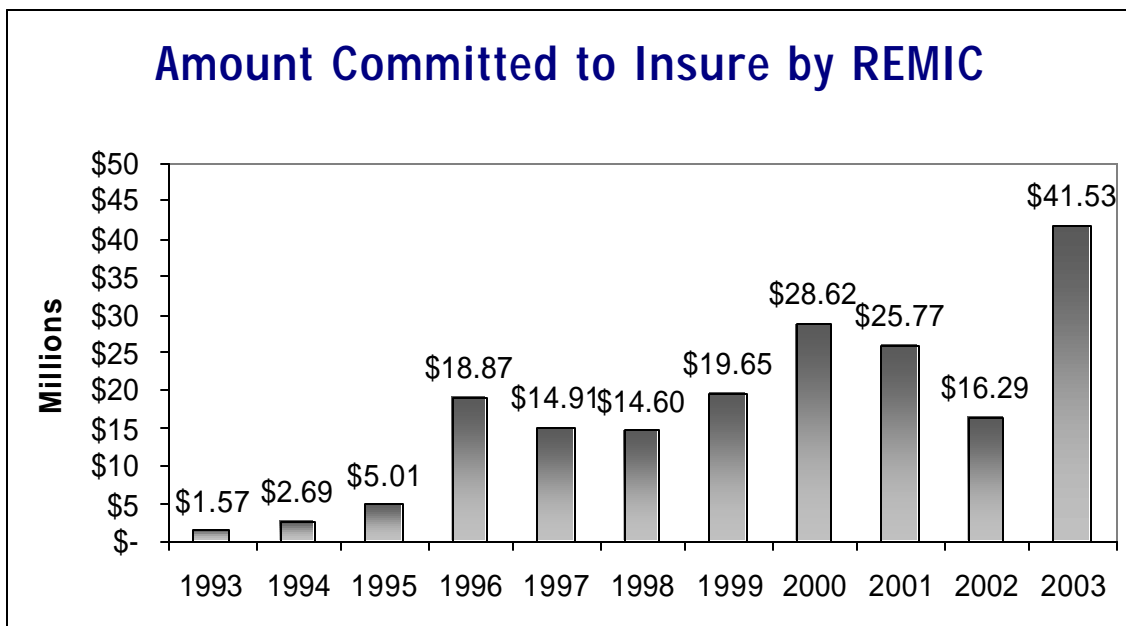
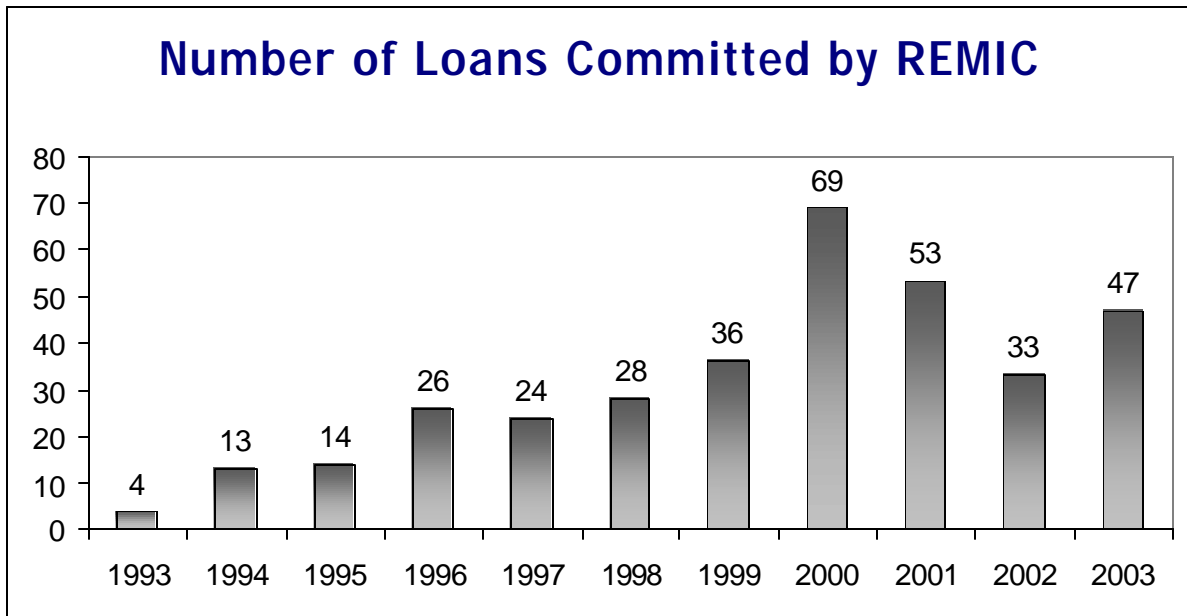
# Commitment Activity By Year

<u>Year</u>	<u># of Loans</u>	<u>Mortgage Amount</u>	<u>Insured Amount</u>	<u># of Units</u>
1993	4	\$ 1,928,744	\$ 1,567,381	187
1994	13	\$ 3,763,660	\$ 2,693,548	334
1995	14	\$ 7,208,793	\$ 5,014,621	393
1996	26	\$ 23,366,950	\$ 18,865,200	1,139
1997	24	\$ 18,428,876	\$ 14,912,594	1,162
1998	28	\$ 15,572,362	\$ 14,604,742	686
1999	36	\$ 36,923,037	\$ 19,652,037	1,077
2000	69	\$ 61,518,039	\$ 28,622,957	1,668
2001	53	\$ 79,727,587	\$ 25,765,925	1,232
2002	33	\$42,190,603	\$16,290,443	789
2003	47	\$119,952,922*	\$41,525,739*	1,673*
<b>TOTAL</b>	<b>347</b>	<b>\$410,581,573</b>	<b>\$189,515,187</b>	<b>10,340</b>

\* Company Record

# Commitment Activity By Year

(Continued)



# Insurance Activity by Month Fiscal Year 2003

<u>MONTH</u>	<u>LOANS</u>	<u>UNITS</u>
November	0	0
December	2	141
January	2	4
February	1	4
March	1	6
April	0	0
May	2	19
June	1	47
July	1	17
August	4	206
September	3	31
October	0	0
<b>Total</b>	<b>17</b>	<b>475</b>



# Commitment Activity by Month Fiscal Year 2003

<u>MONTH</u>	<u>LOANS</u>	<u>UNITS</u>
November	1	50
December	5	136
January	1	100
February	3	300
March	2	54
April	7	218
May	3	64
June	8	265
July	5	145
August	3	80
September	4	57
October	5	204
<b>Total</b>	<b>47</b>	<b>1,673*</b>

\* Company Record

# Commitments Issued During FY 2003

<u>ADDRESS</u>	<u>LENDER</u>	<u>MORTGAGE AMOUNT</u>	<u>NUMBER OF UNITS</u>
<b><i>Bronx—Multi-Family</i></b>			
3815 Putnam Ave. West	HDC	\$ 8,290,000	91
254 East 206 <sup>th</sup> Street	CPC	\$ 525,000	7
1077 Teller Ave.	CPC	\$ 323,000	8
680 East 140 <sup>th</sup> Street	CPC	\$ 263,213	38
341 East 138 <sup>th</sup> Street	CPC	\$ 451,000	9
412 Willis Ave.	CPC	\$ 269,000	6
906-08 East 141 <sup>st</sup> St.	CPC	\$ 170,000	11
4611 Park Avenue	CPC	\$ 496,000	8
1115 College Avenue 1249 Webster Avenue	CPC	\$ 1,330,000	53
3940 Barnes Avenue 719 East 213 <sup>th</sup> Street 4006 & 4008 Paulding Ave.	CPC	\$ 896,978	32
645 Melrose Ave.	CPC	\$ 417,000	12
922 Hoe Ave.	CPC	\$ 277,000	40
55 West 184 <sup>th</sup> St.	CPC	\$ 544,000	26
866 Beck St.	CPC	\$ 822,000	25
<b><i>Bronx – One/Two Family</i></b>			
1410 Parkchester Road	Chase	\$ 60,000	1

# Commitments Issued During FY 2001

**(Continued)**

<u>ADDRESS</u>	<u>LENDER</u>	<u>MORTGAGE AMOUNT</u>	<u>NUMBER OF UNITS</u>
<b><i>Brooklyn – Multi-Family</i></b>			
673 Riverdale Ave.	CPC	\$ 427,000	12
665 Riverdale Ave.	CPC	\$ 568,000	14
635 Vermont Ave.	CPC	\$ 416,000	12
425 & 435 Grand Ave. 90 Downing Street 29 Putnam Ave.	CPC	\$ 2,100,000	128
145-147 Albany Avenue	CPC	\$ 464,038	13
96 Rockaway Ave. 2238 Pacific Street	CPC	\$ 675,000	20
1984 Fulton Street	NHS	\$ 339,933	6
2810 Foster Street 175 Lott Street 4202 Church Ave.	CPC	\$ 2,348,549	67
1061-1099 East 73 <sup>rd</sup> St.	HDC	\$ 9,190,000	72
234 & 236 Cumberland St. 106 Malcolm X Blvd.	CPC	\$ 900,000	7
893-895 Pacific St.	HDC	\$ 1,490,000	16
789 Belmont Ave.	CPC	\$ 360,000	8
277 Gates Ave.	HDC	\$ 2,500,000	35
221-233 Parkville Ave.	HDC	\$ 4,550,000	41
<b><i>Brooklyn One/Two -Family</i></b>			
1729 Nostrand Ave.	CPC	\$ 285,000	2
239 Howard Ave.	CPC	\$ 247,000	2

# Commitments Issued During FY 2001

**(Continued)**

<u>ADDRESS</u>	<u>LENDER</u>	<u>MORTGAGE AMOUNT</u>	<u>NUMBER OF UNITS</u>
<b><i>Manhattan – Multi-Family</i></b>			
2053-57 & 2061-63 Frederick Douglas Blvd.	HDC	\$ 4,570,000	50
202-218 West 148 <sup>th</sup> St.	HDC	\$ 6,550,000	100
222-226 & 347-265 West 144 <sup>th</sup> Street	HDC	\$ 5,820,000	110
35 West 110 <sup>th</sup> Street	CPC	\$ 3,800,000	62
243-247 East 105 <sup>th</sup> St.	HDC	\$ 3,800,000	48
225 & 227 West 121 <sup>st</sup> St.	CPC	\$ 1,090,000	21
254 – 266 West 154 <sup>th</sup> St.	Chase	\$ 1,917,506	55
2204 F. Douglass Blvd.	CPC	\$ 840,000	8
279 West 117 <sup>th</sup> Street	HDC	\$18,770,000	138
4 West 121 <sup>st</sup> Street	CPC	\$ 417,000	7
276 West 119 <sup>th</sup> Street 2216 Frederick Douglass Blvd. 187 St. Nicholas Avenue	HDC	\$14,000,000	97
<b><i>Queens – Multi-Family</i></b>			
17-11 Palmetto St.	CPC	\$ 300,000	6
Shoreview Apartments Beach 94 <sup>th</sup> Street	HDC	\$ 7,640,000	92
141-24 84 <sup>st</sup> Drive	HDC	\$ 6,760,000	49
78-05 41 <sup>st</sup> Avenue	CPC	\$ 1,600,000	6
<b><i>Queens – One/Two Family</i></b>			
64-41 74 <sup>th</sup> Avenue	Chase	\$ 338,950	2

# Mortgage Insurance Issued During FY 2002

<u>ADDRESS</u>	<u>MORTGAGE AMOUNT</u>	<u>NUMBER OF UNITS</u>
<b><u>Bronx</u></b>		
3815 Putnam Ave. West	\$ 8,290,000	91
1825 Needham Ave.	\$ 4,400,000	47
<b><u>Brooklyn</u></b>		
4122 Avenue D	\$ 224,000	1
2535 MacDonald Ave.	\$ 304,000	3
330 Rodney Street	\$ 325,000	4
810 Washington Ave.	\$ 300,000	6
642 Lafayette Avenue	\$ 183,000	8
683 Jefferson Ave.	\$ 220,000	8
425 & 435 Grand Ave. 90 Downing Street 29 Putnam Ave.	\$ 2,100,000	128
760 Macon Street	\$ 229,660	8
239 Howard Avenue	\$ 247,000	2

# Mortgage Insurance Issued During FY 2003

(Continued)

<u>ADDRESS</u>	<u>MORTGAGE AMOUNT</u>	<u>NUMBER OF UNITS</u>
<b><u>Manhattan</u></b>		
2053-57 & 2061-63 Frederick Douglass Blvd.	\$ 4,570,000	50
170 East 108th Street 156 East 109th Street 1509 Lexington Ave.	\$ 1,530,000	17
35 West 110 <sup>th</sup> Street	\$ 3,800,000	62
2232 & 2295 -2297 First Avenue	\$1 ,910,000	21
<b><u>Queens</u></b>		
64-41 74th Avenue	\$ 338,950	2
46-19 88 <sup>th</sup> Street	\$ 1,320,000	17