



Report to Members 2004

New York City
Residential Mortgage Insurance Corporation

EMILY A. YOUSOUF, *President*



DATE: May 10, 2005

TO: The Chairman and Members

FROM: Emily Youssouf

SUBJECT: Report on Activities of the
New York City Residential Mortgage Insurance Corporation
for Fiscal Year 2004

Fiscal Year 2004 was a period of transition for REMIC. With the retirement of two long-time employees and the departure of REMIC's Executive Vice President, HDC management restructured the subsidiary and, as a result, all REMIC operations are now conducted by employees of the parent corporation.

These changes have allowed REMIC to continue functioning at an efficient level but, at the same time, have significantly and positively impacted the operating expenses.

Despite the changes REMIC finished the Fiscal Year with a net profit of \$2,377,760.

A summary of Fiscal Year 2004 is attached.

COMMITMENTS TO INSURE

During FY 2004 REMIC issued eleven Commitments to Insure with a mortgage amount of \$12,284,646 with 329 units.

<u>ADDRESS</u>	<u>LENDER</u>	<u>MORTGAGE AMOUNT</u>	<u>UNITS</u>
<i><u>Bronx</u></i>			
912 East 178 th Street	Chase	\$1,880,000	79
3800 Putnam Avenue	HDC	\$4,310,000	44
2172 Anthony Avenue	CPC	\$ 410,000	22
1490-1530 Jesup Avenue	CPC	\$ 550,000	65
<i><u>Brooklyn</u></i>			
281 Bainbridge Street	CPC	\$ 260,000	8
1984 Fulton Street	NHS	\$ 339,000	6
<i><u>Manhattan</u></i>			
2524-26 Adam Clayton Powell Blvd.	CPC	\$1,065,000	20
206-12 East 4 th St.	Chase	\$ 630,231	15
2093 Amsterdam Ave.	CPC	\$ 226,084	18
107-109, 111-113 West 137 th Street	Chase	\$1,887,581	49
2071 Adam Clayton Powell Blvd.	Carver	\$ 726,750	3

MORTGAGES INSURED

During FY 2004 REMIC insured 10 mortgages with a mortgage amount of \$41,725,750 with 480 units.

<u>ADDRESS</u>	<u>MORTGAGE AMOUNT</u>	<u>NUMBER OF UNITS</u>
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Brooklyn

361 Clifton Place	\$ 275,000	11
604 Bradford Street	\$ 559,750	18
893-895 Pacific Street	\$ 1,490,000	16
1061-1099 East 73rd Street	\$ 9,190,000	72

Manhattan

646 Ninth Avenue	\$ 325,000	18
235-247 East 105 th Street	\$ 3,800,000	48
306-308 & 317 W. 114 th Street	\$ 350,000	35
265 West 123 rd Street	\$ 206,000	75
279 West 117 th Street	\$ 18,770,000	138

Queens

141-24 84 th Drive	\$ 6,760,000	49
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RATING AGENCIES

Both Standard and Poor's and Fitch Investor Services continue to maintain REMIC's financial ratings. Standard and Poor's currently rates the Corporation "AA" and Fitch rating remains at "AA-".

CLAIMS PAID

During Fiscal Year 2004 REMIC there were no insurance claims paid on either "Old REMIC" or "New REMIC" properties. The total amount of claims paid since 1973 remains at \$598,291 for 11 claims.

"OLD" REMIC PROPERTIES

As of October 31, 2004 Old REMIC had in its portfolio insured mortgages for twenty-seven properties with a total of 679 units. The current aggregate balance of these insured mortgages is \$2,657,311 with REMIC insurance in effect of \$1,746,087.

"NEW" REMIC PROPERTIES

As of October 31, 2004 REMIC had in its portfolio insured mortgages for 126 properties with 4,690 units. The current aggregate mortgage balance of these insured mortgages is \$238,855,321 with REMIC insurance in effect of \$75,162,137.

INSURANCE CAPACITY

Taking into consideration 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 "New" REMIC has entered, the Corporation entered Fiscal Year 2005 with the ability to take on an additional \$47.2 million of insurance risk.

FUND BALANCE

At the close of fiscal year 2004 REMIC had an amortized fund balance of \$44,311,843.54 (audited) in four accounts as follows:

FUND Number and Name	RESTRICTED FUND BALANCE	UNRESTRICTED FUND BALANCE	TOTAL BALANCE
025 - Mortgage Insurance Fund	\$ 1,746,938.00	\$ 3,004,171.12	\$ 4,751,109.12
026 - Housing Insurance Fund	\$ 26,929,194.80	\$ 195,927.79	\$ 27,125,122.59
027 - Premium Reserve Fund	\$ 0.00	\$ 1,502,007.44	\$ 1,502,007.44
036 - Operating Account	\$ 0.00	\$ 9,344,242.72	\$ 9,344,242.72
055 - Petty Cash	\$ 0.00	\$ 200.00	\$ 200.00
036 - Cumulative Unrealized Gains/ Losses (FMV Adjustment of Investments)	\$ 1,589,161.67	\$ 0.00	\$ 1,589,161.67
	\$ 30,265,294.47	\$ 14,046,549.07	\$ 44,311,843.54

INVESTMENT SUMMARY

As of October 31, 2004, REMIC reserves were invested in securities of Fannie Mae, the Federal Home Loan Bank, Money Market Accounts, Repurchase Agreements and U. S. Treasury Notes as described in the chart below.

Amount	Provider	Interest Rate (%)	Maturity Date	First Call Date
\$ 5,000,000	Federal Home Loan Bank	7.56	February 18, 2020	February 18, 2010
\$ 1,200,000	Federal Home Loan Bank	4.5	July 23, 2015	July 23, 2004
\$ 2,405,000	Federal Home Loan Mortgage	5.75	January 30, 2019	July 30, 2004
\$ 3,400,000	Fannie Mae Medium Term Notes	5.52	August 6, 2018	February 6, 2004
\$ 400,000	Fannie Mae Medium Term Notes	6	February 26, 2024	August 26, 2004
\$ 3,000,000	Fannie Mae Medium Term Notes	6.05	May 3, 2019	August 3, 2004
\$ 3,200,000	Fannie Mae Medium Term Notes	6.25	May 24, 2019	December 4, 2004
\$10,000,000	Fannie Mae Medium Term Notes	7.23	November 17, 2014	November 17, 2004
\$ 11,500,000	Fannie Mae Medium Term Notes	7.27	December 8, 2014	December 8, 2006
\$ 955,793	Money Market	1.7	October 31, 2006	
\$58,000	Repurchase Agreement	1.78	November 1, 2004	
\$531,000	U.S. Treasury Note	2.125	October 31, 2004	

REVENUES AND EXPENSES

The following is a review of REMIC's revenue and expenses for Fiscal Year 2004 with an explanation of each budget category.

	<u>ACTUAL 2003/04</u>
<u>REVENUES</u>	
INSURANCE PREMIUMS & FEES	\$ 774,415.20
INVESTMENT INCOME	\$1,898,042.51
	<u>\$2,672,457.71</u>
<u>EXPENSES</u>	
<i>SALARIES & RELATED EXPENSES:</i>	
WAGES	\$82,296.97
FRINGE BENEFITS	\$17,100.17
	<u>\$99,397.14</u>
<i><u>CONTRACT SERVICES:</u></i>	
RATING AGENCY FEES	\$20,000.02
	<u>\$20,000.02</u>
<i><u>OTHER EXPENSES:</u></i>	
RENT AND UTILITIES	\$25,000.02
PRINTING AND PHOTOGRAPHY	\$284.50
MESSENGER SERVICE	\$15.84
	<u>\$25,300.36</u>
<i><u>REIMBURSEMENT OF HDC OVERHEAD:</u></i>	<u>\$150,000.00</u>
<i><u>INSURANCE CLAIMS</u></i>	<u>0.00</u>
<u>TOTAL EXPENSES</u>	<u>\$294,697.52</u>
<u>EXCESS OF REVENUES OVER EXPENSES</u>	<u>2,377,760.19</u>

REVENUES AND EXPENSES

The following is a review of REMIC's revenue and expenses for Fiscal Year 2004 with an explanation of each budget category.

REVENUES

- Insurance Premiums and Fees:

This represents the premiums and fees collected for the mortgage insurance issued by the Corporation.

- Investment Income:

This is monies obtained as a result of the investments made by the Corporation.

EXPENSES

- Salaries and Related Expenses:

Wages were for four staff members. This number reflects payment for part of the year since two employees retired during FY 2004 and two became members of HDC's staff.

Fringe Benefits included sufficient funds to cover premiums for Health Insurance, Life Insurance, Disability Insurance and Vision Insurance. This line also includes funds for contributions that were made to the employees' Tax Sheltered Annuity Plan and for the required employer contributions to the New York City Employees Retirement System, FICA, Medicare, Unemployment Insurance, Workers' Compensation.

- Contract Services:

Rating Agency Fees were paid to Fitch while Standard and Poor's fees are included in annual charges to HDC.

REVENUES AND EXPENSES, cont'd

- Other Expenses:

Rent and Utilities include funds to cover payments of utilities and leasing a portion of the office space leased by the Housing Development Corporation and used by REMIC at 110 William Street, 10th floor.

Printing and Photography includes the money spent to produce the 2003 Annual Report.

Messenger Service was the use of outside messengers.

- Reimbursement of HDC Overhead:

This money was paid in accordance with the Service Agreement between HDC and REMIC.

- Insurance Claims:

No insurance claims were paid during FY 2004. The total amount of claims paid since 1973 is \$589,291 for eleven properties.