



Report to Members

Fiscal Year End
October 31, 2013

Gary Rodney
President



DATE: September 10, 2014

TO: The Chairperson and Members

FROM: Gary Rodney

SUBJECT: Report on REMIC Fiscal Year 2013 Activities

I am pleased to report that the New York City Residential Mortgage Insurance Corporation (“REMIC”) continued its role in helping to establish and maintain the available stock of affordable housing throughout New York City during the fiscal year ended October 31, 2013. Certificates of Insurance were issued for 35 properties with an insured amount of \$48.6 million, representing 3,756 units and \$242.9 million in mortgage amount outstanding. Commitments to Insure were issued for 18 properties with an insured amount of \$23.1 million, representing 1,769 units and \$95.4 million in mortgage amount outstanding.

A detailed summary of the activities and accomplishments of REMIC during the fiscal year ended October 31, 2013 is attached for your review.

MISSION & HISTORY

The New York City Residential Mortgage Insurance Corporation (“REMIC”) is a public benefit corporation created to promote the production and rehabilitation of affordable housing in New York City through the issuance of mortgage insurance. REMIC plays an integral role in New York City’s efforts to stabilize and revitalize the City’s diverse neighborhoods.

Founded as the New York City Rehabilitation Mortgage Insurance Corporation in 1973 by the State Legislature with a \$7.5 million loan from New York City, REMIC was created to promote the development of affordable housing in specifically designated distressed areas of New York City. Using mortgage insurance, REMIC worked to promote the issuance of residential loans, many of which would not have proceeded without credit enhancement.

In 1993, the State Legislature amended the REMIC statute, changing REMIC’s parameters to no longer restrict REMIC to designated distressed areas, but instead, to encourage REMIC to insure mortgages throughout New York City. At the same time, REMIC was renamed the New York City Residential Mortgage Insurance Corporation and was reorganized as a subsidiary of the New York City Housing Development Corporation (“HDC”). The original \$7.5 million loan was returned to the City, with HDC funding REMIC reserve requirements as required by REMIC’s enabling statute. These legal changes and transfers of funds created a “New REMIC” entity, while certain reserve requirements remained in place for the “Old REMIC” insured projects. In 2011, HDC injected \$7.5 million into REMIC to capitalize future capacity. Subsequent to the end of fiscal year 2012, HDC injected an additional \$10 million into REMIC to further increase REMIC’s capacity.

Since becoming a subsidiary of HDC, REMIC has actively sought to become a more formidable presence in the mortgage insurance business by significantly increasing the volume of its underwriting while maintaining adherence to strict underwriting standards. In its 40 years of existence, the REMIC insured portfolio has performed well, having paid only 12 claims for insured loans totaling \$598,291.

As of August 2014, REMIC had a “AA” rating from Standard & Poor’s.

FISCAL YEAR 2013 SUMMARY

During fiscal year 2013 (November 1, 2012 through October 31, 2013), REMIC issued Commitments to Insure to 18 properties, with a total of 1,769 units, a total insured amount of \$23.1 million, and a total mortgage amount of \$95.4 million. During fiscal year 2013, REMIC issued Certificates of Insurance to 35 properties, with a total of 3,756 units, a total insured amount of \$48.6 million, and a total mortgage amount of \$242.9 million.

As of October 31, 2013, REMIC had a total amount of insurance outstanding of \$177.7 million, with a total mortgage amount outstanding related to such insurance of \$741.6 million. In addition, REMIC had total commitments outstanding of \$70.2 million with a total mortgage amount outstanding related to such insurance of \$331.7 million.

Details of the Commitments to Insure and the Certificates of Insurance that REMIC issued during fiscal year 2013 are on the following three pages.

COMMITMENTS TO INSURE ISSUED DURING FY2013

Bronx:

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Bryant Avenue Apartments	HDC	\$4,230,000	\$846,000	99
Crossroads Plaza	HDC	\$15,040,000	\$3,008,000	126
Highbridge Overlook	HDC	\$4,600,000	\$920,000	155
Hoewood Point	HDC	\$2,570,000	\$514,000	80
Lebanon West Farms	HDC	\$5,125,000	\$1,025,000	141
Maple Mesa Apartments	HDC	\$3,515,000	\$703,000	59
Total Bronx:		<u>\$35,080,000</u>	<u>\$7,016,000</u>	<u>660</u>

Brooklyn:

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
27 Granite Street et al.	CPC	\$2,450,000	\$2,450,000	50
317 Malcolm X Boulevard	CPC	\$820,000	\$820,000	34
701-703 Dekalb Avenue	CPC	\$729,270	\$729,270	30
738 St. Marks Rehab	HDC	\$1,220,000	\$244,000	21
856 Nostrand Avenue	CPC	\$1,062,158	\$1,062,158	11
Berean Apartments	HDC	\$4,700,000	\$940,000	107
DCA Apartments	HDC	\$13,290,000	\$2,658,000	208
Gateway Elton II	HDC	\$9,610,000	\$1,922,000	175
Total Brooklyn:		<u>\$33,881,428</u>	<u>\$10,825,428</u>	<u>636</u>

Manhattan:

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Harlem RBI	HDC	\$2,540,000	\$508,000	89
Harlem River Point South Apts	HDC	\$5,290,000	\$1,058,000	140
Total Manhattan:		<u>\$7,830,000</u>	<u>\$1,566,000</u>	<u>229</u>

Queens:

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
161 st Street Apartments	HDC	\$9,160,000	\$1,832,000	101
Macedonia Plaza	HDC	\$9,440,000	\$1,888,000	143
Total Queens:		<u>\$18,600,000</u>	<u>\$3,720,000</u>	<u>244</u>

TOTAL COMMITTED (18 PROJECTS):		<u>\$95,391,428</u>	<u>\$23,127,428</u>	<u>1,769</u>
---------------------------------------	--	----------------------------	----------------------------	---------------------

CERTIFICATES OF INSURANCE ISSUED DURING FY2013

Bronx:

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
1334 Louis Nine Boulevard	HDC	\$12,495,000	\$2,499,000	123
2065 Morris Avenue	HDC	\$2,605,000	\$521,000	63
2727 Decatur Avenue	HDC	\$2,330,000	\$466,000	50
3035 White Plains Road	HDC	\$4,284,000	\$856,800	74
Arista UAC	HDC	\$13,300,000	\$2,660,000	290
Boricua Village Site E	HDC	\$4,245,000	\$849,000	80
Boricua Village Site A1	HDC	\$16,860,000	\$3,372,000	136
Cliffside Properties	HDC	\$5,370,000	\$1,074,000	88
Creston Towers	HDC	\$2,110,000	\$422,000	43
Decatur Terrace	HDC	\$11,220,000	\$2,244,000	122
El Jardin de Seline	HDC	\$5,200,000	\$1,040,000	84
La Terraza/Melrose Site B-1	HDC	\$6,710,000	\$1,342,000	107
Longwood Gardens	HDC	\$2,375,000	\$475,000	25
Roscoe C. Brown Apartments	HDC	\$7,585,000	\$1,517,000	279
St. Ann's Terrace ABH	HDC	\$25,830,000	\$5,166,000	166
St. Ann's Terrace CDE	HDC	\$21,435,000	\$4,287,000	314
University Ave Consolidated III	HDC	\$13,620,000	\$2,724,000	172
Washington Bridge View	HDC	\$900,000	\$180,000	48
Westside Bronx Apartments	HDC	\$3,125,000	\$625,000	146
Total Bronx:		<u>\$161,599,000</u>	<u>\$32,319,800</u>	<u>2,410</u>

Brooklyn:

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
1490 Dumont Avenue	HDC	\$5,475,000	\$1,095,000	176
550 Watkins Street	HDC	\$4,910,000	\$982,000	104
560A Gates Avenue	HDC	\$750,000	\$150,000	34
Bergen Street Coop	HDC	\$1,000,000	\$200,000	48
Columbia Hicks	HDC	\$11,570,000	\$2,314,000	95
New Lots Plaza	HDC	\$3,845,000	\$769,000	87
River Rock	HDC	\$2,355,000	\$471,000	54
Total Brooklyn:		<u>\$29,905,000</u>	<u>\$5,981,000</u>	<u>598</u>

CERTIFICATES OF INSURANCE ISSUED DURING FY2013 (Con'd)

Manhattan:

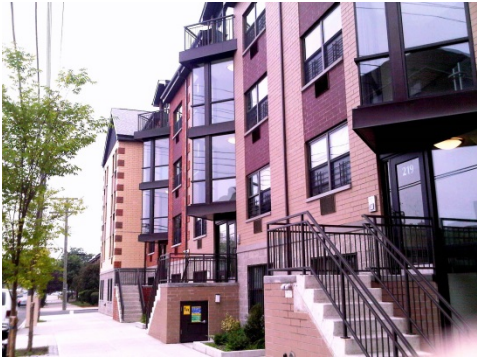
<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
520-540 Audubon Avenue	HDC	\$4,095,000	\$819,000	138
Artimus Site 8	HDC	\$13,445,000	\$2,689,000	54
Friendly Hands Apartments	HDC	\$2,390,000	\$478,000	76
Genesis Cornerstone	HDC	\$11,630,000	\$2,326,000	86
Morningside One Apartments	HDC	\$7,364,100	\$1,472,820	109
Revive 103 North	HDC	\$1,245,000	\$249,000	30
The Dempsey	HDC	\$1,620,000	\$324,000	80
The Douglass	HDC	\$6,000,000	\$1,200,000	70
<i>Total Manhattan:</i>		<u>\$47,789,100</u>	<u>\$9,557,820</u>	<u>643</u>

Staten Island:

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Broad Street Senior Housing	HDC	\$3,640,000	\$728,000	105
<i>Total Staten Island:</i>		<u>\$3,640,000</u>	<u>\$728,000</u>	<u>105</u>

TOTAL INSURED (35 PROJECTS):	<u>\$242,933,100</u>	<u>\$48,586,620</u>	<u>3,756</u>
-------------------------------------	-----------------------------	----------------------------	---------------------

HIGHLIGHTS OF PROPERTIES INSURED DURING FY2013



**550 Watkins St.
Bronx, NY**



**The Douglass
Manhattan, NY**



**Broad St. Senior Housing
Staten Island, NY**

YEAR-OVER-YEAR COMPARISON
FY 2013 VERSUS FY 2012

Commitments to Insure

	<u>FY 2012</u>	<u>FY 2013</u>
# Projects	10	18
# Units	762	1,769
Insured Amount	\$7,229,820	\$23,127,428
Mortgage Amount	\$36,149,100	\$95,391,428

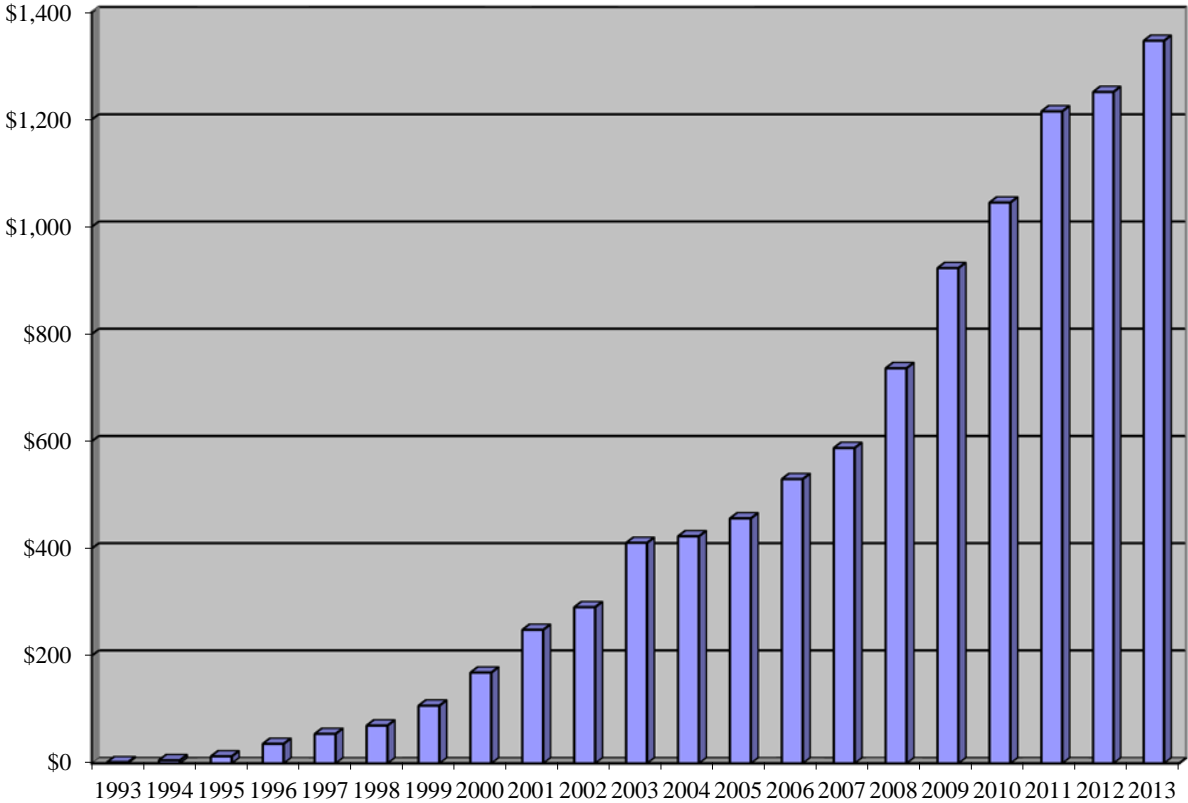
Certificates of Insurance:

# Projects	18	35
# Units	2,380	3,756
Insured Amount	\$21,850,000	\$48,586,620
Mortgage Amount	\$108,174,002	\$242,933,100

ANNUAL COMMITMENT ACTIVITY

<u>Fiscal Year</u>	<u># Loans</u>	<u>Insured Amount</u>	<u>Mortgage Amount</u>	<u># Units</u>
1993	4	\$1,567,381	\$1,928,744	187
1994	13	\$2,693,548	\$3,763,660	334
1995	14	\$5,014,621	\$7,208,793	393
1996	26	\$18,865,200	\$23,366,950	1,139
1997	24	\$14,912,594	\$18,428,876	1,162
1998	28	\$14,604,742	\$15,572,362	686
1999	36	\$19,652,037	\$36,923,037	1,077
2000	69	\$28,622,957	\$61,518,039	1,668
2001	53	\$25,765,925	\$79,727,587	1,232
2002	33	\$16,290,443	\$42,190,603	789
2003	47	\$41,525,739	\$119,952,922	1,673
2004	11	\$8,411,263	\$12,285,612	329
2005	8	\$10,079,063	\$33,367,750	477
2006	29	\$20,673,355	\$73,358,770	1,427
2007	11	\$10,922,260	\$58,041,298	751
2008	21	\$32,593,062	\$148,746,311	3,134
2009	24	\$37,360,000	\$186,800,000	2,600
2010	22	\$24,424,000	\$122,120,000	2,425
2011	22	\$34,026,000	\$170,130,000	2,608
2012	10	\$7,229,820	\$36,149,100	762
2013	18	\$23,127,428	\$95,391,428	1,769
Total	523	\$398,361,438	\$1,346,971,842	26,622

REMIC COMMITMENT HISTORY
Cumulative Mortgage Amounts Committed Since 1993
(\$Millions)

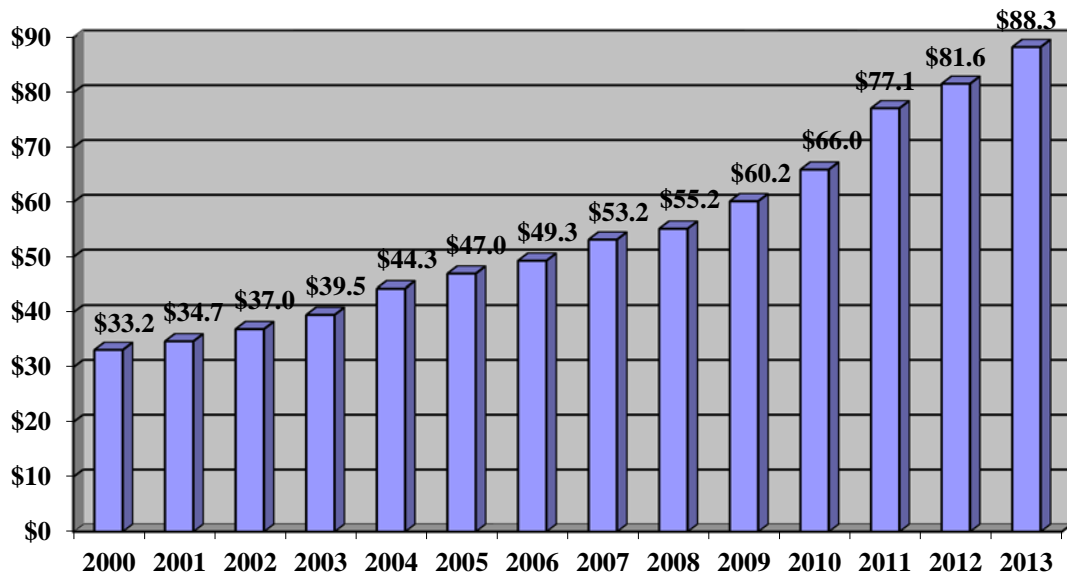


REMIC FY 2013 FUND BALANCES

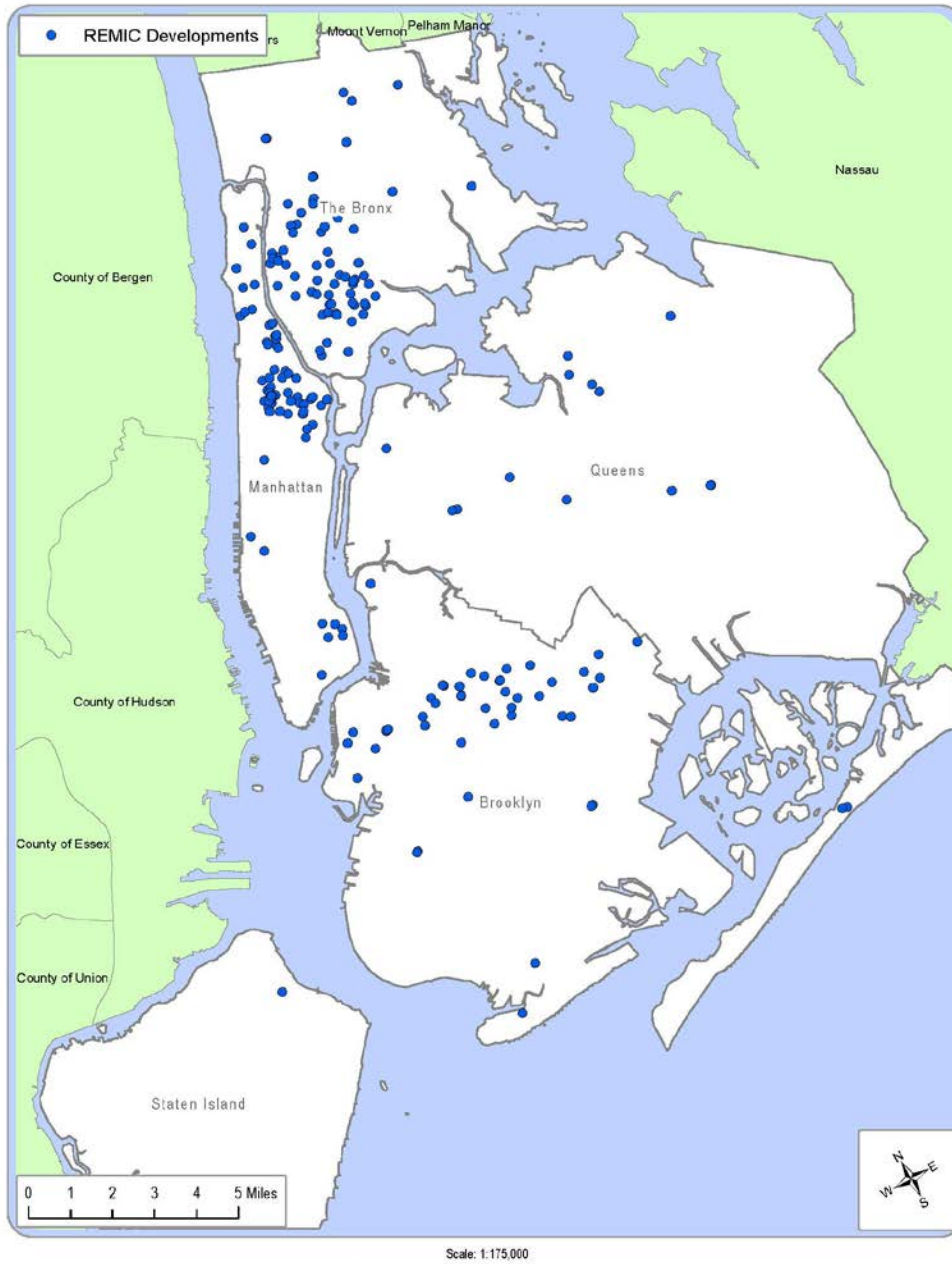
<u>Fund</u>	<u>Restricted Fund Balance</u>	<u>Unrestricted Fund Balance</u>	<u>TOTAL BALANCE</u>
Mortgage Insurance	\$62,261	\$163,459	\$225,720
Housing Insurance	\$49,558,718	\$524,826	\$50,083,544
Premium Reserve	\$0	\$4,629,728	\$4,629,728
Operating Account	(\$7,181,955)	\$33,367,103	\$26,185,148
Cumulative Unrealized Gain/(Loss)	\$7,181,955	\$0	\$7,181,955
TOTAL	\$49,620,979	\$38,685,115	\$88,306,094

At the close of fiscal year 2013, REMIC had an amortized fund balance of \$88,306,094, an 8% increase from fiscal year-end 2012.

REMIC Annual Fund Balance
(\$Millions)



MAP OF REMIC-INSURED PROPERTIES



<u>Borough</u>	<u># Loans Insured</u>	<u>\$ Insured Amount</u>
Bronx	76	71,643,240
Brooklyn	49	25,238,349
Manhattan	67	57,836,063
Queens	15	22,222,116
Staten Island	1	715,350
TOTAL	208	177,655,119

REMIC INSURANCE CAPACITY

In accordance with New York State statute, REMIC set aside reserves to cover insurance commitments and contracts entered into by “Old REMIC” and “New REMIC,” as well as properties currently in pipeline. REMIC ended fiscal year 2013 with undesignated reserves of approximately \$32.0 million. This undesignated reserve amount results in an available capacity to insure approximately \$160.1 million in insured amount, or a potential \$800.7 million in mortgage amount (assuming 20% insurance).

CREDIT RATINGS

As of August 2014, Standard & Poor’s maintained a “AA” credit rating for REMIC.

CLAIMS PAYMENT HISORY

During fiscal year 2013, 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.

“OLD REMIC” PROPERTIES

As of October 31, 2013, “Old REMIC” had in its portfolio insured mortgages for 2 properties with 32 units. The current aggregate balance of these insured mortgages is \$165,881 with REMIC insurance in effect of \$62,261.

“NEW REMIC” PROPERTIES

As of October 31, 2013, “New REMIC” had in its portfolio insured mortgages for 206 properties with 14,028 units. The current aggregate balance of these insured mortgages is \$741.4 million with REMIC insurance in effect of \$177.6 million.

INVESTMENT SUMMARY

As of October 31, 2013, REMIC reserves were invested in securities of various U.S. Government Agencies, Municipals, and Money Market Funds. Details are provided below:

<u>Par Amount</u>	<u>Description</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity Date</u>
\$2,570,000	FHLB	2.20%	04/22/22
\$4,166,667	FHLB	3.10%	07/09/26
\$10,000,000	FHLB	3.17%	07/02/27
\$11,110,000	FHLB	3.00%	10/29/27
\$10,000,000	FHLB	3.00%	02/15/28
\$16,510,765	FHLB	3.10%	03/20/28
\$10,000,000	FHLB	4.70%	07/25/33
\$12,000,750	FHLMC	3.00%	08/27/27
\$10,000,000	FHLMC	3.00%	01/18/28
\$5,415,000	FHLMC	3.13%	05/30/28
\$449,000	NYC GO	3.10%	03/01/15
\$2,094,105	HSBC Money Market	0.15%	11/01/13
\$563,300	Mizuho Securities Repurchase Agreement	0.60%	11/01/13
<u>\$94,879,587</u>	TOTAL		

REVENUES & EXPENSES

The following is a review of REMIC's revenues and expenses for fiscal year 2013 with an explanation of each budget category:

<u>(\$ Thousands)</u>	<u>FY2012</u>	<u>FY2013</u>
<i>Operating Revenues:</i>		
Insurance Premiums & Fees	\$1,802	\$2,203
Investment Income	\$2,618	\$2,699
<i>Total Operating Revenues</i>	<i>\$4,420</i>	<i>\$4,902</i>
<i>Operating Expenses:</i>		
Reimbursement of HDC Overhead	\$450	\$467
Insurance Claims	\$0	\$0
<i>Total Operating Expenses</i>	<i>\$450</i>	<i>\$467</i>
OPERATING SURPLUS	\$3,970	\$4,435
Capital Injection from HDC	\$0	\$10,000
Unrealized Gain/(Loss) on Investments	\$500	(\$7,735)
CHANGE IN NET POSITION	\$4,470	\$6,700

EXPLANATION OF REVENUES & EXPENSES

Revenues

Insurance Premiums & Fees

Insurance premiums and fees represent collections for mortgage insurance and commitments issued by REMIC, as well as application and commitment extension fees. Insurance premiums and fees were \$2.2 million in 2013 versus \$1.8 million in 2012, and represented 45% of REMIC's total revenues.

Investment Income

Investment income represents income generated on REMIC's investment portfolio. For fiscal year 2013, investment income was \$2.7 million versus \$2.6 million for fiscal year 2012, and represented 55% of REMIC's total revenues.

Expenses

Reimbursement of HDC Overhead

The reimbursement back to HDC was \$467,000 for HDC overhead in accordance with the Servicing Agreement between HDC and REMIC.

Insurance Claims

No insurance claims were paid during fiscal year 2013.