



Report to Members

Fiscal Year End
October 31, 2015

Gary Rodney
President



DATE: June 1, 2016

TO: The Chairperson and Members

FROM: Gary Rodney

SUBJECT: Report on REMIC Fiscal Year 2015 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, 2015. Certificates of Insurance were issued for 38 properties with an insured amount of \$39.6 million, representing 3,809 units and \$184.8 million in mortgage amount outstanding. Commitments to Insure were issued for 47 properties with an insured amount of \$69.7 million, representing 5,594 units and \$328.6 million in mortgage amount outstanding.

A detailed summary of the activities and accomplishments of REMIC during the fiscal year ended October 31, 2015 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. During 2015, the last remaining “Old REMIC” loan was paid off. There are no remaining “Old REMIC” loans in the portfolio. In fiscal years 2011, 2013, and 2015, HDC injected \$7.5 million, \$10 million, and \$8 million, respectively, into REMIC to capitalize future 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 42 years of existence, the REMIC insured portfolio has performed well, having paid only 12 claims for insured loans totaling \$598,291.

As of fiscal year-end, REMIC had a “AA” rating from Standard & Poor’s.

FISCAL YEAR 2015 SUMMARY

During fiscal year 2015 (November 1, 2014 through October 31, 2015), REMIC issued Commitments to Insure to 47 properties, with a total of 5,594 units, a total insured amount of \$69.7 million, and a total mortgage amount of \$328.6 million. During fiscal year 2015, REMIC issued Certificates of Insurance to 38 properties, with a total of 3,809 units, a total insured amount of \$39.6 million, and a total mortgage amount of \$184.8 million.

As of October 31, 2015, REMIC had a total amount of insurance outstanding of \$223.2 million, with a total mortgage amount outstanding related to such insurance of \$985.4 million. In addition, REMIC had total commitments outstanding of \$98.1 million with a total mortgage amount outstanding related to such insurance of \$475.7 million.

Details of the Commitments to Insure and the Certificates of Insurance that REMIC issued during fiscal year 2015 are on the following four pages.

COMMITMENTS TO INSURE ISSUED DURING FY2015

BRONX

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
1380 University Avenue	HDC	\$8,330,000	\$1,666,000	139
3160 Park Avenue 1A	HDC	\$2,280,000	\$456,000	95
3160 Park Avenue 1B	HDC	\$8,750,000	\$1,750,000	57
810 River Avenue	HDC	\$12,480,000	\$2,496,000	134
Compass 2A	HDC	\$7,810,000	\$1,562,000	128
Compass 2B	HDC	\$5,930,000	\$1,186,000	164
Compass Residences 1A	HDC	\$8,270,000	\$1,654,000	110
Compass Residences 1B	HDC	\$5,480,000	\$1,096,000	127
Creston Avenue	HDC	\$5,780,000	\$1,156,000	122
Creston Burnside	HDC	\$9,990,000	\$1,998,000	114
Crossroads Plaza II	HDC	\$12,000,000	\$2,400,000	136
Crossroads Plaza IIIB	HDC	\$22,640,000	\$4,528,000	163
Crotona Terrace	HDC	\$7,150,000	\$1,430,000	80
Crotona Terrace II	HDC	\$5,880,000	\$1,176,000	108
Elton Crossing	HDC	\$8,730,000	\$1,746,000	199
Forest House	HDC	\$3,935,000	\$787,000	124
High Hawk Apartments	HDC	\$8,885,000	\$1,777,000	73
La Casa del Mundo	HDC	\$5,760,000	\$1,152,000	102
Morris Court	HDC	\$22,050,000	\$4,410,000	201
Mount Sharon	HDC	\$1,330,000	\$266,000	106
Plover Apartments	HDC	\$3,100,000	\$620,000	138
Soundview Family	HDC	\$6,090,000	\$1,218,000	120
Summit Ridge	HDC	\$1,825,000	\$365,000	58
Webster Commons Building B	HDC	\$8,570,000	\$1,714,000	95
West Farms/Longfellow	HDC	\$14,765,000	\$2,953,000	181
Total Bronx (25 projects):		<u>\$207,810,000</u>	<u>\$41,562,000</u>	<u>3,074</u>

BROOKLYN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
260 Marcus Garvey Blvd	CPC	\$266,000	\$266,000	3
411 Chauncey Street	CPC	\$256,075	\$256,075	5
482 Franklin Avenue	CPC	\$16,060,000	\$3,212,000	93
529 Marcy Avenue	CPC	\$279,500	\$279,500	3
633 Sterling Place	CPC	\$356,366	\$356,366	6
856 Nostrand Avenue	CPC	\$1,072,780	\$1,072,780	11
Cadman Tower Coop	HDC	\$9,855,000	\$1,971,000	422
Dr. Betty Shabazz Houses	HDC	\$8,540,000	\$1,708,000	160
ENYUYC Resyndication	HDC	\$7,240,000	\$1,448,000	468
Gateway Elton III	HDC	\$18,010,000	\$3,602,000	287
Greenpoint Landing G2	HDC	\$4,230,000	\$846,000	93
Greenpoint Landing E3	HDC	\$7,575,000	\$1,515,000	98
MacBain Development	CPC	\$703,203	\$703,203	35

Medgar Evers Houses	HDC	\$11,865,000	\$2,373,000	308
Quincy Marcus	CPC	\$1,716,909	\$1,716,909	48
Utica Place	HDC	\$4,490,000	\$898,000	87
Total Brooklyn (16 projects):		<u>\$92,515,833</u>	<u>\$22,223,833</u>	<u>2,127</u>

MANHATTAN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Calvert Lancaster D	HDC	\$945,000	\$189,000	27
Green CLOTH Apartments	CPC	\$326,191	\$326,191	12
Striver's Plaza	HDC	\$10,440,000	\$2,088,000	54
Total Manhattan (3 projects):		<u>\$11,711,191</u>	<u>\$2,603,191</u>	<u>93</u>

QUEENS

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
9306 Shore Front Parkway	HDC	\$6,750,000	\$1,350,000	94
Archer Avenue	HDC	\$4,730,000	\$946,000	89
Richmond Place	HDC	\$5,100,000	\$1,020,000	117
Total Queens (3 projects):		<u>\$16,580,000</u>	<u>\$3,316,000</u>	<u>300</u>

TOTAL COMMITTED (47 PROJECTS):		<u>\$328,617,024</u>	<u>\$69,705,024</u>	<u>5,594</u>
---------------------------------------	--	-----------------------------	----------------------------	---------------------

CERTIFICATES OF INSURANCE ISSUED DURING FY2015

BRONX

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
27 East 169 th Street (East Clarke)	HDC	\$5,980,000	\$1,196,000	106
3254 White Plains Road	HDC	\$9,610,000	\$1,922,000	125
850 Jennings Street	HDC	\$8,830,000	\$1,766,000	103
Bryant Avenue Apartments	HDC	\$4,230,000	\$846,000	99
Courtlandt Crescent	HDC	\$8,635,000	\$1,727,000	217
Forest House	HDC	\$3,935,000	\$787,000	124
Highbridge Overlook	HDC	\$4,600,000	\$920,000	155
Hoewood Point	HDC	\$2,570,000	\$514,000	80
Lindenguild Hall	HDC	\$4,220,000	\$844,000	104
Maple Mesa Apartments	HDC	\$3,515,000	\$703,000	59
Prospect Court	HDC	\$4,060,000	\$812,000	59
St. Ann's Terrace FG	HDC	\$7,925,000	\$1,585,000	161
Tilden Towers II	HDC	\$6,970,000	\$1,394,000	266
Via Verde Apartments	HDC	\$3,280,000	\$656,000	151
Via Verde Coop Apartments	HDC	\$5,825,000	\$1,165,000	71
<i>Total Bronx (15 projects):</i>		<u>\$84,185,000</u>	<u>\$16,837,000</u>	<u>1,880</u>

BROOKLYN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
260 Marcus Garvey Blvd	CPC	\$266,000	\$266,000	3
277 Gates Avenue	HDC	\$2,465,000	\$493,000	35
411 Chauncey Street	CPC	\$256,075	\$256,075	5
529 Marcy Avenue	CPC	\$279,500	\$279,500	3
633 Sterling Place	CPC	\$356,366	\$356,366	6
738 St. Mark's Rehab	HDC	\$1,220,000	\$244,000	21
856 Nostrand Avenue	CPC	\$1,072,780	\$1,072,780	11
Atlantic Terrace Coop	HDC	\$3,045,000	\$609,000	80
Coney Island Commons	HDC	\$8,500,000	\$1,700,000	195
Dr. Betty Shabazz Houses	HDC	\$8,540,000	\$1,708,000	160
Gateway Elton	HDC	\$12,030,000	\$2,406,000	197
MacBain Development	CPC	\$703,203	\$703,203	35
Medgar Evers Houses	HDC	\$11,865,000	\$2,373,000	308
Utica Place	HDC	\$4,490,000	\$898,000	87
<i>Total Brooklyn (14 projects):</i>		<u>\$55,088,924</u>	<u>\$13,364,924</u>	<u>1,146</u>

MANHATTAN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Calvert Lancaster D	HDC	\$945,000	\$189,000	27
East 118 th Street	HDC	\$2,135,000	\$427,000	59

Green CLOTH Apartments	CPC	\$326,191	\$326,191	12
Harlem River Point South	HDC	\$5,290,000	\$1,058,000	140
Total Manhattan (4 projects):		<u>\$8,696,191</u>	<u>\$2,000,191</u>	<u>238</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
Richmond Place	HDC	\$5,100,000	\$1,020,000	117
Self Help KVII	HDC	\$5,475,000	\$1,095,000	92
Total Queens (4 projects):		<u>\$29,175,000</u>	<u>\$5,835,000</u>	<u>453</u>

STATEN ISLAND

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Stapleton Court	HDC	\$7,615,000	\$1,523,000	92
Total Staten Island (1 project):		<u>\$7,615,000</u>	<u>\$1,523,000</u>	<u>92</u>

TOTAL INSURED (38 PROJECTS): \$184,760,115 \$39,560,115 3,809

HIGHLIGHTS OF PROPERTIES INSURED DURING FY2015



**Forest House
Bronx, NY**

**Stapleton Court
Staten Island, NY**



**SelfHelp KVII
Queens, NY**

YEAR-OVER-YEAR COMPARISON
FY 2015 VERSUS FY 2014

Commitments to Insure

	<u>FY 2014</u>	<u>FY 2015</u>
# Projects	20	47
# Units	2,674	5,594
Insured Amount	\$26,876,000	\$69,705,024
Mortgage Amount	\$127,520,000	\$328,617,024

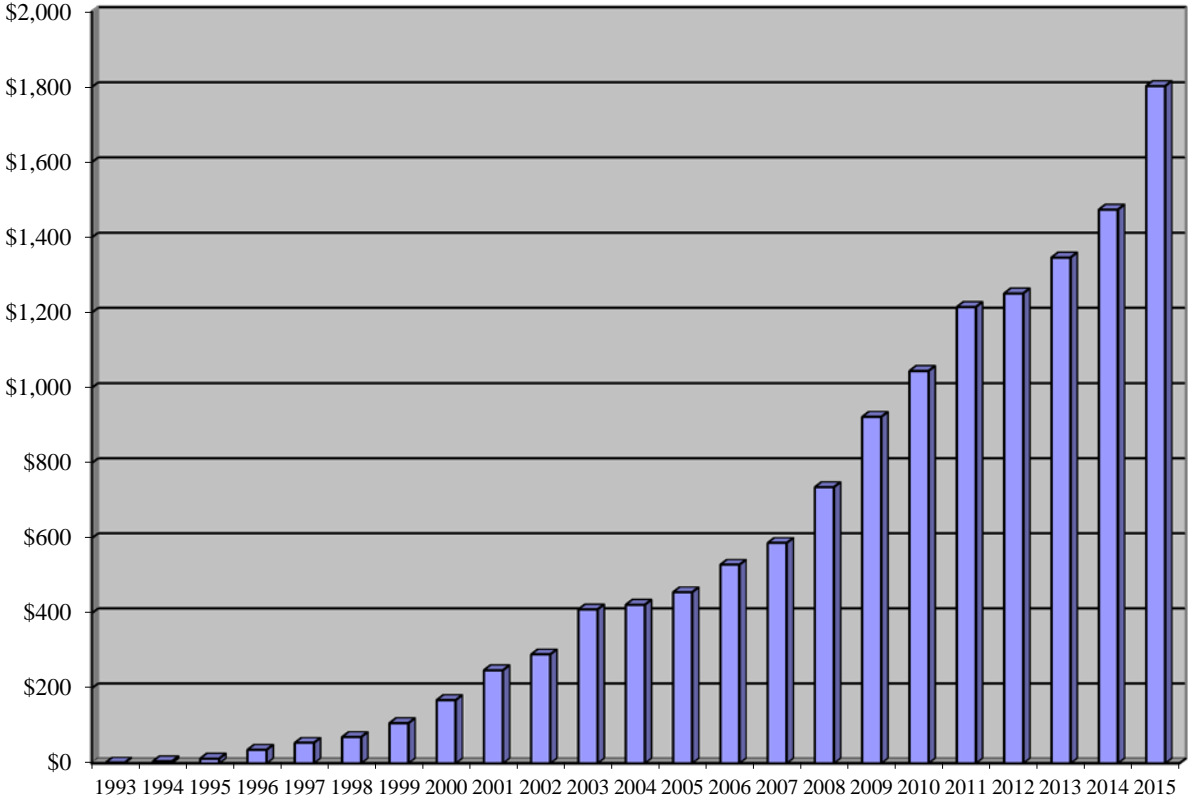
Certificates of Insurance:

# Projects	17	38
# Units	2,003	3,809
Insured Amount	\$24,718,000	\$39,560,115
Mortgage Amount	\$123,590,000	\$184,760,115

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
2014	20	\$26,876,000	\$127,520,000	2,674
2015	47	\$69,705,024	\$328,617,024	5,594
<i>Total</i>	<i>590</i>	<i>\$494,942,462</i>	<i>\$1,803,108,866</i>	<i>34,890</i>

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

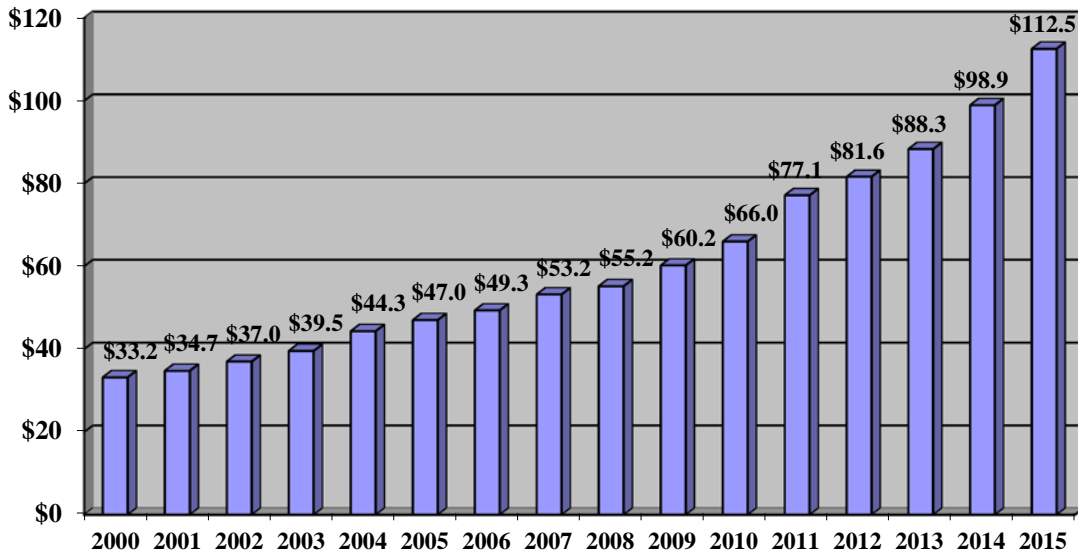


REMIC FY 2015 FUND BALANCES

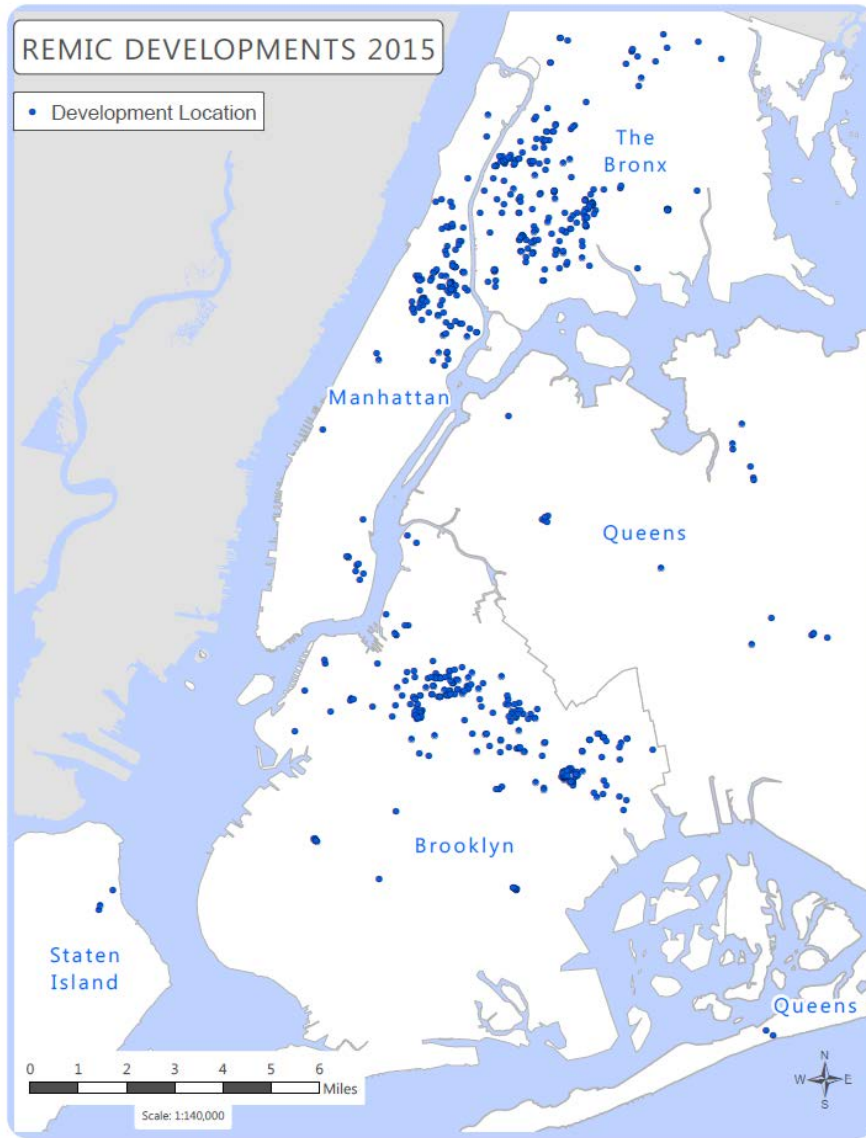
<u>Restricted Fund Balance</u>	<u>Unrestricted Fund Balance</u>	<u>TOTAL BALANCE</u>
\$64,273,980	\$48,274,901	\$112,548,882

At the close of fiscal year 2015, REMIC had a fund balance of \$112,548,882, a 14% increase from fiscal year-end 2014. This is inclusive of an \$8 million capital injection from HDC in July, 2015.

**REMIC Annual Fund Balance
(Millions)**



MAP OF REMIC-INSURED PROPERTIES



Borough	# Loans Insured	\$ Insured Amount
Bronx	98	96,817,864
Brooklyn	61	41,572,478
Manhattan	65	57,489,016
Queens	16	25,188,082
Staten Island	2	2,170,651
TOTAL	242	223,238,091

REMIC INSURANCE CAPACITY

In accordance with Section 654-d of New York Private Housing Finance Law, 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 2015 with undesignated reserves of approximately \$42.0 million. This undesignated reserve amount results in an available capacity to insure approximately \$211 million in insured amount, or a potential \$1.057 billion in mortgage amount (assuming 20% insurance).

CREDIT RATINGS

As of fiscal year-end, Standard & Poor’s maintained a “AA” credit rating for REMIC.

CLAIMS PAYMENT HISTORY

During fiscal year 2015, 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. All claims paid have been on loans originated by “Old REMIC.”

“OLD REMIC” PROPERTIES

During fiscal year 2015, the last remaining “Old REMIC” loan was paid off. There are no “Old REMIC” loans remaining in the portfolio.

“NEW REMIC” PROPERTIES

As of October 31, 2015, “New REMIC” had in its portfolio insured mortgages for 242 properties with 19,172 units. The current aggregate balance of these insured mortgages is \$985.4 million with REMIC insurance in effect of \$223.2 million.

INVESTMENT SUMMARY

As of October 31, 2015, REMIC reserves were invested in securities of various U.S. Government Agencies, Repurchase Agreements, and Money Market Funds. Details are provided below:

<u>Par Amount</u>	<u>Description</u>	<u>Interest</u>	<u>Maturity Date</u>
		<u>Rate</u>	
\$4,250,000	FFCB	2.050%	2/1/2022
\$2,570,000	FHLB	2.200%	4/22/2022
\$4,166,667	FHLB	3.100%	7/9/2026
\$10,000,000	FHLB	3.000%	2/15/2028
\$2,765,764	FHLB	3.100%	3/20/2028
\$10,000,000	FHLB	4.700%	7/25/2033
\$24,549,000	FHLMC	1.250%	10/29/2018
\$7,000,000	FHLMC	3.000%	8/27/2027
\$5,415,000	FHLMC	3.125%	5/30/2028
\$5,000,000	FNMA	2.500%	2/22/2023
\$14,000	Daiwa Securities - Repurchase Agreement	0.150%	11/2/2015
\$37,096,464	New York Community Bank Money Market	0.400%	N/A
<u>\$112,826,895</u>	TOTAL		

REVENUES & EXPENSES

The following is a review of REMIC's revenues and expenses for fiscal year 2015 with an explanation of each budget category:

<u>(\$ Thousands)</u>	<u>FY2014</u>	<u>FY2015</u>
<i>Operating Revenues:</i>		
Insurance Premiums & Fees	\$2,902	\$3,071
Investment Income	\$2,507	\$2,224
<i>Total Operating Revenues</i>	<i>\$5,409</i>	<i>\$5,295</i>
<i>Operating Expenses:</i>		
Reimbursement of HDC Overhead	\$474	\$491
Insurance Claims	\$0	\$0
<i>Total Operating Expenses</i>	<i>\$474</i>	<i>\$491</i>
OPERATING SURPLUS	\$4,935	\$4,804
Capital Injection from HDC	\$0	\$8,000
Unrealized Gain/(Loss) on Investments	\$5,683	\$821
CHANGE IN NET POSITION	\$10,618	\$13,625

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 \$3.1 million in 2015 versus \$2.9 million in 2014, and represented 58% of REMIC's total revenues.

Investment Income

Investment income represents income generated on REMIC's investment portfolio. For fiscal year 2015, investment income was \$2.2 million versus \$2.5 million for fiscal year 2014, and represented 42% of REMIC's total revenues.

Expenses

Reimbursement of HDC Overhead

The reimbursement back to HDC was \$491,000 for HDC overhead in accordance with the Servicing Agreement between HDC and REMIC.

Insurance Claims

No insurance claims were paid during fiscal year 2015.