



NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION

## MEMORANDUM

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**TO:** MEMBERS OF THE COMMITTEE  
**FROM:** MARY JOHN  
**SUBJECT:** FINANCIAL UPDATE AS OF JUNE 30, 2020  
**DATE:** 7/24/2020

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I am pleased to submit an update of the Corporation's financial activities as June 30, 2020.

The Corporation's financial activities continue to exhibit few negative effects from the ongoing economic decline due to the COVID-19 pandemic although we remain concerned as the pandemic extends into the months ahead. Mortgage loan repayments as of June 30<sup>th</sup> were relatively back to normal. One exception to the positive news was lower earnings on investments as rates have seen a noticeable decline over the past four months.

The financial activities of the first eight months of the fiscal year resulted in an increase in net position by \$174.4 million. Total revenues were \$463.2 million an increase of \$12.2 million over the same period a year ago. Interest on loans was \$325.3 million an increase of \$32.5 million from June 2019, as a result of the increase in the mortgage loan portfolio by \$1.6 billion. Fees and charges were \$48.4 million a decrease of \$17.3 million, mainly due to lower loan origination fees and bond financing fees. Investment earnings, including the fair market valuation were \$70.9 million a decrease of \$17.7 million in total. The decrease includes a \$7.1 million decrease in realized investment earnings as a result of lower interest rates. Despite the better than expected recent results, the Corporation remains vigilant and will continue to track the key economic indicators that may affect the repayments on the mortgage portfolio, and in turn, the ability to maintain this level of profitability.

Total assets were \$22.9 billion, including \$17 billion in mortgage loans and loan participating interests, and investments of \$5.5 billion. Total assets increased by \$1.3 billion, mainly due to \$2.0 billion in mortgage loan advances, offset by \$460 million in principal repayments.

Total liabilities were \$19.6 billion including \$12.7 billion in bonds and debt obligations. Payable to the City was \$4.8 billion and payable to mortgagors of \$1.2 billion. Bond and debt Obligation issuances were \$1.2 billion, while repayments were \$936 million.

Net position was at \$3.3 billion, an increase of \$174 million of net income from normal operating activities.

**Summary of Financial Performance (Dollar amounts are in thousands)**

Operating Results:	June-2020	June-2019	Change	Percentage
Total Revenues	\$463,242	\$450,993	\$12,249	2.72%
Operating Revenues	392,936	362,617	30,319	8.36%
Operating Expenses	288,791	288,954	(163)	-0.06%
Net (Operating Income)	104,145	73,663	30,482	41.38%
Investment Earnings	70,881	88,561	(17,680)	-19.96%
Other Non-Operating Revenues (Expenses)	(574)	(184)	(390)	211.66%
Net Income	\$174,452	\$162,040	\$12,412	7.66%