



Report to Members

Fiscal Year End
October 31, 2020

Eric Enderlin
President



DATE: May 26, 2021

TO: The Chairperson and Members

FROM: Eric Enderlin

SUBJECT: Report on REMIC Fiscal Year 2020 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, 2020. Certificates of Insurance were issued for 19 properties with an insured amount of \$36.2 million, representing 4,099 units and \$174.7 million in mortgage amount outstanding. Commitments to Insure were issued for 17 properties with an insured amount of \$70.1 million, representing 3,725 units and \$350.3 million in mortgage amount outstanding.

A detailed summary of the activities and accomplishments of REMIC during the fiscal year ended October 31, 2020 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, 2015, and 2019 HDC injected \$7.5 million, \$10 million, \$8 million, and \$10 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 48 years of existence, the REMIC insured portfolio has performed well, having paid only 16 claims for insured loans totaling \$650,648.

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

FISCAL YEAR 2020 SUMMARY

During fiscal year 2020 (November 1, 2019 through October 31, 2020), REMIC issued Commitments to Insure to 17 properties, with a total of 3,725 units, a total insured amount of \$70.1 million, and a total mortgage amount of \$350.3 million. During fiscal year 2020, REMIC issued Certificates of Insurance to 19 properties, with a total of 4,099 units, a total insured amount of \$36.2 million, and a total mortgage amount of \$174.7 million.

As of October 31, 2020, REMIC had a total amount of insurance outstanding of \$304.2 million, with a total mortgage amount outstanding related to such insurance of \$1.4 billion. In addition, REMIC had total commitments outstanding of \$181.9 million with a total mortgage amount outstanding related to such insurance of \$902.6 million.

Details of the Commitments to Insure and the Certificates of Insurance that REMIC issued during fiscal year 2020 are on the following two pages.

COMMITMENTS TO INSURE ISSUED DURING FY2020

BRONX

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
1675 Westchester Ave	HDC	\$24,030,000	\$4,806,000	249
Compass 5*	HDC	\$7,690,000	\$1,538,000	218
Jerome Court	HDC	\$17,845,000	\$3,569,000	41
Mt. Hope	HDC	\$31,170,000	\$6,234,000	497
River Crest Phase A	HDC	\$29,130,000	\$5,826,000	250
St. Anns Apartments	HDC	\$7,390,000	\$1,478,000	90
<i>Total Bronx (6 projects):</i>		<u>\$117,255,000</u>	<u>\$23,451,000</u>	<u>1,345</u>

BROOKLYN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
1618 Fulton Street	HDC	\$19,250,000	\$3,850,000	103
50 Penn	HDC	\$12,890,000	\$2,578,000	218
Bedford Union Armory	HDC	\$75,500,000	\$15,100,000	415
Chestnut Commons	HDC	\$22,350,000	\$4,470,000	275
Ebenezer Plaza 1B	HDC	\$9,130,000	\$1,826,000	118
Spring Creek 4B-1	HDC	\$9,580,000	\$1,916,000	160
Spring Creek 4B-2	HDC	\$15,090,000	\$3,018,000	240
The Astra at Gates Avenue	HDC	\$13,460,000	\$2,692,000	96
<i>Total Brooklyn (8 projects):</i>		<u>\$177,250,000</u>	<u>\$35,450,000</u>	<u>1625</u>

MANHATTAN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
East Village Homes	HDC	\$7,580,000	\$1,516,000	45
<i>Total Manhattan (1 project):</i>		<u>\$7,580,000</u>	<u>\$1,516,000</u>	<u>45</u>

QUEENS

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Far Rockaway Village	HDC	\$25,800,000	\$5,160,000	457
RadRoc	HDC	\$22,455,000	\$4,491,000	253
<i>Total Queens (2 projects):</i>		<u>\$48,255,000</u>	<u>\$9,651,000</u>	<u>710</u>

**Committed and insured in the same fiscal year*

TOTAL COMMITTED (17 PROJECTS):	<u>\$350,340,000</u>	<u>\$70,068,000</u>	<u>3,725</u>
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CERTIFICATES OF INSURANCE ISSUED DURING FY2020

BRONX

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
2605 Grand Concourse	HDC	\$9,610,000	\$1,922,000	94
Compass 5*	HDC	\$7,690,000	\$1,538,000	218
Creston Burnside	HDC	\$9,990,000	\$1,998,000	114
East 138th Street Apartments	HDC	\$7,390,000	\$1,478,000	96
Elton Crossing	HDC	\$8,730,000	\$1,746,000	199
MLK Plaza	HDC	\$7,545,000	\$1,509,000	167
PRC Fox Street Development	HDC	\$12,530,000	\$2,506,000	200
Putnam I (3815 Putnam Avenue West)	HDC	\$14,258,864	\$2,851,773	91
Webster Commons Building D	HDC	\$9,490,000	\$1,898,000	123
West Farms/Longfellow	HDC	\$14,765,000	\$2,953,000	181
<i>Total Bronx (10 projects):</i>		<u>\$101,998,864</u>	<u>\$20,399,773</u>	<u>1,483</u>

BROOKLYN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
317 Malcolm X Boulevard	CPC	\$1,113,570	\$1,113,570	34
MHANY Portfolio	HDC	\$5,000,000	\$1,000,000	254
Ryerson Towers (309 Lafayette Ave)	HDC	\$9,375,000	\$1,875,000	329
<i>Total Brooklyn (3 projects):</i>		<u>\$15,488,570</u>	<u>\$3,988,570</u>	<u>617</u>

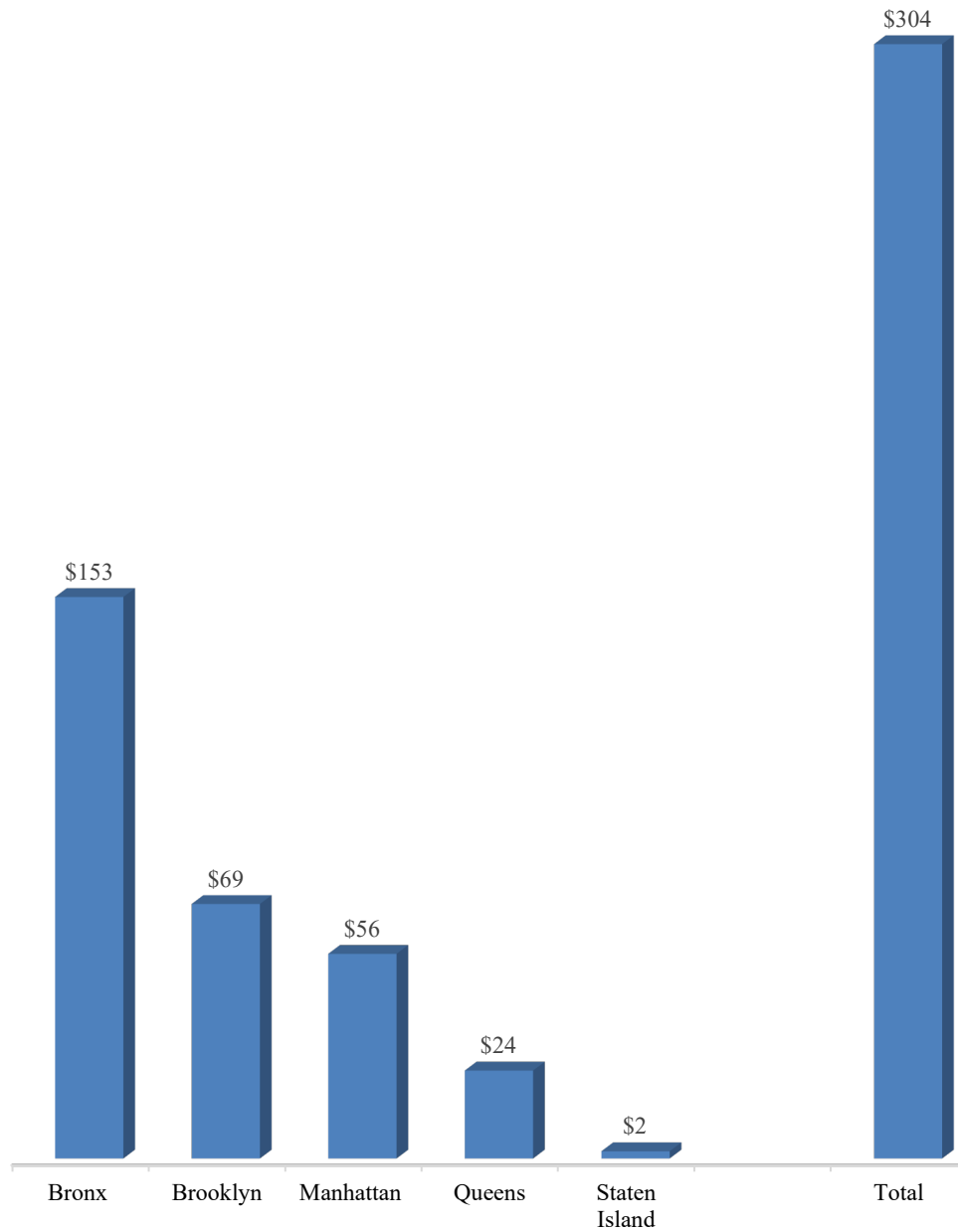
MANHATTAN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
156-20 Riverside Dr (156-20 Riverside Dr)	HDC	\$12,585,000	\$2,517,000	431
Acacia Gardens	HDC	\$8,140,000	\$1,628,000	179
Hope East of Fifth	HDC	\$20,700,000	\$4,140,000	506
Lott Legacy Apartments	HDC	\$5,655,000	\$1,131,000	359
Village East Towers	HDC	\$5,360,000	\$1,072,000	430
<i>Total Manhattan (5 projects):</i>		<u>\$52,440,000</u>	<u>\$10,488,000</u>	<u>1,905</u>

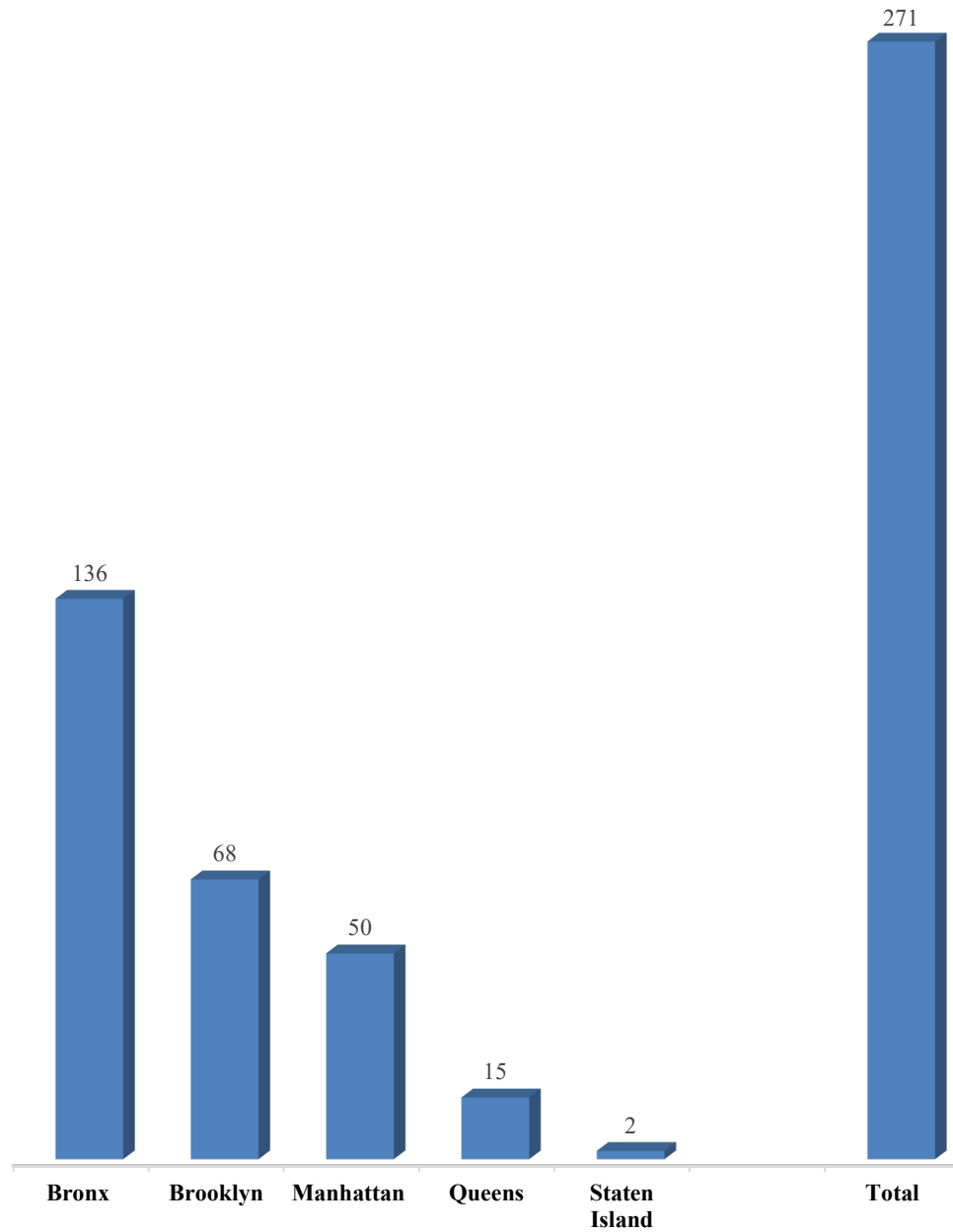
QUEENS

<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
<i>Total Queens (1 project):</i>		<u>\$6,750,000</u>	<u>\$1,350,000</u>	<u>94</u>
<i>*Committed and insured in the same fiscal year</i>				
TOTAL INSURED (19 PROJECTS):		<u>\$174,657,434</u>	<u>\$36,226,343</u>	<u>4,099</u>

Insured Amount by Borough
(\$Millions)



Total Insured Properties by Borough



HIGHLIGHTS OF PROPERTIES INSURED DURING FY2020



2605 Grand Concourse (Bronx)



Elton Crossing (Bronx)



Putnam I (3815 Putnam Avenue West) (Bronx)

YEAR-OVER-YEAR COMPARISON
FY 2020 VERSUS FY 2019

Commitments to Insure

	<u>FY 2019</u>	<u>FY 2020</u>
# Projects	13	17
# Units	3,371	3,725
Insured Amount	\$39,014,000	\$70,068,000
Mortgage Amount	\$195,070,000	\$350,340,000

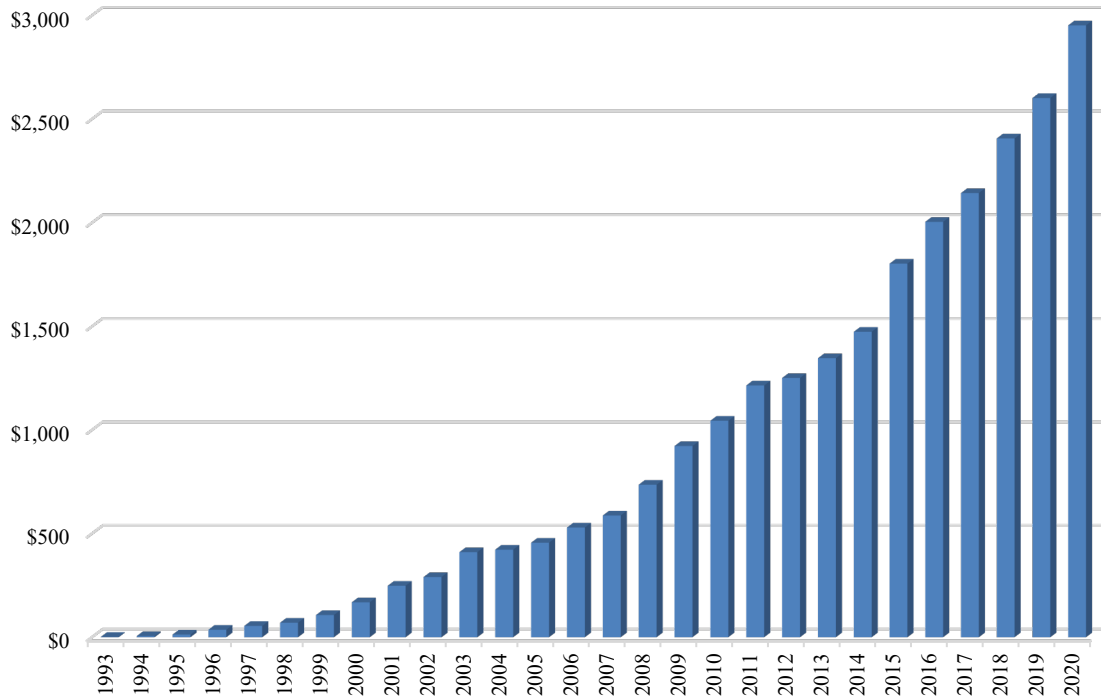
Certificates of Insurance:

# Projects	27	19
# Units	3,972	4,099
Insured Amount	\$34,083,000	\$36,226,343
Mortgage Amount	\$170,415,000	\$174,657,434

ANNUAL COMMITMENT ACTIVITY

<u>Fiscal Year</u>	<u># Loans</u>	<u>Insured Amount</u>	<u>Mortgage Amount</u>	<u># Units</u>
1993 to 2003	347	\$189,515,187	\$410,581,573	10,340
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
2016	24	\$40,599,210	\$201,544,576	9,282
2017	14	\$28,523,656	\$138,952,456	2,109
2018	20	\$52,641,000	\$263,205,000	4,505
2019	13	\$39,014,000	\$195,070,000	3,371
2020	17	\$70,068,000	\$350,340,000	3,725
<i>Total</i>	678	<u>\$725,788,328</u>	<u>\$2,952,220,898</u>	<u>57,882</u>

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

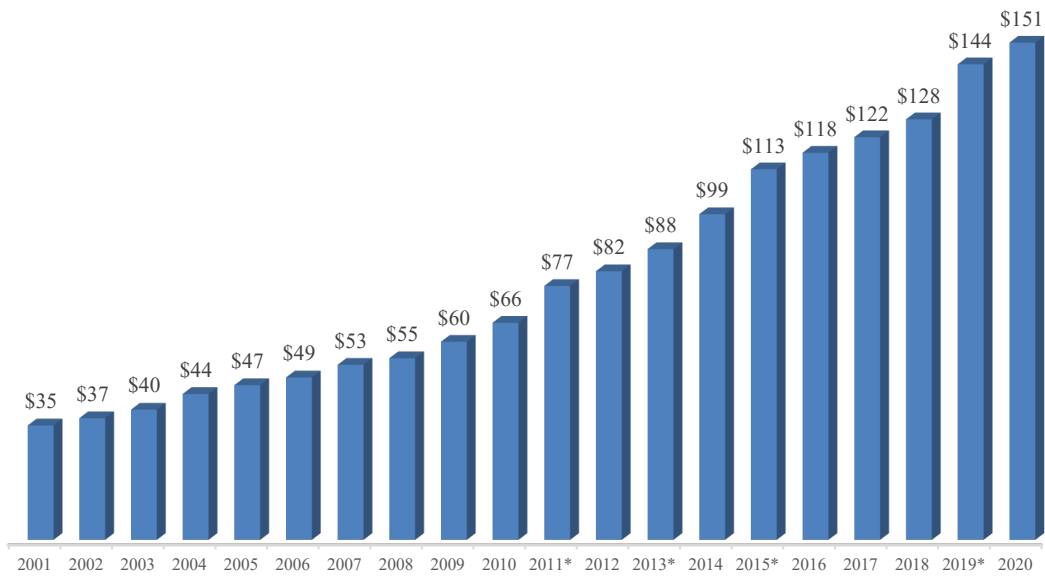


REMIC FY 20 FUND BALANCES

<u>Restricted Fund Balance</u>	<u>Unrestricted Fund Balance</u>	<u>TOTAL BALANCE</u>
<u>\$98,309,783</u>	<u>\$52,974,443</u>	<u>\$151,284,225</u>

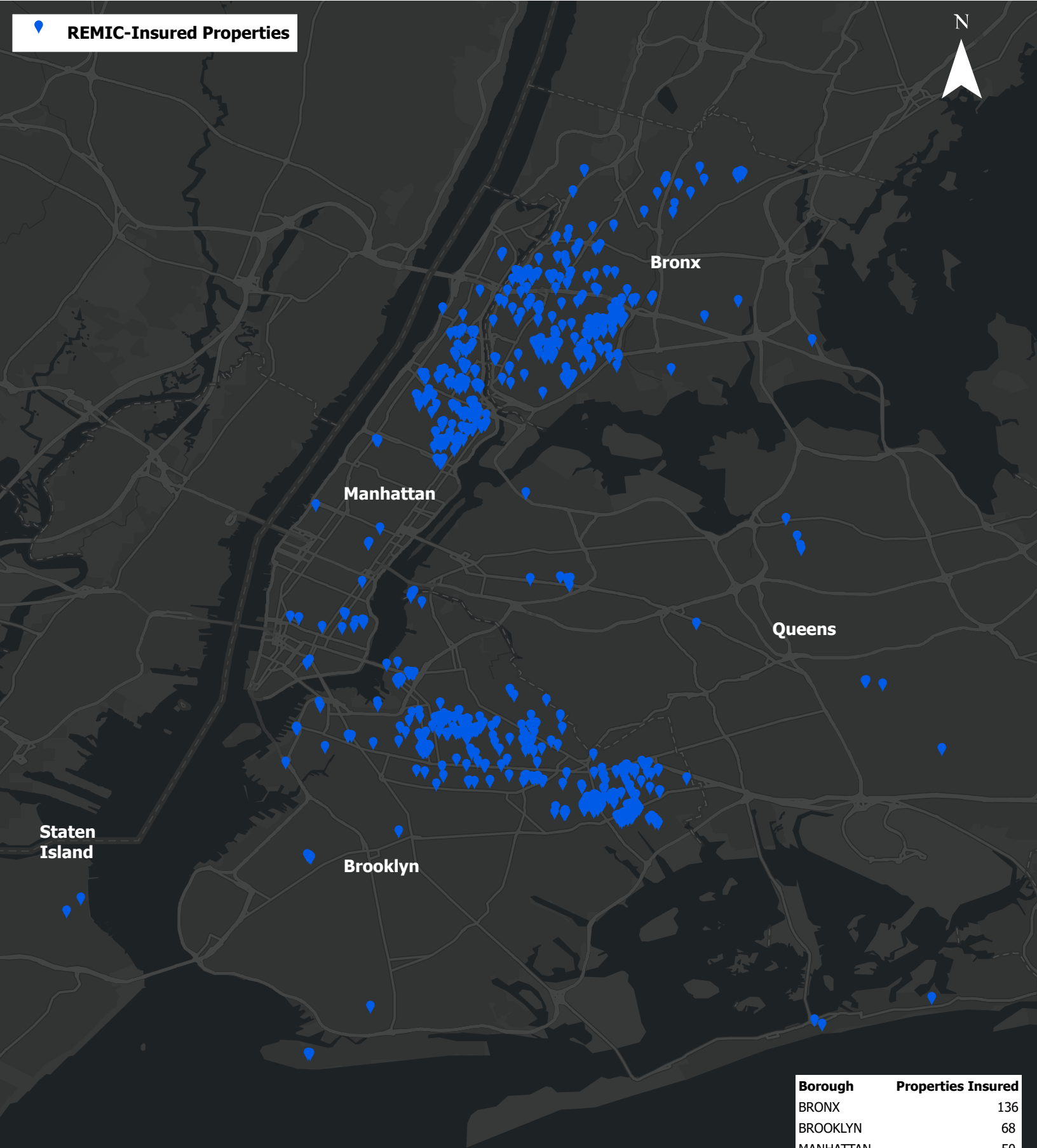
At the close of fiscal year 2020, REMIC had a fund balance of \$151,284,225, a 4.75% increase from fiscal year-end 2019.

**REMIC Fund Balance
(\$Millions)**



**HDC injected capital into REMIC during fiscal years 2011, 2013, 2015, and 2019 in the amounts of \$7.5 million, \$10 million, \$8 million, and \$10 million respectively, to capitalize future capacity.*

REMIC-Insured Properties



0 2 4 Miles

Borough	Properties Insured
BRONX	136
BROOKLYN	68
MANHATTAN	50
QUEENS	15
STATEN ISLAND	2
Total	271

NYC OpenData, New Jersey Office of GIS, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA

Map of REMIC-Insured Properties

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 REMIC, as well as properties currently in pipeline. REMIC ended fiscal year 2020 with undesignated reserves of approximately \$43 million. This undesignated reserve amount results in an available capacity to insure approximately \$217 million in insured amount, or a potential \$1.08 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 HISORY

During fiscal year 2020, there were no insurance claims paid on REMIC properties. Subsequent to fiscal year 2020, REMIC paid claims totaling \$52,356.89 on loans approved for mortgage forbearance under an agreement with PENY & Co. LLC. This agreement requires that REMIC be reimbursed for each claim within 18 months of the commencement of the forbearance repayment period.

REMIC PROPERTIES

As of October 31, 2020, REMIC had in its portfolio insured mortgages for 271 properties with 36,228 units. The current aggregate balance of these insured mortgages is \$1.4 billion with REMIC insurance in effect of \$304.2 million.

INVESTMENT SUMMARY

As of October 31, 2020, REMIC reserves were invested in Certificates of Deposit, Money Market Funds, and U.S. Government and Agency securities. Details are provided below:

<u>Description</u>	<u>Par Amount</u>	<u>Interest Rate</u>
NYCB Money Market	\$891.68	0.4%
Signature Bank CD	\$120,000,000.00	2.85%
Signature Bank Money Market	\$3,322,386.22	0.65%
Sterling National Bank MM	\$9,539,070.16	0.35%
FFCB	\$7,500,000.00	0.67%
FFCB	\$5,595,000.00	2%
Freddie Mac	\$5,000,000.00	0.7%
<i>Total</i>	<u>\$150,957,348.06</u>	

REVENUES & EXPENSES

The following is a review of REMIC's revenues and expenses for fiscal year 2020 with an explanation of each budget category:

<u>(\$ Thousands)</u>	<u>FY2019</u>	<u>FY2020</u>
<i>Operating Revenues:</i>		
Insurance Premiums & Fees	\$3,791	\$3,584
Investment Income	\$3,489	\$3,848
<i>Total Operating Revenues</i>	<i>\$7,280</i>	<i>\$7,432</i>
<i>Operating Expenses:</i>		
Reimbursement of HDC Overhead	\$566	\$572
Insurance Claims	\$0	\$0
<i>Total Operating Expenses</i>	<i>\$566</i>	<i>\$572</i>
OPERATING SURPLUS	<i>\$6,714</i>	<i>\$6,859</i>
Capital Injection from HDC	\$10,000	\$0
Unrealized Gain/(Loss) on Investments	\$0	\$21
CHANGE IN NET POSITION	<i>\$16,714</i>	<i>\$6,860</i>

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 \$3.5 million in 2020 versus \$3.7 million in 2019 and represented 48% of REMIC's total revenues.

Investment Income

Investment income represents income generated on REMIC's investment portfolio. For fiscal year 2020, investment income was \$3.8 million versus \$3.4 million for fiscal year 2019 and represented 52% of REMIC's total revenues.

Expenses

Reimbursement of HDC Overhead

The reimbursement back to HDC was \$572,000 for HDC overhead in accordance with the Servicing Agreement between HDC and REMIC. This amount covers the salary, fringe, and costs related to HDC staff assigned to REMIC matters.

Insurance Claims

No insurance claims were paid during fiscal year 2020.