



Report to Members

Fiscal Year End
October 31, 2021

Eric Enderlin
President



DATE: May 24, 2022

TO: The Chairperson and Members

FROM: Eric Enderlin

SUBJECT: Report on REMIC Fiscal Year 2021 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, 2021. Certificates of Insurance were issued for 17 properties with an insured amount of \$38.5 million, representing 2,684 units and \$192.3 million in mortgage amount outstanding. Commitments to Insure were issued for 8 properties with an insured amount of \$18.5 million, representing 1,810 units and \$92.7 million in mortgage amount outstanding.

A detailed summary of the activities and accomplishments of REMIC during the fiscal year ended October 31, 2021 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 49 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 2021 (November 1, 2020 through October 31, 2021), REMIC issued Commitments to Insure to 8 properties, with a total of 1,810 units, a total insured amount of \$18.5 million, and a total mortgage amount of \$92.7 million. During fiscal year 2021, REMIC issued Certificates of Insurance to 17 properties, with a total of 2,684 units, a total insured amount of \$38.5 million, and a total mortgage amount of \$192.3 million.

As of October 31, 2021, REMIC had a total amount of insurance outstanding of \$341.9 million, with a total mortgage amount outstanding related to such insurance of \$1.6 billion. In addition, REMIC had total commitments outstanding of \$163.6 million with a total mortgage amount outstanding related to such insurance of \$817.9 million.

Details of the Commitments to Insure and the Certificates of Insurance that REMIC issued during fiscal year 2021 are on the following two pages.

COMMITMENTS TO INSURE ISSUED DURING FY2021

BRONX

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Compass 6 Residences	HDC	\$21,170,000	\$4,234,000	261
Maria Lopez Plaza*	HDC	\$14,365,000	\$2,873,000	216
Palacio del Sol*	HDC	\$9,890,000	\$1,978,000	124
Parkview Apts*	HDC	\$8,380,000	\$1,676,000	110
Parkview II*	HDC	\$5,590,000	\$1,118,000	88
500 E 165th St*	HDC	\$10,885,000	\$2,177,000	128
<i>Total Bronx (6 projects):</i>		<u>\$70,280,000</u>	<u>\$14,056,000</u>	<u>927</u>

BROOKLYN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
JOE Central Brooklyn	HDC	\$16,740,000	\$3,348,000	524
<i>Total Brooklyn (1 project):</i>		<u>\$16,740,000</u>	<u>\$3,348,000</u>	<u>524</u>

MANHATTAN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Ascendant Heritage aka Lott Legacy	HDC	\$5,655,000	\$1,131,000	359
<i>Total Manhattan (1 project):</i>		<u>\$5,655,000</u>	<u>\$1,131,000</u>	<u>359</u>

**Committed and insured in the same fiscal year*

TOTAL COMMITTED (8 PROJECTS):		<u>\$92,675,000</u>	<u>\$18,535,000</u>	<u>1,810</u>
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CERTIFICATES OF INSURANCE ISSUED DURING FY2021

BRONX

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Maria Lopez Plaza*	HDC	\$14,365,000	\$2,873,000	216
Palacio del Sol*	HDC	\$9,890,000	\$1,978,000	124
Parkview Apts*	HDC	\$8,380,000	\$1,676,000	110
Parkview II*	HDC	\$5,590,000	\$1,118,000	88
500 E 165th St*	HDC	\$10,885,000	\$2,177,000	128
TLK Manor	HDC	\$2,260,000	\$452,000	83
Bronx Commons	HDC	\$22,810,000	\$4,562,000	305
Wilfrid ABCO	HDC	\$16,430,000	\$3,286,000	190
Creston Parkview	HDC	\$14,710,000	\$2,942,000	189
Thessalonian Manor	HDC	\$3,200,000	\$640,000	120
<i>Total Bronx (10 projects):</i>		<u>\$108,520,000</u>	<u>\$21,704,000</u>	<u>1,553</u>

MANHATTAN

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
Triple HDFC	HDC	\$10,480,000	\$2,096,000	69
Randolph Houses North	HDC	\$5,015,000	\$1,003,000	115
Morris II Apts	HDC	\$7,020,000	\$1,404,000	154
The Frederick	HDC	\$5,650,000	\$1,130,000	75
Ascendant Heritage aka Lott Legacy	HDC	\$5,655,000	\$1,131,000	359
<i>Total Manhattan (5 projects):</i>		<u>\$33,820,000</u>	<u>\$6,764,000</u>	<u>772</u>

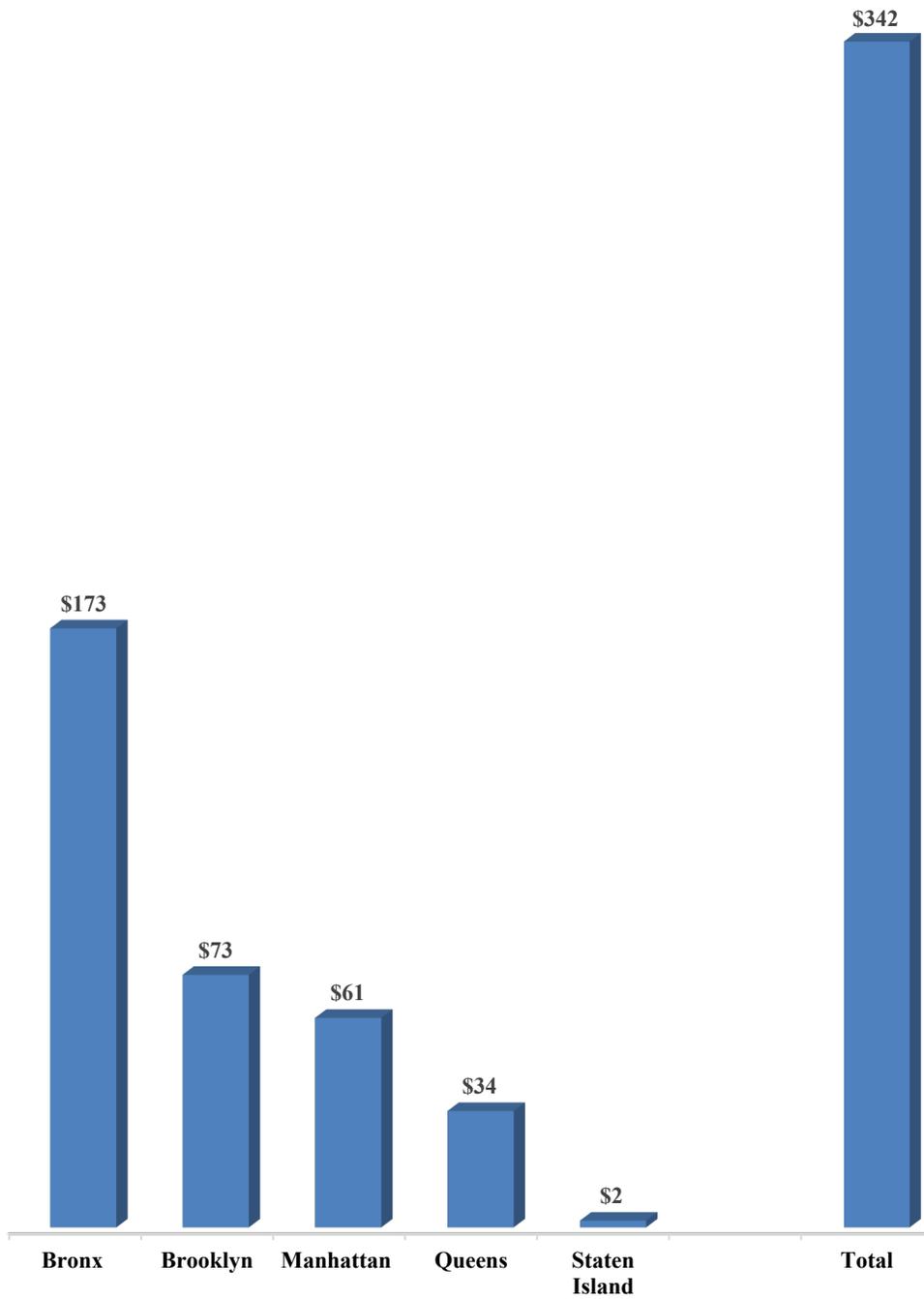
QUEENS

<u>Property</u>	<u>Lender</u>	<u>Original Mortgage Amount</u>	<u>Original Insured Amount</u>	<u># Units</u>
One Flushing	HDC	\$42,785,000	\$8,557,000	232
Beach Green Dunes II	HDC	\$7,200,000	\$1,440,000	127
<i>Total Queens (2 projects):</i>		<u>\$49,985,000</u>	<u>\$9,997,000</u>	<u>359</u>

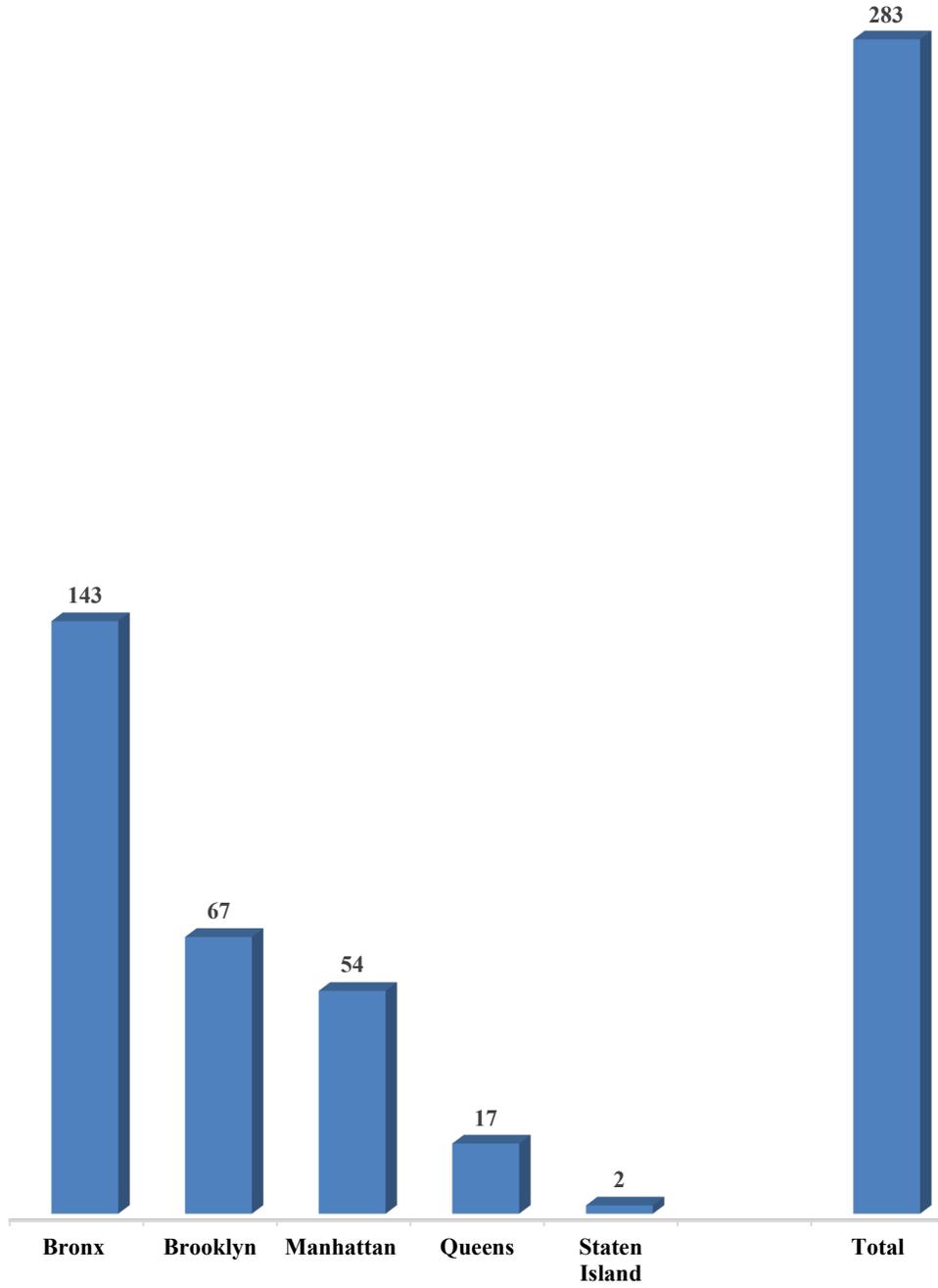
**Committed and insured in the same fiscal year*

TOTAL INSURED (17 PROJECTS):		<u>\$192,325,000</u>	<u>\$38,465,000</u>	<u>2,684</u>
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Insured Amount by Borough
(\$Millions)



Total Insured Properties by Borough



HIGHLIGHTS OF PROPERTIES INSURED DURING FY2021



Maria Lopez Plaza (Bronx)



Randolph Houses North (Manhattan)



Beach Green Dunes II (Queens)

YEAR-OVER-YEAR COMPARISON
FY 2021 VERSUS FY 2020

Commitments to Insure

	<u>FY 2020</u>	<u>FY 2021</u>
# Projects	17	8
# Units	3,725	1,810
Insured Amount	\$70,068,000	\$18,535,000
Mortgage Amount	\$350,340,000	\$92,675,000

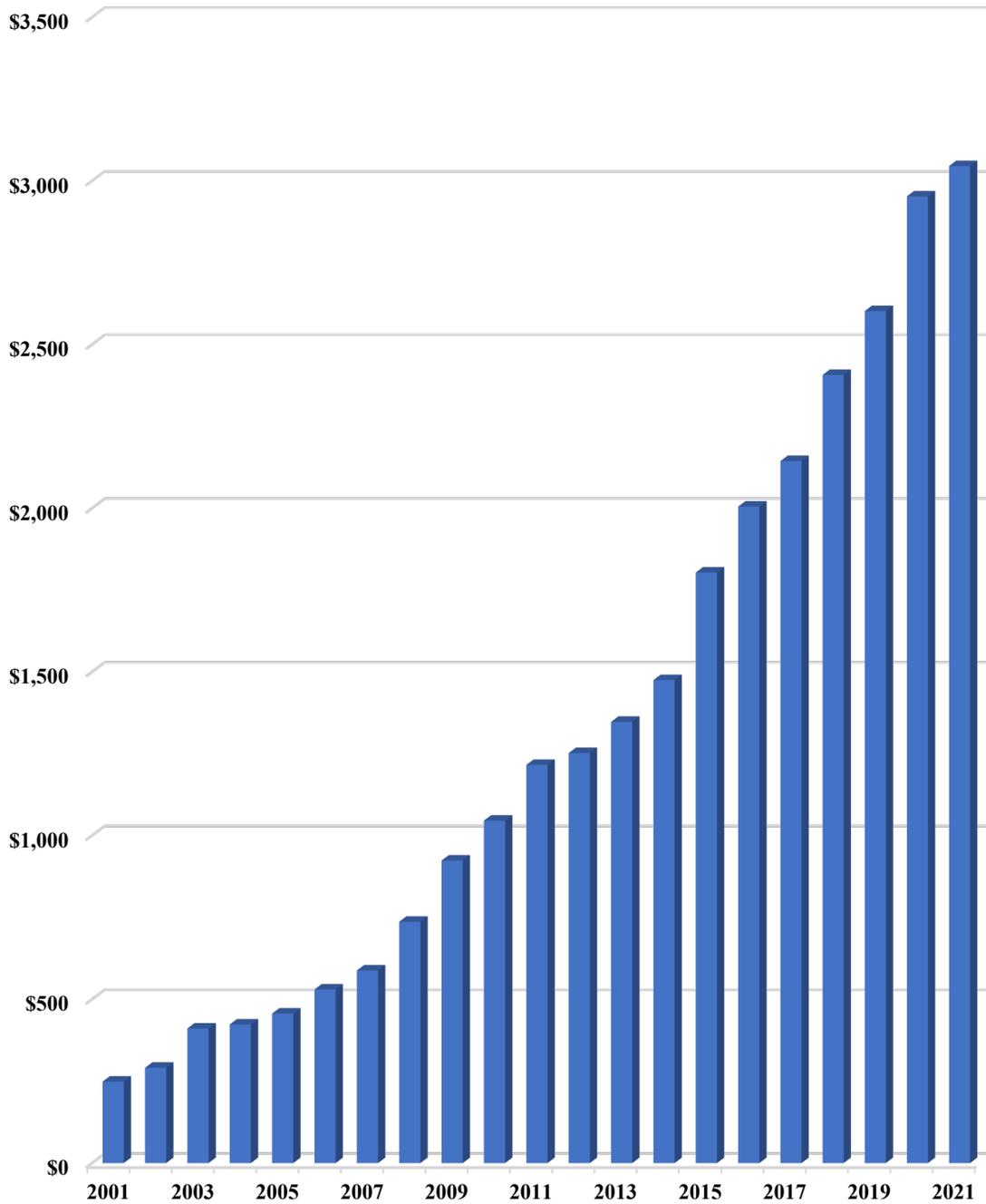
Certificates of Insurance:

# Projects	19	17
# Units	4,099	2,684
Insured Amount	\$36,226,343	\$38,465,000
Mortgage Amount	\$174,657,434	\$192,325,000

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
2021	8	\$18,535,000	\$92,675,000	1,810
<i>Total</i>	<i>686</i>	<i><u>\$744,323,328</u></i>	<i><u>\$3,044,895,898</u></i>	<i><u>59,692</u></i>

REMIC COMMITMENT HISTORY
Cumulative Mortgage Amounts Committed Since 2001
(\$Millions)

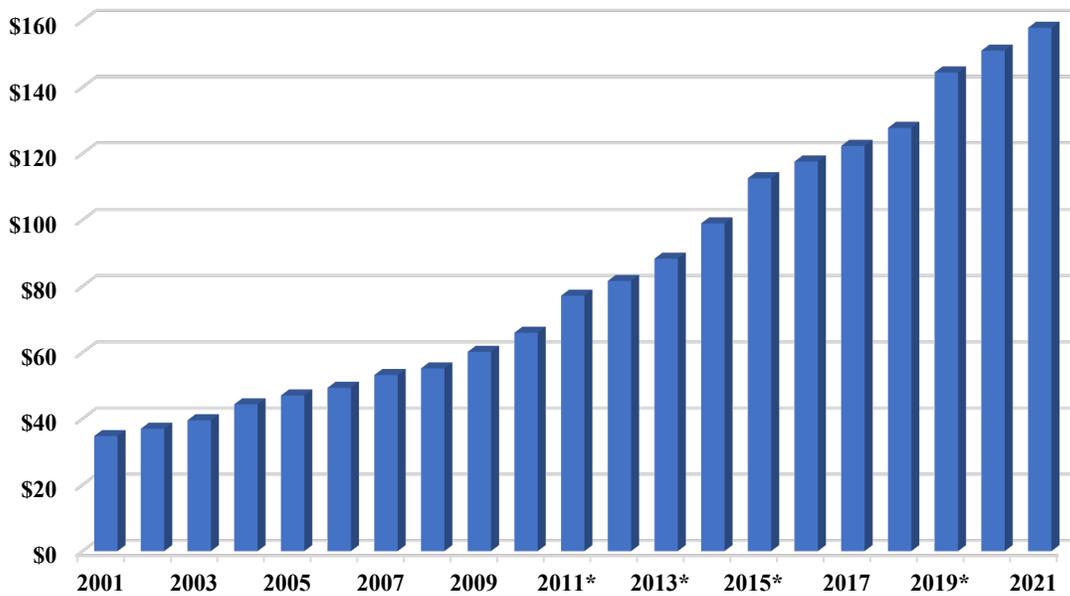


REMIC FY21 FUND BALANCES

<u>Restricted Fund Balance</u>	<u>Unrestricted Fund Balance</u>	<u>TOTAL BALANCE</u>
<u>\$101,091,887</u>	<u>\$56,795,449</u>	<u>\$157,887,335.85</u>

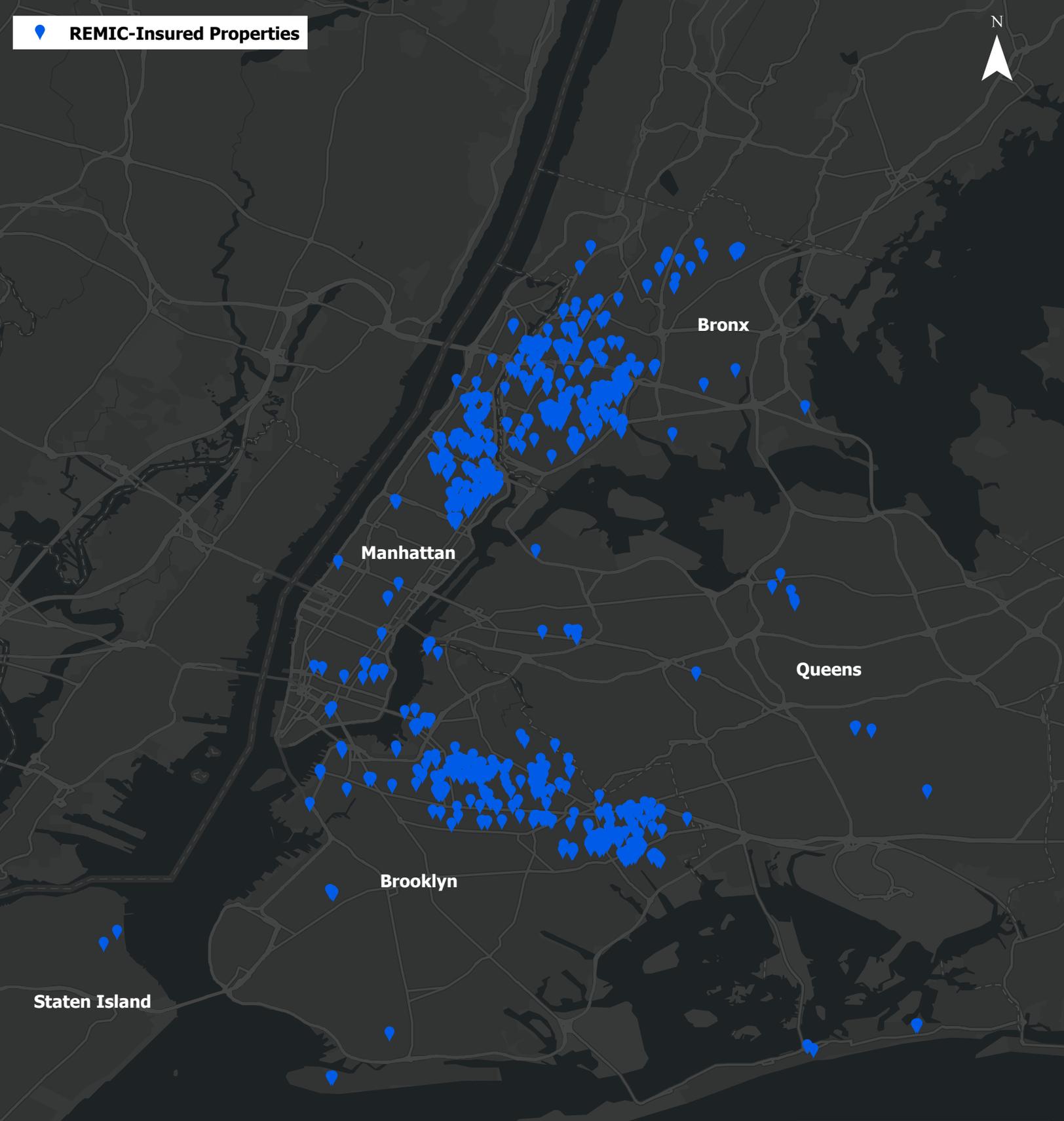
At the close of fiscal year 2021, REMIC had a fund balance of \$157,887,335.85, a 4.36% increase from fiscal year-end 2020.

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

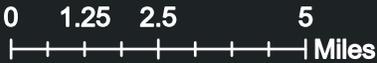


**HDC injected capital into REMIC during fiscal years 2011, 2013, 2015, and 2019 in the amounts of \$7.5 million, \$10 million, \$8 million, and \$10 million respectively, to capitalize future capacity.*

REMIC-Insured Properties



Borough	Properties Insured
BRONX	143
BROOKLYN	67
NEW YORK	56
QUEENS	15
STATEN ISLAND	2
Total	283



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

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 2021 with undesignated reserves of approximately \$56.8 million. This undesignated reserve amount results in an available capacity to insure approximately \$284 million in insured amount, or a potential \$1.4 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 2021, REMIC paid claims totaling \$52,356.89 on loans associated with four borrowers 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. As of October 31, 2021 REMIC had received reimbursement payments totaling \$7,195.56. Subsequent to fiscal year 2021, REMIC received additional reimbursement payments totaling \$16,169.26. Of the borrowers approved for mortgage forbearance, two are current on payments, one is 90 days delinquent, and one has paid off.

REMIC PROPERTIES

As of October 31, 2021, REMIC had in its portfolio insured mortgages for 283 properties with 38,201 units. The current aggregate balance of these insured mortgages is \$1.6 billion with REMIC insurance in effect of \$341.9 million.

INVESTMENT SUMMARY

As of October 31, 2021, 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>Amount</u>	<u>Interest Rate</u>
Signature Bank CD	\$120,000,000.00	2.85%
Signature Bank Money Market	\$5,866,523.62	0.25%
Signature Bank Money Market	\$5,252,570.01	0.30%
Sterling National Bank MM	\$6,070.16	0.20%
Freddie Mac	\$4,906,880.00	0.70%
Freddie Mac	\$4,355,511.02	1.25%
FFCB	\$7,304,985.00	0.67%
FFCB	\$2,948,703.00	1.30%
FHLB	\$2,960,433.00	1.50%
FHLB	\$3,946,200.00	1.62%
Total*	<u>\$157,547,875.81</u>	

*The total represents the fair market value of investments. HDC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

REVENUES & EXPENSES

The following is a review of REMIC's revenues and expenses for fiscal year 2021 with an explanation of each budget category:

(\$ Thousands)	FY2020	FY2021
<i>Operating Revenues:</i>		
Insurance Premiums & Fees	\$3,584	\$4,127
Investment Income	\$3,827	\$3,679
<i>Total Operating Revenues</i>	<i>\$7,411</i>	<i>\$7,806</i>
<i>Operating Expenses:</i>		
Reimbursement of HDC Overhead	\$572	\$572
Insurance Claims	\$0	\$52
<i>Total Operating Expenses</i>	<i>\$572</i>	<i>\$624</i>
OPERATING SURPLUS	<i>\$6,839</i>	<i>\$7,182</i>
Capital Injection from HDC	\$0	\$0
Unrealized Gain/(Loss) on Investments	\$21	(\$579)
CHANGE IN NET POSITION	<i>\$6,860</i>	<i>\$6,603</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 \$4.1 million in 2021 versus \$3.5 million in 2020 and represented 53% of REMIC's total revenues.

Investment Income

Investment income represents income generated on REMIC's investment portfolio. For fiscal year 2021, investment income was \$3.7 million versus \$3.8 million for fiscal year 2020 and represented 47% 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

During fiscal year 2021, REMIC paid claims totaling \$52,356.89 on loans approved for mortgage forbearance under an agreement with PENY & Co. LLC.