

**MINUTES OF THE  
ANNUAL MEETING OF THE  
NEW YORK CITY RESIDENTIAL MORTGAGE INSURANCE CORPORATION**

March 31, 2023

The annual meeting of the Members of the New York City Residential Mortgage Insurance Corporation (the “Corporation” or “REMIC”) was held on Friday, March 31, 2023, via teleconference. The meeting was called to order at 10:00 a.m. by Chairperson Adolfo Carrión Jr., who noted the presence of a quorum. In addition to the Chairperson, the Members present were Vice Chairperson Harry Gould, Thomas Manning, Charles G. Moerdler, Preston Niblack, Blondel A. Pinnock, and Denise Scott. Thomas Manning was only able to join by audio and therefore is not included in the quorum. The Member absent was Jacques Jiha. A list of observers is appended to these minutes.

The Chairperson stated that the first item on the agenda would be the approval of the minutes of the meeting held on June 1, 2022.

Upon a motion duly made by Mr. Moerdler and seconded by Ms. Pinnock, the Members unanimously resolved:

RESOLVED, to approve the minutes of such meeting.

The Chairperson stated that the next item on the agenda would be the submission of the 2022 Annual Report and called upon Horace Greene, Vice President for Portfolio Analysis, to make this presentation.

Mr. Greene stated that he was pleased to present the REMIC Annual Report for the fiscal year ended October 31, 2022. He stated that during the year, REMIC issued Commitments to Insure ten (10) new loans covering 2,204 units with a total mortgage amount of \$150.7 million and an insured amount of \$30.1 million. Additionally, REMIC issued fifteen (15) Certificates of Insurance covering 3,612 units with a total mortgage amount of \$231.1 million and an insured amount of \$46.2 million.

Mr. Greene reported that REMIC ended fiscal year 2022 with two-hundred and eighty-one loans (281) in its portfolio, covering over thirty-four thousand units (34,000) with a total mortgage amount of \$1.7 billion and an insured amount of \$355 million. He shared that REMIC reserves at the end of fiscal year 2022 totaled \$146.5 million.

Mr. Greene stated that REMIC did not pay any claims during fiscal year 2022, but REMIC received reimbursement payments totaling \$20,801 for claims paid in fiscal year 2021 on loans associated with four borrowers approved for mortgage forbearance under an agreement with PENY & Co. LLC which is the agent for NYCERS.

He noted that as of October 31, 2022, REMIC has been fully reimbursed for all claims paid under this agreement, and the term of the agreement has expired.

Subsequent to fiscal year 2022, REMIC paid \$42,543 towards periodic claims for one loan. Mr. Greene further noted that NYC Department of Housing Preservation & Development (HPD) is working with the borrower towards resolving the delinquency.

Mr. Greene stated that there are no REMIC -insured HDC loans currently in forbearance, and REMIC does not expect any additional claims. REMIC and HDC continue to closely monitor this portfolio for signs of distress.

Mr. Greene noted that REMIC continues to perform well, fulfilling its mission to promote the production and rehabilitation of affordable housing in New York City, while also maintaining a stable AA Rating from S&P. Mr. Greene stated that upon approval of the REMIC Annual Report, it will be posted to the HDC Website.

The Chairperson then asked whether the Members had any questions, there being none, the Chair moved on to the next item on the agenda.

The Chairperson then called on Mr. Greene to present the Approval of Authorization for REMIC-SONYMA Risk Share Insurance Agreement.

Mr. Greene noted that the Members are requested to authorize REMIC to enter into a Risk Share Insurance Agreement with the State of New York Mortgage Agency (SONYMA), to provide mortgage insurance coverage for certain first lien permanent mortgage loans made by New York City Housing Development Corporation (HDC) to finance various multifamily rental properties.

Mr. Greene stated that at the request of HDC, REMIC has engaged SONYMA to pursue a risk sharing program to provide mortgage insurance coverage for HDC first lien permanent mortgages that are expected to be larger than the average loan historically insured by REMIC. The maximum loan amount under the proposed program would be the greater of \$75 million, or \$250 thousand per dwelling unit (maximum loan amount). REMIC by comparison, does not have a statutory limit on loan amounts. Mr. Greene stated that as of October 31, 2022, the average original loan amount of all REMIC-insured HDC loans was approximately \$7.8 million, the average original loan amount of the top 10 REMIC -insured HDC loans was approximately \$28.2 million, and the average original loan amounts on commitments for HDC loans was \$17.2 million, the latter two averages being indicative of an upward trend in loan amount for REMIC -insured loans, influenced by rising development costs and shifting housing plan priorities.

Mr. Greene noted that REMIC views this new program as a continuation of its current business, as the product and management of the program as proposed, will primarily follow REMIC's processes. REMIC will perform as administrator and servicer of the mortgage insurance, administering functions that will include, collecting premiums and remitting fifty percent (50%) of the mortgage insurance premium to SONYMA, processing claims, and making determinations regarding remedies.

Mr. Greene reported that the maximum policy coverage percentage would equal up to fifty percent (50%) of each loan, with REMIC and SONYMA each responsible for insuring up to

twenty-five percent (25%) of the original principal balance, and each issuing certificates to HDC evidencing its percentage of coverage. Loans insured under this program will observe REMIC's statutory requirements, having a maximum term of forty (40) years, and underwritten to a 1.05 income to expense ratio, but otherwise, follow HDC's underwriting guidelines.

Mr. Greene stated that the program will be for an initial term of thirty-six (36) months, and thereafter, renew every three years for another thirty-six (36) month period. After the initial term, and only at the end of any calendar year, either party can terminate the program agreement by providing thirty (30) days' notice. If the agreement is terminated, coverage for loans insured under the program would continue per the terms of the agreement.

Mr. Greene noted that the primary risk associated with the program is borrower default. As required by its enabling statute, REMIC covers such risk by maintaining reserves of no less than twenty percent (20%) of insurance in effect plus commitments to insure. REMIC's exposure to loans insured under this agreement will be limited to the twenty-five percent (25%) coverage, for which REMIC will reserve twenty percent (20%) of the insured amount. As of February 28, 2023, REMIC's accounts held \$45.6 million in unrestricted reserves, representing \$227.9 million in potential insured amount or \$1.1 billion in potential mortgage amount. HDC is committed to ensuring that REMIC's reserves are maintained at or above the statutorily required level. Additionally, HDC will perform its usual portfolio surveillance, including periodic financial analysis, and physical inspections of the properties insured under this agreement.

Mr. Greene further noted that subject to approval of this program by the REMIC Board, HDC will be submitting applications for two projects for REMIC-SONYMA Risk Share Insurance with a total approximate principal balance of \$151 million.

Mr. Greene then asked whether the Members had any questions. Mr. Moerdler asked whether New York State Department of Insurance audits or review REMIC's insurance activities. Mr. Eric Enderlin, HDC's President answered that REMIC complies with all statutory requirements but not as part of the State's review and Ms. Susannah Lipsyte, General Counsel concurred. Mr. Moerdler requested any information regarding any previous State Department of Financial Services review of REMIC. Mr. Manning then asked how the two projects submitting REMIC-SONYMA Risk Share Insurance applications with a total principal balance of approximately \$151 million, compared to the individual limit of \$75 million. Mr. Greene said that one of the two loans would be approximately \$75 million, but also explained that the limit is the greater of \$75 million or \$250 thousand per dwelling unit, so relative to the size of the development, the insured loan can be higher than \$75 million.

The Chair asked if there were any questions, and there being none, the Chair called for a motion to approve the Authorization for REMIC-SONYMA Risk Share Insurance Agreement as described in the memo.

Upon a motion duly made by Mr. Moerdler, and seconded by Ms. Pinnock, the Members unanimously:

RESOLVED, the Board voted to approve the Authorization for REMIC-SONYMA Risk Share Insurance Agreement.

The Chairperson then asked if there was any other business. At 10:26 a.m., there being no other business, upon a motion duly made by the Chairperson, and seconded by Mrs. Pinnock, the meeting was adjourned.

Respectfully submitted,



Moira Skeados

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**ATTENDANCE LIST**

Eric Enderlin	New York City Housing Development Corporation
Teresa Gigliello	“ ”
Horace Greene	“ ”
Cathleen Baumann	“ ”
Paul Cackler	“ ”
Ellen Duffy	“ ”
Mary Hom	“ ”
Madhavi Kulkarni	“ ”
Susannah Lipsyte	“ ”
Ruth Moreira	“ ”
Tinru Lin	“ ”
Stephanie Mavronicolas	“ ”
Alex Medina	“ ”
Trisha Ostergaard	“ ”
Mary John	“ ”
Elizabeth Strojan	“ ”
Sonia Medina	“ ”
Kevin Murphy	“ ”
Moira Skeados	“ ”
Lauren Connors	“ ”
Violine Roberty	“ ”