NYC HDC

Eric Enderlin
President

Honorable Zohran K. Mamdani
Mayor
The City of New York
City Hall
New York, New York 10007

Dear Mayor Mamdani:

The New York City Housing Development Corporation (the “Corporation” or “HDC”) is submitting its Annual Investment Report (the “Report”) for the Corporation and its subsidiaries pursuant to Section 2925 of the Public Authorities Law (“PAL”) of New York State. The Report presents the Corporation’s investment record for fiscal year 2025. As required by statute, the report includes:

1. The investment record of the Corporation, which is discussed in this letter
2. The Investment Guidelines as approved by the Audit Committee Members on January 28, 2025, and ratified by the Board Members on April 7, 2025.
3. The results of the annual independent audit (DRAFT)

This report also includes descriptive charts on HDC’s investments and investing environment, and a Counterparty Credit Risk Exposure Summary.

The Corporation

The Corporation was established in 1971 under the provisions of the Private Housing Finance Law of the State of New York (“HDC Act”). It was created primarily to offer low-interest mortgage loans and thereby encourage the investment of private capital in providing safe and sanitary housing for those whose need for housing cannot be provided by unassisted private enterprise.

To accomplish its objectives, the Corporation finances new construction and rehabilitation of multi-family residential housing developments through the issuance of tax-exempt and taxable debt. The Corporation is not authorized to levy taxes and has never received operating assistance from New York City ("City") or New York State ("State"). HDC is authorized to provide construction and/or permanent financing with mortgage loans generally secured by first or second liens on the real estate financed. These loans may also be guaranteed or secured in a variety of ways such as with bank letters of credit, Fannie Mae or Freddie Mac guarantees and mortgage insurance provided by governmental agencies or private insurers.

To assist HDC in fulfilling its mandate, the State Legislature established four subsidiaries of HDC, two of which are currently active and have assets. The Housing Assistance Corporation ("HAC"), established in 1985, and the New York City Residential Mortgage Insurance Corporation ("REMIC"), established in 1993 are currently active. The Housing New York Corporation ("HNYC") was founded in 1986 and the NYC HDC Real Estate Owned Corporation ("REO") was established in 2004 under 654-a of the Act. Both of these subsidiaries are currently inactive.

Investment Guidelines

As an integral part of the internal controls established by the Corporation to safeguard its assets, management has set forth Investment Guidelines (the "Guidelines") which are annually reviewed and approved by the Members of the Corporation. The Corporation's investment options are set by the PAL and the HDC Act, and the Guidelines establish permitted investments within this statutory framework. The current Guidelines were approved by the Audit Committee Members on January 28, 2025, and ratified by the Board Members on April 7, 2025. A copy of which is attached for your review as **Attachment 1**.

The Guidelines require the Corporation and its subsidiaries to seek to diversify their investment holdings and to establish an Investment Committee. The primary goal of the Committee is to safeguard the Corporation's assets and maximize investment yield without undue risk. The Committee generally meets bi-weekly and authorizes purchases and sales of investments in accordance with the HDC Act, the various bond resolutions which govern the programs administered by the Corporation, and contractual obligations with other governmental agencies.

In addition to the Guidelines, HDC's Cash Management Department operates according to written policies and procedures that govern the receipt and disbursement of funds. These policies and procedures work together with the Guidelines to provide a framework for safeguarding the Corporation's investment assets.

Description of Monies Available for Investment

HDC invests funds from a variety of sources. Each time the Corporation issues bonds, the proceeds are invested until needed for mortgage advances, as well as the bond revenue and debt service reserve funds. The Corporation invests in permitted investments including demand deposits, certificates of deposit, repurchase agreements (all fully collateralized by letters of credit from the FHLB, U.S. Treasury or Agency securities), Guaranteed Investment Contracts ("GICs"), NYS/NYC municipal bonds, and direct purchases of U.S. Treasury and Agency obligations.

Most collections are pledged to the payment of bond principal and interest. These mortgage receipts are thus invested to the next debt service date. The applicable bond resolutions of the Corporation's housing programs, and the Investment Guidelines determine the types of securities that may be purchased with these monies.

HDC maintains substantial reserve funds as required by each program. Many HDC programs require the ability to liquidate securities at the original reserve amount at any time, regardless of market conditions. HDC enters into GICs for these restricted reserves, deposits funds in collateralized demand deposit accounts, or purchases U.S. Treasury or Agency obligations with maturity dates that target a one to six-year average life to provide this liquidity feature.

The Corporation also administers several types of escrow funds that are accumulated to pay certain expenses of the housing developments to protect the Corporation's mortgage liens. They include escrows for hazard insurance, real estate taxes, mortgage insurance premiums, water and sewer charges and working capital. These funds are generally outside the lien of the bond resolutions and are either held by the applicable trustee or a depository. They are invested on a short-term basis to coincide with the dates when the applicable payments must be made and are invested in U.S. Treasury or Agency obligations, collateralized demand deposit accounts, or repurchase agreements collateralized by U.S. Treasury or Agency securities.

A portion of the Corporation's mortgage portfolio is insured by the Federal Housing Administration ("FHA"), which requires developers to maintain a Reserve-for-Replacement Fund. These funds are invested in US Treasury bills and collateralized demand deposit accounts.

The Corporation is committed to assisting the City in implementing its affordable housing and community development strategy. Since 2003, unrestricted corporate funds in the amount of $4.17 billion have been allocated for this purpose and are being used to provide 1% or low-interest loans. HDC also serves as a fee-based loan servicer for various City Department of Housing Preservation and Development ("HPD") housing loan programs. As such, the

Corporation invests HPD loan funds that have not yet been advanced to the borrowers as well as project reserves. These funds are invested in short term repurchase agreements, collateralized demand deposits, or U.S. Treasury and Agency securities.

The Corporation has established the Corporate Services Fund as its operating fund. The cash and investments held in this fund are principally allocated to funding affordable housing programs and providing dedicated reserves to support the Corporation's "AA" rating. The HDC Act and the Guidelines determine the types of securities which may be purchased by this fund.

The Corporation administers the investments of its two active subsidiaries, HAC and REMIC. In July 2003 HAC approved the funding of a rental subsidy program for eligible tenants of the Ruppert /Yorkville ("RY Subsidy Program") development, which was leaving the Mitchell-Lama program. The RY Subsidy Program had been funded by loans from HDC to HAC, by HAC revenues, and by a pre-payment from two of the HAC mortgages. In October 2017, in order to continue to fund the RY Subsidy Program and repay HDC, the HAC Members authorized the sale of its remaining five loans with an aggregate outstanding balance of approximately $32 million to HDC. HDC securitized these loans raising $23.8 million for HAC. The loan sale proceeds were used to repay HDC its outstanding $9.05 million loan to HAC. The remaining sale proceeds, together with earnings on the proceeds, were used to provide funds for the RY Subsidy Program. In July 2024, the proceeds that were used to fund the RY Subsidy program were depleted. HDC's Board Members approved monthly fund transfers from the Corporation to HAC for an amount not to exceed $3,400,000 in total to cover the shortfall of payments required through December 2025.

As of October 31, 2025, $2.56 million has been transferred from the Corporation to HAC. As of October 31, 2025, there are no funds invested for the benefit of HAC since the Corporation is funding the RY Subsidy monthly on an as needed basis. At the Corporation's November 19, 2025, Board meeting, the Members approved a not to exceed amount of $2,200,00 of monthly transfers from the Corporation to HAC to cover payments expected through December 2026. HDC staff continues to work with the City of New York to determine other potential resources to support the RY Subsidy Program in the intervening period.

REMIC insures mortgages and underwrites to a zero-loss standard. Therefore, liquidity is not a major concern and REMIC funds are invested in securities expected to be held to maturity. The portfolio as of October 31, 2025, consisted of fully collateralized demand deposits, repurchase agreements, municipal bonds, and US Treasury and Agency securities. Some earnings may be invested short term for a few months to accumulate or to aggregate with expected investment rollovers.

See Note 3 "Investment and Deposits" of the FY 2025 financial statements for further details.

Investment Results

Realized earnings on investments totaled $205.13 million in fiscal year 2025, an increase of $44.15 million from fiscal year 2024, due mainly to relatively steady reinvestment rates and a greater amount of investment proceeds. The current yield curve environment and changing market conditions are factors to consider in the Corporation's ongoing investment strategy.

Because of the Corporation's commitments, the majority of investments must be held for the short term, which provides sufficient liquidity for the Corporation. **Chart A** summarizes HDC's investment earnings since FY 2021. **Charts B and C** in this report illustrate the level of short-term investment rates which had slightly declined during FY 2025. In response to the current interest rate environment, the Corporation continued to invest primarily in collateralized demand deposits, certificates of deposit, guaranteed investment contracts, and direct purchases of U.S. Treasury and Agency obligations to optimize yield. **Charts D and E** provide a breakdown of the pools of funds invested and the type of investments.

As required by GASB No. 31 the Corporation has recorded a fair value adjustment in its investment portfolio. The Corporation recorded a net appreciation of $93.23 million for fiscal year 2025. As part of the Corporation's investment policies, it looks to invest its bond and corporate related reserves in securities with the intent to hold the investment to maturity. As a result, any unrealized appreciation or depreciation is only reported as an accounting gain or loss at this time.

HDC funds under management increased approximately 22.33% from fiscal year-end 2024 to fiscal year-end 2025, from $5.5 billion to $6.70 billion. The Corporation had an 15.42% increase in net position over the last year due to an improved fair value adjustment in its investment portfolio as described above.

While consolidated investment income was $205.13 million, it is important to note that interest income accrues to the benefit of the bond issue or corporate fund from which it is derived. Earnings on bond proceeds are applied to pay interest expense on the related bonds. In fiscal year 2025, $141.80 million or 69.13% of the consolidated investment income was attributable to bond programs and therefore was not available to the Corporation. An additional $6.58 million was earned by and retained within REMIC and HAC. The remaining $56.75 million of earnings is pledged to ongoing affordable housing programs of the Corporation.

Fees and Charges Paid

HDC manages its funds internally through the Cash Management Division. HDC has not incurred nor paid any fees, commissions or other charges for investment services.

Internal Controls

Principal guidance of the Corporation's investments is provided by the Investment Guidelines and Investment Committee, as described above, and daily activities are carried out in accordance with written policies and procedures. In addition, there are multiple forms of oversight and review of the Corporation's investment practices:

- HDC's Credit Risk Unit reviews the Corporation's investment portfolio on a regular basis and includes investments in its monthly Corporate Counterparty Risk Report. This report is presented to HDC's executive staff monthly and to the Audit Committee of the HDC Board at each meeting. A summary chart is included in this report as **Attachment 2**.

- An Investment Report is also presented at each Audit Committee meeting. This report details investments by type and pool and provides details on any significant developments.

- HDC's Internal Audit unit conducts a periodic audit of the Cash Management Division, including a review of its compliance with written policies and procedures. Findings are reported to the Audit Committee.

- HDC's external auditors, Ernst & Young LLP, conduct an annual examination of the Corporation's financial statements. The firm's annual audit included a review of the Corporation's investment practices, confirmation of outstanding investments, and determination of the market value of securities held by HDC. The Ernst & Young Report on Compliance with Investment Guidelines and Report on 2025 Financial Statements are both attached in DRAFT form.

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Eric Enderlin
President

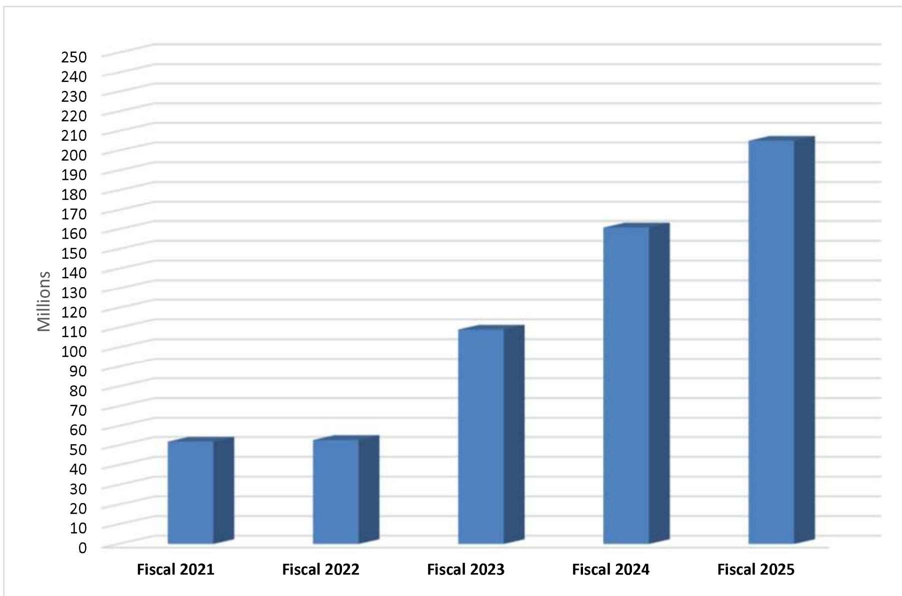
cc: Honorable Mark Levine
Honorable Thomas P. DiNapoli

New York City Housing Development Corporation And Subsidiaries

Summary of Investment Earnings

Fiscal Years 2021-2025

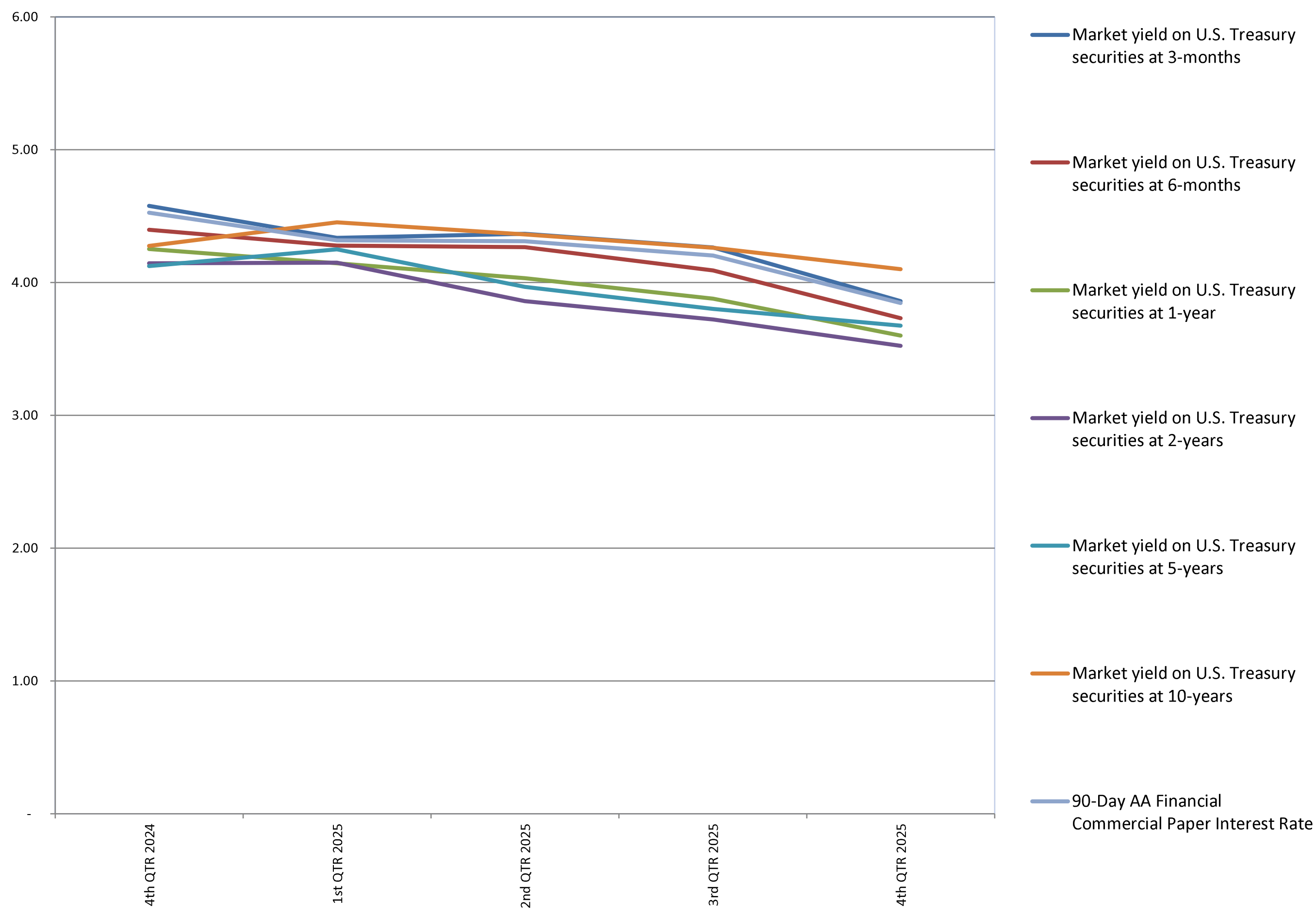
Fiscal Year	Amount in Millions
2021	51.9
2022	52.7
2023	109.1
2024	160.9
2025	205.1



Note: Investment earnings do not include any Fair Market Value adjustment.

Sample Average Interest Rates for Fourth Quarter 2024 through Fourth Quarter 2025

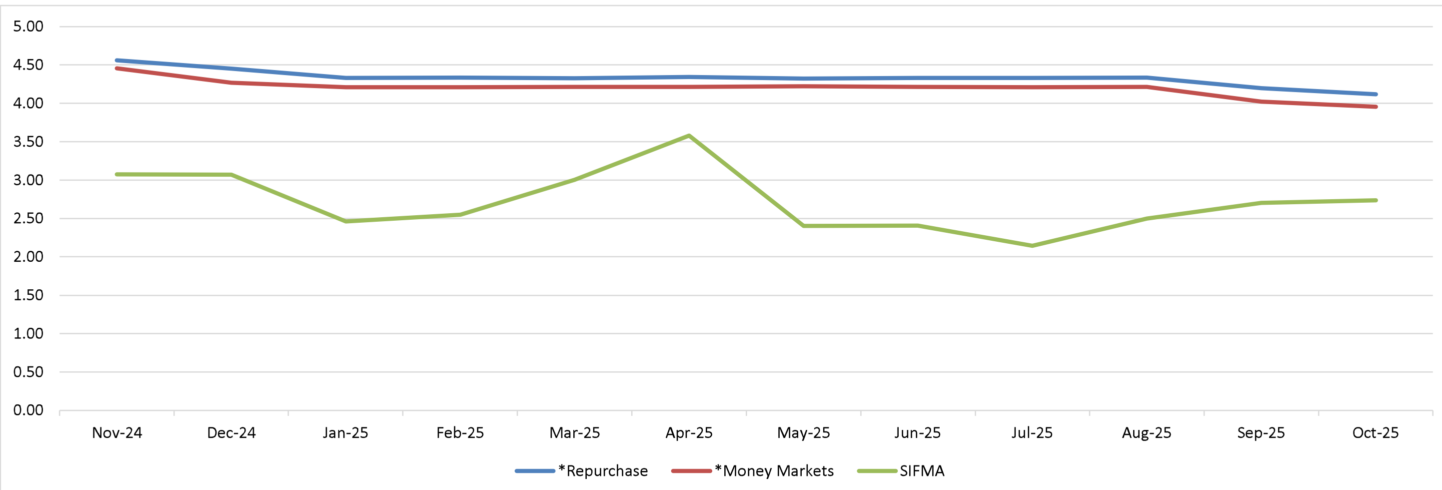
Descriptions:	4th QTR 2024	1st QTR 2025	2nd QTR 2025	3rd QTR 2025	4th QTR 2025
Market yield on U.S. Treasury securities at 3-months	4.58	4.34	4.37	4.26	3.86
Market yield on U.S. Treasury securities at 6-months	4.40	4.28	4.27	4.09	3.73
Market yield on U.S. Treasury securities at 1-year	4.25	4.15	4.03	3.88	3.60
Market yield on U.S. Treasury securities at 2-years	4.15	4.15	3.86	3.72	3.52
Market yield on U.S. Treasury securities at 5-years	4.12	4.25	3.97	3.80	3.67
Market yield on U.S. Treasury securities at 10-years	4.28	4.45	4.36	4.26	4.10
90-Day AA Financial Commercial Paper Interest Rate	4.53	4.32	4.31	4.20	3.85



NYCHDC Average Interest Rates from Fiscal First Quarter 2024 through Fiscal Fourth Quarter 2025

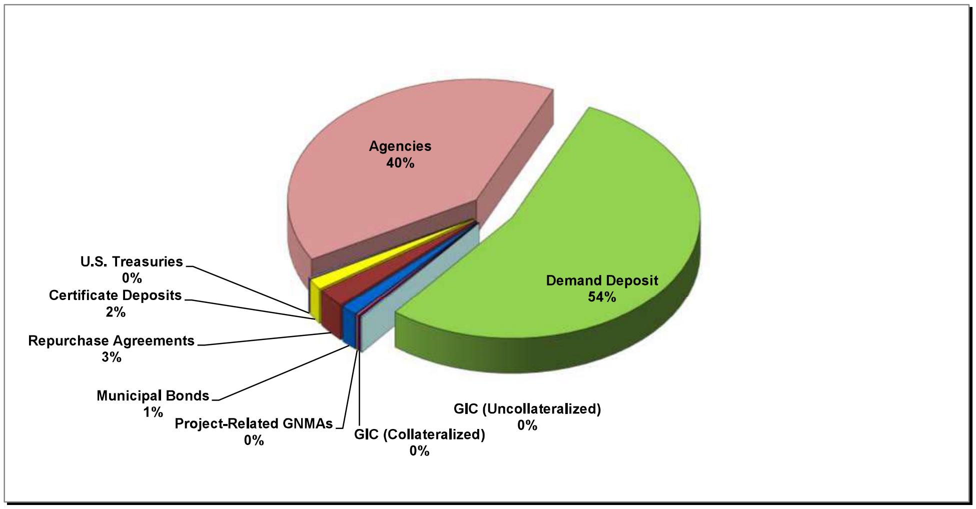
Month/Year	*Repurchase	*Money Markets	SIFMA
Nov-24	4.56	4.46	3.08
Dec-24	4.45	4.27	3.07
Jan-25	4.33	4.21	2.46
Feb-25	4.34	4.21	2.55
Mar-25	4.33	4.22	3.01
Apr-25	4.34	4.22	3.58
May-25	4.32	4.22	2.41
Jun-25	4.33	4.21	2.41
Jul-25	4.33	4.21	2.15
Aug-25	4.34	4.21	2.50
Sep-25	4.20	4.02	2.71
Oct-25	4.12	3.96	2.74

* Weighted Average



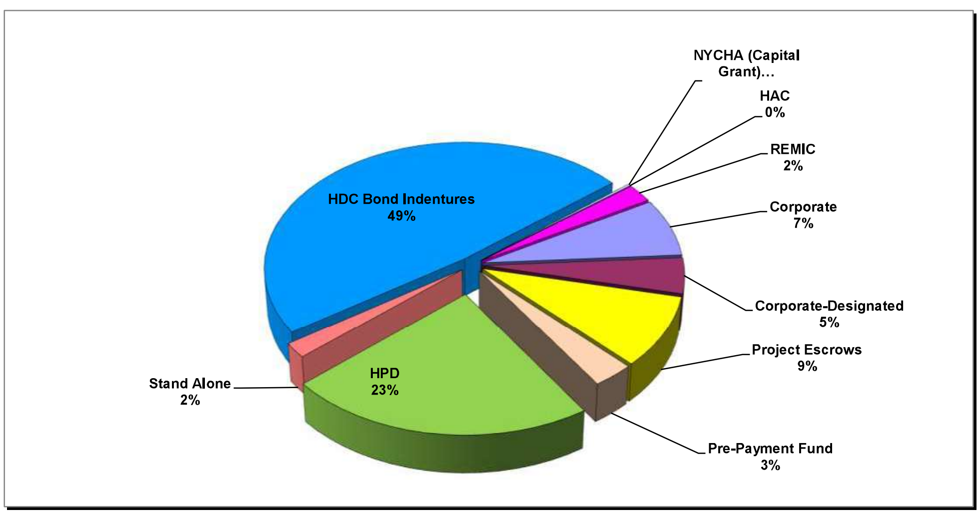
NYCHDC Outstanding Investments at Par by Type as of 10/31/2025

U.S. Treasuries	14,869,000.00	0.18%
Agencies	3,294,651,390.99	39.84%
Demand Deposit	4,462,178,591.71	53.96%
GIC (Uncollateralized)	11,337,569.65	0.14%
GIC (Collateralized)	18,884,723.00	0.23%
Project-Related GNMAs	15,526,019.06	0.19%
Municipal Bonds	120,080,000.00	1.45%
Repurchase Agreements	209,730,000.00	2.54%
Certificate Deposits	121,500,000.00	1.47%
	8,268,757,294.41	100.00%



NYCHDC Outstanding Investments at Par by Pool as of 10/31/2025

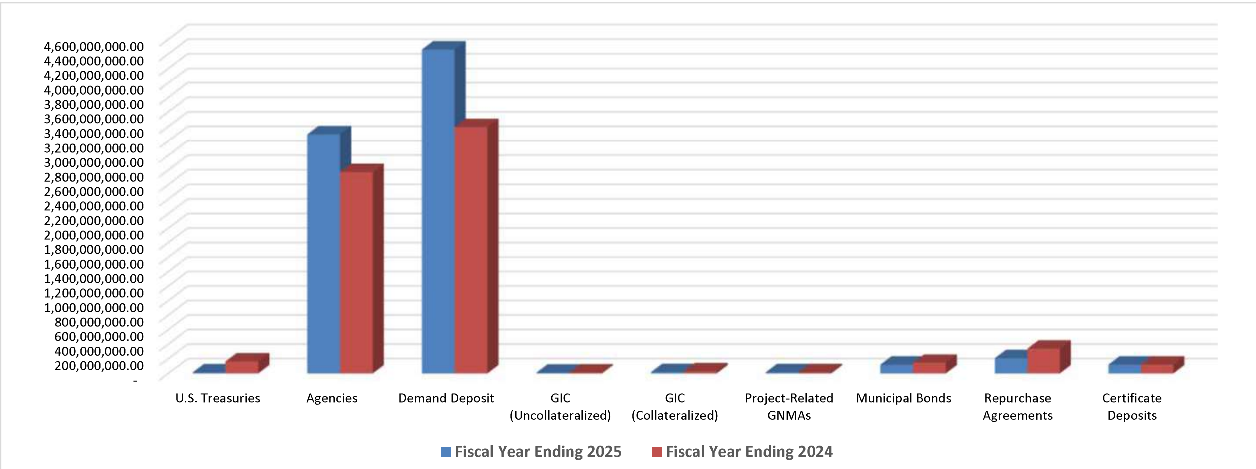
Corporate	606,553,495.83	7.34%
Corporate-Designated	374,230,089.25	4.53%
Project Escrows	754,617,656.52	9.13%
Pre-Payment Fund	257,873,804.82	3.12%
HPD	1,888,507,162.14	22.84%
Stand Alone	156,840,784.23	1.90%
HDC Bond Indentures	4,015,956,477.72	48.57%
NYCHA (Capital Grant)	21,271,823.00	0.26%
HAC	-	0.00%
REMIC	192,906,000.90	2.33%
	8,268,757,294.41	100.00%



Note: Figures are not inclusive of Fair Market Value.

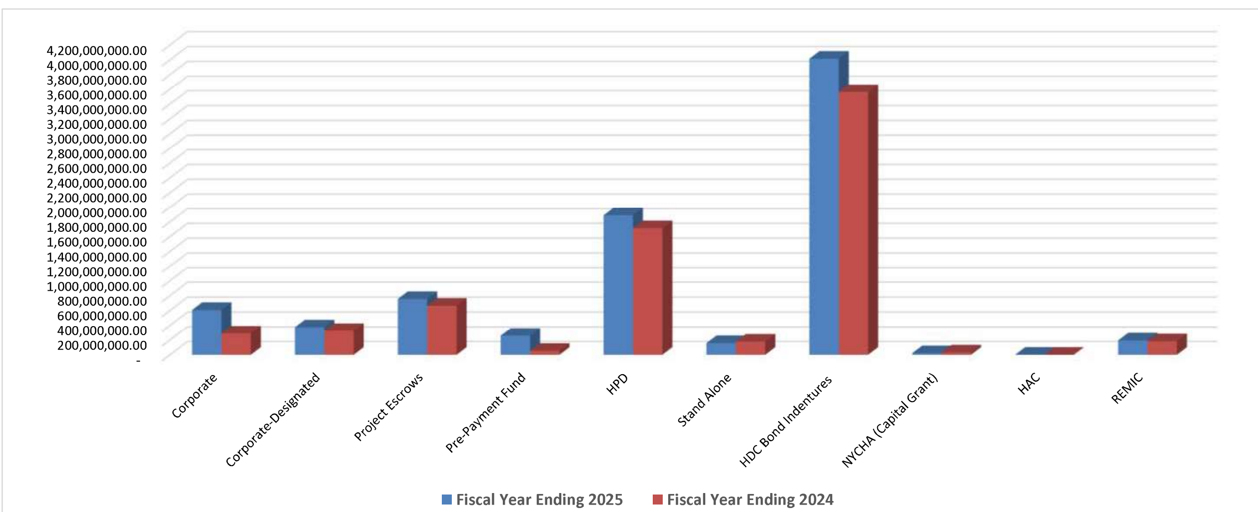
NYCHDC Outstanding Investments at Par by Type
as of Year End 2025 with Comparison to Fiscal Year End 2024

	Fiscal Year Ending 2025	Fiscal Year Ending 2024
U.S. Treasuries	14,869,000.00	164,472,000.00
Agencies	3,294,651,390.99	2,772,226,949.20
Demand Deposit	4,462,178,591.71	3,394,646,631.08
GIC (Uncollateralized)	11,337,569.65	13,102,451.03
GIC (Collateralized)	18,884,723.00	29,048,497.70
Project-Related GNMAs	15,526,019.06	16,048,896.78
Municipal Bonds	120,080,000.00	146,460,000.00
Repurchase Agreements	209,730,000.00	340,200,000.00
Certificate Deposits	121,500,000.00	121,500,000.00
	8,268,757,294.41	6,997,705,425.79



NYCHDC Outstanding Investments at Par by Pool
as of Year End 2025 with Comparison to Fiscal Year End 2024

	Fiscal Year Ending 2025	Fiscal Year Ending 2024
Corporate	606,553,495.83	290,243,290.04
Corporate-Designated	374,230,089.25	324,940,430.87
Project Escrows	754,617,656.52	663,456,714.82
Pre-Payment Fund	257,873,804.82	52,557,623.48
HPD	1,888,507,162.14	1,713,870,702.77
Stand Alone	156,840,784.23	176,913,951.43
HDC Bond Indentures	4,015,956,477.72	3,564,013,335.05
NYCHA (Capital Grant)	21,271,823.00	30,694,897.70
HAC	-	-
REMIC	192,906,000.90	181,014,479.63
	8,268,757,294.41	6,997,705,425.79



Note: Figures are not inclusive of Fair Market Value.

Attachment 1

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION INVESTMENT GUIDELINES

Originally Adopted August 14, 1984
Approved: January 28, 2025
Ratified: April 7, 2025

I. Purpose

These “Investment Guidelines” (also referred to as the “Guidelines”) are adopted pursuant to Section 2925 of the Public Authorities Law and, after adoption by the Members, shall be annually reviewed and approved by the Corporation. These Investment Guidelines shall be effective with respect to all investments entered into by the Corporation after the date of their adoption.

II. Investment Committee

Investments of the Corporation shall be made and monitored by the Corporation’s Investment Committee (the “Committee”) under the chairmanship of the Executive Vice President for Capital Markets and Investments. In the absence of the Executive Vice President for Capital Markets and Investments, the Executive Vice President and Chief Financial Officer shall chair the Committee. The Committee’s members shall also include the EVP & Chief Financial Officer, the SVP and Controller, the Managing Director for Cash Management, the Vice President(s) for Cash Management, and the Assistant Vice President for Cash Management. No person shall serve on the Committee who has not completed college level or higher courses in finance or two or more years of professional experience in investment activities. The Managing Director of Cash Management shall be responsible for daily supervision of investment activities.

The Committee shall meet on a regular basis to determine funds available for investment and the appropriate Investment Instruments (as hereinafter defined) for those funds based on market conditions, length of time the funds are available for investment purposes, investment restrictions imposed by related bond or note resolutions, and the diversification of the Corporation’s investment portfolio. Any funds derived from the issuance of bonds will be invested pursuant to the related bond resolution, as approved by the Members. In addition, the Committee shall determine the Corporation’s periodic need for funds, based on anticipated construction advances, dates of debt service payments on the Corporation’s obligations, and other financial requirements.

III. Approved Investment Instruments

1. Any bonds, debentures, notes, participation certificates or other similar obligations under consideration for investment will be rated in one of the two highest rating categories of a nationally recognized rating service. Subject to the provisions of any bond or note resolution, the Committee may use only the following Investment Instruments to invest the funds of the Corporation or funds held by the Corporation:

A. direct obligations of or obligations guaranteed by the United States.

B. bonds, debentures, notes, participation certificates or other similar obligations issued by any one or combination of any of the following:

Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Farm Credit System Banks Consolidated Obligations, Banks for Cooperatives, Tennessee Valley Authority, Washington Metropolitan Area Transportation Authority, United States Postal Service, Farmers' Home Administration and Export-Import Bank of the United States.

C. bonds, debentures, notes, participation certificates or other similar obligations issued by any federal agency and backed by the full-faith and credit of the United States.

D. any other obligations of the United States or any federal agencies which may be purchased by New York State Savings Banks.

E. participation certificates of the Federal Home Loan Mortgage Corporation and mortgage-backed securities of the Federal National Mortgage Association rated in the highest rating category of a nationally recognized rating service.

F. short-term corporate obligations, known as Commercial Paper, with a maturity of up to ninety days which are issued by corporations that are deemed by a nationally recognized rating service to be in the highest short-term rating category of such rating service.
Concentration limits: not to exceed 60% of portfolio, or $50 million with any one issuer.

G. deposits in interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements (i) secured by any of the obligations described in A through D above, or (ii) fully insured by the Federal Deposit Insurance Corporation, or (iii) made with banking institutions, or their parents which either (a) have unsecured debt rated in one of the two highest rating categories of

a nationally recognized rating service or (b) are deemed by a nationally recognized rating service to be an institution rated in one of the two highest rating categories of such rating service.
Concentration limits: not to exceed 60% of portfolio

H. obligations of the City and State of New York.

I. obligations of the New York City Municipal Water Finance Authority.

J. obligations, the principal and interest of which, are guaranteed by the City or State of New York.

K. obligations in which the Comptroller of the State of New York is authorized to invest in as specified in section ninety-eight of the State Finance Law.

2. Except for Investment Instruments in book-entry form, Investment Instruments above shall be physically delivered for retention by the Corporation or its agent. Any agent or custodian for the Corporation shall maintain such Investment Instruments in a segregated account and shall provide such confirmations of Investment Instruments and other information as may be required by the Corporation in order to supervise the Investment Instruments. In the case of book-entry Investment Instruments, the Corporation shall take such actions as may be necessary to obtain title or a perfected security interest in such Investment Instruments.

3. Repurchase Agreements

The Corporation may enter into repurchase agreements for the Investment Instruments described in Secs. III 1. A to D above, pursuant to the delivery requirements of Sec. III 2. The Investment Instruments shall be held by an agent of the Corporation, such agent shall not be an agent, with respect to the repurchase transaction, of the party with whom the Corporation has entered into the repurchase agreement and the agent shall not assert any claims against the Investment Instruments, based on claims it may have against said party.
Concentration limits: not to exceed 50% of portfolio.

A. Short Term Fixed Repurchase Agreements

All Short Term Fixed Repurchase Agreements (those repurchase agreements which do not exceed thirty-four days and require repurchase on a predetermined date) must be made with a financial institution meeting the qualifications of Sec. V.A. (iii) hereof. To the maximum extent possible, consistent with market practice, such Short Term Fixed Repurchase Agreements shall be pursuant to a written master agreement and, in the event no written agreement is feasible, shall be made, monitored and secured in a manner sufficient to protect the Corporation's interests.

The terms of such Short Term Fixed Repurchase Agreement must permit the Corporation to sell Investment Instruments if the other party to such agreement shall fail to promptly repurchase the Investment Instrument on the day required by the repurchase agreement. To assure such repurchase, the agreement shall require that there be maintained on an ongoing basis in such account Investment Instruments having a market value at least equal to 101% of the moneys held under overnight repurchase agreements and 102% of the moneys held under longer term repurchase agreements, which will be marked to market daily by the Corporation. At the option of the Corporation, repurchase agreements with the same party may be combined for the purpose of valuating the Investment Instruments to market.

B. Long Term Repurchase Agreements

All funds invested for more than thirty-four days through flexible or fixed repurchase agreements ("Long Term Repurchase Agreements") shall be pursuant to written agreements incorporating the provisions required above except that the Investment Instruments held shall be marked to market according to the negotiated terms of each agreement but in no event less than monthly. In addition, any institution or its parent with whom the Corporation enters into a Long Term Repurchase Agreement and which (a) does not have unsecured debt rated in one of the three highest rating categories of a nationally recognized rating service or (b) is not deemed by a nationally recognized rating service to be an institution rated in one of the three highest rating categories of such rating service, shall be required to provide Investment Instruments with a market value at least equal to 103% of the moneys held under the repurchase agreement, which Investment Instruments will be marked to market at least weekly. Additional Investment Instruments must be provided when the market value falls below 103% of money held under these Long Term Repurchase Agreements.

IV. <u>Diversification</u>

The Committee, in making its investment decisions based on these guidelines, shall seek to diversify both its investment holdings and the parties with whom it deals in making investment decisions.

Subject to the provisions of these Guidelines, the limitations set on the total percentage of the portfolio invested with any one party may be lower than the maximums permitted under the Guidelines and will be based on the financial review indicated in section V. C (below), with a maximum determined by the Committee under advisement from the Corporation's Credit Risk department.

The Corporation shall seek at least three bids, whenever feasible, in selecting offers for repurchase agreements, government securities or certificates of deposit. In awarding investment contracts, diversification of forms of Investment Instruments and trading partners shall be a major consideration.

V. **Qualifications**

A. Pursuant to the limitations established in the Investment Guidelines, the Corporation shall enter into investment transactions only with the following entities:

(i) Any member bank of the Federal Reserve System;

(ii) Any bank or trust company organized under the laws of any state or any national banking association;

(iii) any government bond dealer currently listed on the List of the Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York, or other substantial financial institution which itself or its parent either (a) has unsecured debt rated in one of the three highest rating categories of a nationally recognized rating service or (b) is deemed by a nationally recognized rating service to be an institution rated in one of the three highest rating categories of such rating service;

(iv) with regard to the purchasing and/or sale of government and municipal securities, other than repurchase agreements, any dealer that provides for simultaneous security transactions and payments.

B. Any agent or custodian of Investment Instruments for the Corporation must be a bank or trust company organized under the laws of any state or a national banking association. Any custodian of Investment Instruments for the Corporation will be rated in an investment grade category of a nationally recognized rating service.

C. The Credit Risk Department of the Corporation shall review the financial statements, level of capitalization, ratio of repurchase transactions to capitalization (for parties to repurchase agreements), its rating, and financial situation of any new bank, broker, securities dealer, investment advisor or agent and shall review such party's financial status periodically thereafter.

VI. Reporting

The Committee shall prepare a quarterly report for the Members on the investment activities of the Corporation and in addition shall prepare an annual report which shall include these Investment Guidelines, any amendments, an explanation of the guidelines and amendments, the results of the annual independent audit, the investment income record of the Corporation and a list of fees paid for investment services. This annual report, which may incorporate parts of the Corporation's annual report, shall be submitted to the Mayor, the Comptroller of the City of New York and the New York State Department of Audit and Control, and shall be available to the public upon reasonable request.

Attachment 2

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

Investment Summary as of October 31, 2025

(UNAUDITED)

Investment Securities & Repo-By Rating:

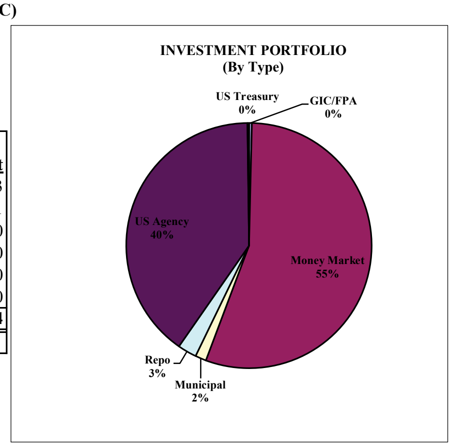
Counterparty	Type	Amount	NRSRO Rating-October 31, 2025: AAA	AA	A	BBB*	BB or NR*
Bank OZK (FHLB MULOC)*	MM	$499,989,199			$499,989,199		
Bayerische Landesbank	GIC	$6,615,492		$6,615,492			
Citibank NA	FPA	$18,884,723			$18,884,723		
Citizens Bank (FHLB MULOC)*	MM	$495,798,235			$495,798,235		
Customers Bank (FHLB MULOC)*	MM	$398,240,285					$398,240,285
Daiwa Securities (TSY/AGCY)*	REPO	$148,241,000			$148,241,000		
Dime Community Bank (FHLB MULOC)*	MM	$498,755,102					$498,755,102
Dormitory Authority of the State of NY	MUNI	$21,440,000		$21,440,000			
East West Bank (FHLB MULOC)*	MM	$399,882,570				$399,882,570	
Flagstar Bank (FHLB MULOC)*	MM	$499,317,479					$499,317,479
Flushing Bank (FHLB MULOC)*	MM	$161,922,856					$161,922,856
Hanover Bank (FHLB MULOC)*	MM	$169,058,305					$169,058,305
Metropolitan Commercial Bank	MM	$279,721,952					$279,721,952
NYC GO	MUNI	$29,910,000		$29,910,000			
NYC TFA	MUNI	$38,590,000		$38,590,000			
NYS GO	MUNI	$8,485,000		$8,485,000			
NYS HFA	MUNI	$1,655,000		$1,655,000			
NYS Urban Development Corp	MUNI	$20,000,000		$20,000,000			
PNC Bank	MM	$360,428,981			$360,428,981		
Promontory (FDIC-insured)	MM	$198,791,851					$198,791,851
Societe Generale	GIC	$866,211			$866,211		
TD Bank	GIC	$3,855,867			$3,855,867		
TD Securities	REPO	$34,470,000			$34,470,000		
US Agency	US Agency	$3,322,257,410		$3,322,257,410			
US Bank NA	REPO	$27,019,000			$27,019,000		
US Treasury	US Treasury	$16,317,000		$16,317,000			
Valley National Bank	MM	$125,000,000				$125,000,000	
Webster Bank (FHLB MULOC)*	MM	$496,771,776				$496,771,776	
		$8,282,285,294	**$0**	**$3,465,269,902**	**$1,589,553,216**	**$1,021,654,346**	**$2,205,807,830**
% of Total		***100.00%***	***0.00%***	***41.84%***	***19.19%***	***12.34%***	***26.63%***

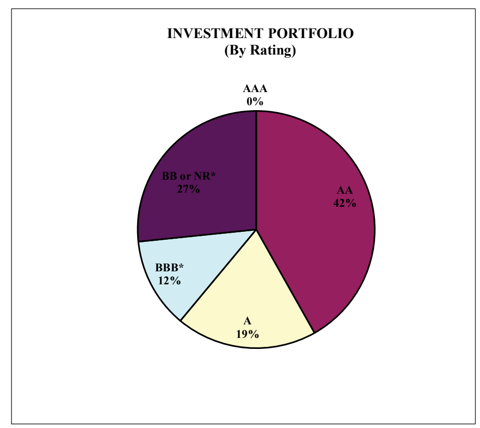
***Fully-collateralized by US Treasury/Agency securities and/or FHLB municipal letters-of-credit (MULOC)**

Weighted Average Maturity (Years):	**1.44**

Investment Portfolio-By Type of Investment:

	% Total	Amount
GIC/FPA	0.36%	$30,222,293
Money Market	55.34%	$4,583,678,591
Municipal	1.45%	$120,080,000
Repo	2.53%	$209,730,000
US Agency	40.11%	$3,322,257,410
US Treasury	0.20%	$16,317,000
Total	**100.00%**	**$8,282,285,294**





Ernst & Young

Investment Compliance Report

Independent Accountant's Report

To Management and Members of the Board
New York City Housing Development Corporation

We have examined the New York City Housing Development Corporation's (the "Corporation") compliance with Section 201.3 of Title Two of *the Official Compilation of Codes, Rule, and Regulations of the State of New York* during the year ended October 31, 2025. Management is responsible for the Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA") and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, as applicable for examination engagements set forth in the Preface: Applicable to All Members and Part 1 – Members in Public Practice of the Code of Professional Conduct established by the AICPA.

Our examination does not provide a legal determination on the Corporation's compliance with the specified requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements of Section 201.3 of Title Two of *the Official Compilation of Codes, Rule, and Regulations of the State of New York* during the period November 1, 2024 through October 31, 2025.

This report is intended solely for the information and use of the Corporation to assess the Corporation's compliance with the requirements of Section 201.3 of Title Two of *the Official Compilation of Codes, Rule, and Regulations of the State of New York* and is not intended to be and should not be used by anyone other than these specified parties.

January 29, 2026

Audited Financial Statements
To Be Approved