

***MINUTES OF THE MEETING OF
THE NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
AUDIT COMMITTEE***

March 27, 2026

A meeting of the Members of the Audit Committee of the New York City Housing Development Corporation (the “Corporation”) was held at the Corporation’s office at 120 Broadway on Friday, March 27, 2026.

The meeting was called to order at 10:30 a.m. by Ms. Denise Scott, Board Member, who noted the presence of a quorum. She and Mr. Marc Norman, Board Member, were present. Ms. Scott called for approval of the minutes from the October 20, 2025 meeting. The minutes were approved.

Ms. Scott then turned to Ms. Cathy Baumann, Executive Vice President and Chief Financial Officer, to provide an overview of the agenda. Ms. Baumann then provided an overview of the agenda.

Ms. Scott then turned to Mr. Cheuk Yu, Vice President and Controller, to present the Corporation’s Fiscal Year (“FY”) 2026 First Quarter Financial Report. Mr. Yu noted that the first quarter of the fiscal year 2026 financials covers the period November 1, 2025, through January 31, 2026. At the end of the first quarter, Mr. Yu stated that the net income was \$188.1 million, compared to \$149 million in the same period last fiscal year. The \$39 million increase was mainly due to an increase in interest on loans and higher unrealized investment appreciation this period compared to the same period last year.

Mr. Yu reported that operating revenues for this period were \$298.5 million, compared to \$239.5 million in the same period last year. Interest income on mortgage loans, the largest component of operating revenues, totaled \$267 million, an increase of \$48 million or 21.9% from a year ago. Operating expenses were \$22 million, an increase of \$4.3 million, mostly related to the \$2.1 million increase in salaries and related expenses. Non-operating expenses increased by \$15.7 million to \$88.4 million from \$72.7 million last year, mainly due to a \$27 million increase in bond interest expenses, which reached \$149.8 million. This was partially offset by a \$12.7 million increase in unrealized investment appreciation, totaling \$14.4 million. The realized investment gains increased to \$54.6 million or a 16.3% increase from the same period last year.

Total assets were \$35.8 billion, an increase of \$2.8 billion or 8.4% from fiscal year end 2025. The increase was primarily due to growth of the Corporation’s mortgage portfolio. The mortgage portfolio, net of conduit loans, increased by a net of \$1.1 billion to \$26.5 billion, accounting for approximately 73.9% of total assets.

Mr. Yu noted that total liabilities were \$29.8 billion, a net increase of \$2.6 billion or 9.5% from fiscal year end 2025. Bonds and debt obligations excluding conduit debt increased by a net of \$1.2 billion. New issuances were at \$1.8 billion, while principal repayments totaled \$593.6 million. Payable to the City of New York increased by \$1.1 billion primarily due to the receipt of grant funds to make mortgage loans on behalf of HPD under Section 661 of

the Private Housing Finance Law. Mr. Yu concluded that net position at the end of the first quarter was \$5.8 billion, an increase of \$188.1 million from fiscal year end 2025.

Ms. Scott called on Ms. Ellen Duffy, Executive Vice President of Capital Markets and Investments, to present the Corporation's Debt Report. Ms. Duffy stated that the Corporation's Debt Report is as of February 28, 2026. The last report presented to the Audit Committee was as of September 30, 2025. Ms. Duffy noted that during this time, the Corporation issued a total of \$1.8 billion in bonds broken down as eight series of Open Resolution bonds totaling \$1.55 billion and three series of Impact Resolution bonds were issued in the amount of \$266.2 million. The Corporation redeemed \$651.7 million of bonds in six series of Open Resolution bonds. The Corporation's debt outstanding as of February 28, 2026, is approximately \$19 billion. The Corporation's statutory debt ceiling is \$20 billion.

Mr. Norman posed a question if the Corporation's statutory debt ceiling has historically been this close to capacity. Ms. Duffy confirmed that the Corporation has been close in the past, but HDC redeemed bonds as well. Ms. Duffy noted that, while \$1.8 billion in bonds had been issued over this period, \$651 million had been redeemed. HDC still plans to ask the State to sign off on a \$2 billion debt cap increase. Mr. Norman asked if there would be any issues with increasing the Corporation's statutory debt ceiling. Ms. Duffy responded that they haven't had any issues in the past, but are continuing to monitor the situation closely. Ms. Duffy added that, based on projections for the year, HDC will face a shortfall by the fall season if the debt increase is not approved. Mr. Eric Enderlin, President, noted that this was expected given the increase in demands on the Corporation as it takes on a new housing plan and increased NYCHA work. Ms. Duffy added that the financing for the Preservation Trust will not count against the debt capacity ceiling because 501(c)3 bonds were excluded in the legislation.

Ms. Scott again turned to Ms. Duffy to present the Corporation's Investment Report. Ms. Duffy stated that the Corporation's Investment Report is as of March 16, 2026. Funds under management totaled approximately \$9.96 billion. This report reflects routine investment activity.

At 10:49 a.m., Mr. Harry E. Gould, Board Member, attended virtually pursuant to Open Meetings Law.

Ms. Duffy added that the Bond Reserve was revised and approved by the Audit Committee on November 30, 2021, and is required to be reviewed annually. After debt service on the Open Resolution was paid on November 1, 2025, and certain redemptions made, the amount of long-term bonds outstanding in the Open Resolution was approximately \$10.21 billion. The amount of long-term bonds outstanding in the Housing Impact Bond resolution was approximately \$1.92 billion. Based on this total balance of \$12.13 billion, a 1.50% Reserve would equal \$182 million, and a 2% Reserve would equal \$242.7 million. During fiscal year 2025, the Reserve was funded at \$200 million. Ms. Duffy noted that due to the higher amount of bonds outstanding, the strong, diversified cash flow in the Open Resolution, and the \$64 million of guaranty and working capital reserves currently cash funded, HDC Staff recommends that the Reserve should be increased from \$200 million to \$220 million for FY 2026.

Ms. Scott then called on Ms. Mary Hom, Chief Risk Officer, for the Corporation's Counterparty Credit Risk Exposure Report. Ms. Hom noted that the report is dated February 28, 2026. The previous report to the Audit Committee was dated September 30, 2025. There were no new approved counterparties, and there were no credit rating agency actions of note.

Ms. Hom stated that HDC's counterparty exposure remains diversified with the largest exposures being with FHLMC, FNMA, and Wells Fargo. The Wells Fargo exposure is primarily in the form of construction letters-of-credit covering 14 projects and seven interest rate hedges. Investments rated double-A or higher were 43% of total investments, unchanged since the last report. Investments rated triple-B and lower or not rated were 37% of total investments, versus 39% at the last report. All investments rated triple-B and lower or not rated are fully collateralized by Federal Home Loan Bank MULOLOC and/or U.S. Treasury/Agency securities. The weighted average maturity of the investment portfolio was 1.5 years, unchanged since the last report. Ms. Hom concluded that HDC's exposure to liquidity providers was approximately \$784 million while interest rate hedges outstanding totaled approximately \$2 billion.

Ms. Scott then called on Mr. Neil Saranga, Deputy Director of Internal Audit, to present the Internal Audit Report. Since the last report to the Audit Committee, Mr. Saranga noted that Internal Audit completed seven internal audit projects, as well as the Annual Employee Certification of the HDC Code of Ethics. The seven audits were – Records Retention; Procurement; Wire Transfers; Investments; and the three audits required to be performed each year – Petty Cash, Employee Expenses, and President's Office Expenses. Mr. Saranga reported that the team found no matters involving internal controls and its operation that were considered material weaknesses. Where applicable, the team made recommendations to enhance controls where they saw an opportunity for enhancement. With respect to the Annual Employee Certification of the HDC Code of Ethics, Mr. Saranga noted that all HDC employees completed this certification.

Ms. Scott again turned to Ms. Hom to present the Annual Internal Audit Internal Assessment. Ms. Hom noted that in accordance with The International Professional Practices Framework (or "IPPF") of the Institute of Internal Auditors (or "IIA"), HDC has conducted its 2025 Internal Audit Internal Assessment. This annual internal assessment is part of HDC's Quality Assurance and Improvement Program as dictated by the IPPF and helps to ensure that HDC's internal audit function operates effectively. The assessment outlines the structure and activities of the internal audit function for calendar year 2025, including all audits completed, Internal Audit projects and initiatives, governance and oversight activities, and updates regarding employee development and ongoing training that helps ensure that staff remains current on all internal audit best practices.

Ms. Scott again turned to Ms. Hom to present the HDC Audit Committee Report for 2025. Ms. Hom remarked that pursuant to the New York City Comptroller's Directive #22, the Audit Committee is required to publish an annual report detailing its activities and decisions for the prior calendar year. The report is a compilation of the Minutes from the Audit Committee meetings that occurred during the year ended December 31, 2025. Ms. Hom noted that upon approval by the Audit Committee, a copy of this report will be submitted to the Secretary for the Audit Committee of New York City. With there being no further

questions, Ms. Hom requested that the Audit Committee Members approve the 2025 Annual Audit Committee Report.

Ms. Scott called for the approval of the HDC Audit Committee Report for 2025. The motion was approved.

Ms. Scott again called on Mr. Saranga to present the First Half 2026 Internal Audit Plan. Mr. Saranga noted the proposed Internal Audit plan for the First Half of 2026 includes one assurance audit, two advisory projects related to Business Continuity and Succession Planning, continuous monitoring of HDC's investment portfolio and employee expenses, and ongoing work spearheading the PII Working Group and the AI Working Group. Hearing no questions, Mr. Saranga requested the Audit Committee Members approve the First Half 2026 Internal Audit Plan.

Ms. Scott called for the approval of the First Half 2026 Internal Audit Plan. The motion was approved.

Ms. Scott called on Mr. Bobby Toth, Director of Budget and Financial Planning to present the approval of the Corporation's Procurement Guidelines. Mr. Toth noted that Pursuant to Public Authorities Law Section 2824, the Corporation is required to establish written procurement policies and procedures. These Guidelines, which the Audit Committee reviews and approves annually, are submitted to the Authorities Budget Office and the Office of the State Comptroller. They are also posted on the Corporation's website.

Mr. Toth stated that this year's updates reflect a more comprehensive review of the Guidelines. The changes make the document more accessible and easier for staff to use by improving its organization, clarifying key provisions, and strengthening internal controls. Several of the new sections were informed by a review of other public authorities' procurement guidelines and relevant best practices. Mr. Toth noted that the updates include a new introductory section on scope, governance, roles, and key definitions, a Preferred Sources requirement, clarification of the limited exceptions to vendor selection, and additional detail on the contract approval process. Hearing no questions, Mr. Toth requested the Audit Committee Members approve the Procurement Guidelines.

Ms. Scott called for the approval of the Corporation's Procurement Guidelines. The motion was approved.

Ms. Scott again turned to Ms. Duffy to present the Rating Agency Presentations FY 2025. Ms. Duffy noted that the Audit Committee Charter requires that presentations to the rating agencies be reviewed with the Audit Committee. During 2025, the Corporation's executive staff met with Standard and Poor's Global Ratings ("S&P") and Moody's Investors Service ("Moody's"). Both S&P and Moody's review credit ratings on the Corporation and its bond issuances. These meetings are usually held annually as part of the rating agency due diligence process. The meeting with S&P took place on March 5, 2025, and the Moody's meeting took place on September 30, 2025. Ms. Duffy concluded that the materials before the Members are the materials that were presented at the respective meetings.

At 10:58 a.m., with no further business, the meeting was adjourned.

Respectfully submitted,

Austin Chin

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ATTENDANCE LIST (HYBRID (LIVE/VIRTUAL) MEETING)

NAME

AFFILIATION

Harry Gould	Audit Committee Member
Marc Norman	Audit Committee Member
Denise Scott	Audit Committee Member
Louis Roberts	Ernst & Young
Cathy Baumann	NYC Housing Development Corp.
Wanjiru Bila	NYC Housing Development Corp.
Paul Cackler	NYC Housing Development Corp.
Austin Chin	NYC Housing Development Corp.
Ellen Duffy	NYC Housing Development Corp.
Eric Enderlin	NYC Housing Development Corp.
Lisa Geary	NYC Housing Development Corp.
Horace Greene	NYC Housing Development Corp.
Mary Hom	NYC Housing Development Corp.
Sean Jeong	NYC Housing Development Corp.
Madhavi Kulkarni	NYC Housing Development Corp.
Morgana Laurent	NYC Housing Development Corp.
Christina Lin	NYC Housing Development Corp.
Susannah Lipsyte	NYC Housing Development Corp.
Uyen Luu	NYC Housing Development Corp.
Stephanie Mavronicolas	NYC Housing Development Corp.
Ruth Moreira	NYC Housing Development Corp.
Mussa Sanoe	NYC Housing Development Corp.
Neil Saranga	NYC Housing Development Corp.
Moira Skeados	NYC Housing Development Corp.
Bobby Toth	NYC Housing Development Corp.
Susan Tso	NYC Housing Development Corp.
Cheuk Yu	NYC Housing Development Corp.