



**JPMorgan Chase Bank**  
 Global Derivative Operations  
 4 Metrotech Center, 17th Floor  
 Brooklyn, New York 11245

**Interest Rate Swap Confirmation**  
**Amended and Restated**

**To** : NEW YORK STATE HOUSING FINANCE AGENCY  
 666 Fifth Ave.  
 New York, NY 10103  
**cc** : Gen D'Agostino  
**Fax** : 1 212 872 0550  
**Attn** : Barbara Liebowitz  
**Fax** : 01-212-872-0532  
**Date** : 26 August 2003  
**Re** : Transaction Reference No. 0001816837 / 66205269

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date below. It constitutes a "Confirmation" as referred to in the ISDA Master Agreement described below.

The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. ("ISDA") are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the Master Agreement dated as of 4 February 2003, as amended and supplemented from time to time (the "Agreement"), between JPMorgan Chase Bank ("JPMorgan") and New York State Housing Finance Agency ("Counterparty"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.
2. The terms of the particular Transaction to which this Confirmation relates are as follows:

**Notional Amounts:** For any Calculation Period, the amount set forth opposite the Scheduled first day of such Calculation Period as set forth in the Schedule below:

Start Date	Maturity Date	Currency	Amount
28 August 2003	15 September 2003	USD	88,750,000.00
15 September 2003	15 March 2004	USD	88,750,000.00
15 March 2004	15 September 2004	USD	88,750,000.00



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Start Date	Maturity Date	Currency	Amount
15 September 2004	15 March 2005	USD	88,750,000.00
15 March 2005	15 September 2005	USD	88,750,000.00
15 September 2005	15 March 2006	USD	88,750,000.00
15 March 2006	15 September 2006	USD	88,750,000.00
15 September 2006	15 March 2007	USD	88,750,000.00
15 March 2007	15 September 2007	USD	88,750,000.00
15 September 2007	15 March 2008	USD	88,750,000.00
15 March 2008	15 September 2008	USD	88,750,000.00
15 September 2008	15 March 2009	USD	88,750,000.00
15 March 2009	15 September 2009	USD	88,750,000.00
15 September 2009	15 March 2010	USD	88,750,000.00
15 March 2010	15 September 2010	USD	88,750,000.00
15 September 2010	15 March 2011	USD	88,750,000.00
15 March 2011	15 September 2011	USD	88,750,000.00
15 September 2011	15 March 2012	USD	88,750,000.00
15 March 2012	15 September 2012	USD	88,750,000.00
15 September 2012	15 March 2013	USD	88,750,000.00
15 March 2013	15 September 2013	USD	83,900,000.00
15 September 2013	15 March 2014	USD	78,950,000.00
15 March 2014	15 September 2014	USD	73,900,000.00
15 September 2014	15 March 2015	USD	68,775,000.00
15 March 2015	15 September 2015	USD	68,575,000.00
15 September 2015	15 March 2016	USD	63,175,000.00
15 March 2016	15 September 2016	USD	57,675,000.00
15 September 2016	15 March 2017	USD	52,075,000.00
15 March 2017	15 September 2017	USD	46,375,000.00
15 September 2017	15 March 2018	USD	40,575,000.00
15 March 2018	15 September 2018	USD	34,650,000.00
15 September 2018	15 March 2019	USD	28,625,000.00



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Start Date	Maturity Date	Currency	Amount
15 March 2019	15 September 2019	USD	22,475,000.00
15 September 2019	15 March 2020	USD	16,225,000.00
15 March 2020	15 September 2020	USD	9,850,000.00
15 September 2020	15 March 2021	USD	3,350,000.00
15 March 2021	15 September 2021	USD	950,000.00

**Trade Date:** 13 August 2003

**Effective Date:** 28 August 2003

**Termination Date:** 15 September 2021, subject to adjustment in accordance with the Modified Following Business Day Convention.

**Fixed Amounts (1):**

**Fixed Rate Payer:** Counterparty

**Fixed Rate Payer Payment Dates:** 15 September, 15 March of each year commencing with 15 March 2004 and ending with, and including, the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

**Fixed Rate:** 3.655500 percent

**Fixed Rate Day Count Fraction:** 30/360

**Period End Date:** No Adjustment

**Business Days :** New York

**Floating Amounts:**

**Floating Rate Payer:** JPMorgan

**Floating Rate Payer Payment Dates:** 15th of each month of each year commencing with 15 September 2003 and ending with, and including, the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.



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**Floating Rate for initial****Calculation Period:** Linear Interpolation**Floating Rate Option:** USD - LIBOR - BBA**Spread:** None**Designated Maturity:** 1 Month, except for the initial Calculation Period which shall be interpolated.**Reset Dates:** The first day of each Calculation Period.**Compounding:** Not Applicable**Floating Rate****Day Count Fraction:** Actual/360**Business Days :** New York**Calculation Agent:** JPMorgan**3. Additional Provision:**

The Floating Rate used to calculate the Floating Amount payable on each Payment Date will be equal to the rate determined in accordance with the specified Floating Rate Option and Designated Maturity, plus any applicable Spread, for the relevant Calculation Period, multiplied by 65% percent. For the avoidance of doubt, the Floating Amount payable shall be calculated as follows:

Floating Amount = Notional Amount x (Floating Rate x 65% percent) x Day Count Fraction.

**4. Additional Provision:**

(a) "Issuance of Bonds. Notwithstanding anything contained herein or in the Agreement to the contrary, the parties shall have no rights or obligations with respect to this Transaction, and the representations of the parties contained herein (other than the representation being made in the following sentence) and in the Agreement shall not be deemed to be made until the New York State Housing Finance Agency - 2003 Series M Refunding Bonds (the "Bonds") have been duly issued by the Counterparty and in the event that the Bonds are not issued on or prior to the Effective Date, this Transaction shall automatically terminate and shall be of no further force or effect and the parties shall have no further obligations hereunder. Counterparty represents and warrants that it intends and expects to issue the Bonds and acknowledges that JPMorgan is entering into this Transaction in reliance upon such representation."



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- (b) Section 4(f) of the Agreement is amended, for purposes of this Transaction only, by deleting the definition of "Financing Agreement" in its entirety and replacing it with the following:

"Financing Agreement" means the Service Contract between the New York State Housing Finance Agency and the State of New York acting by and through the Director of the Budget of the State of New York, dated August 28, 2003, as amended and supplemented from time to time.

5. Account Details

Payments to JPMorgan:

JPMORGAN CHASE BANK, NEW YORK,  
JPMORGAN,NY ABA# 021000021, A/C# 900-900-1364

Payments to Counterparty:

BANK OF NEW YORK, ABA #021000018, GLB 111-565,  
FAVOR: HFA VARIOUS SERIES CLEARING A/C,  
A/C# 658423

6. Office, address and telephone number for Notices in connection with this Transaction

(a) Counterparty: its Office in  
NYSHFA  
641 Lexington Avenue  
New York, NY 10022

(b) JPMorgan: its head Office in  
New York c/o Global Derivative Operations  
4 Metrotech Center, 17th Floor  
Brooklyn, New York 11245

7. Documents to be Delivered

Each party shall deliver to the other, at the time of its execution of this Confirmation, evidence of the incumbency and specimen signature of the person(s) executing this Confirmation, unless such evidence has been previously supplied and remains true and in effect.

8. Relationship Between Parties

Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):-



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(a) *Non-Reliance.* It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.

(b) *Assessment and Understanding.* It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is capable of assuming, and assumes the risks of that Transaction.

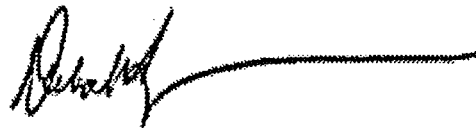
(c) *Status of Parties.* The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation and returning it to us.

Yours sincerely,

JPMORGAN CHASE BANK

By:



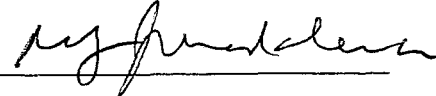
Name: Deborah Hooper

Title: Vice President

Confirmed as of the date first above written:

NEW YORK STATE HOUSING FINANCE AGENCY

By:



Name: Ralph J. Madalena

Title: SVP/CFO/COO

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