

STATE OF NEW YORK MORTGAGE AGENCY

MISSION

The State of New York Mortgage Agency (SONYMA) is a public benefit corporation created in 1970 to increase the affordability of homeownership for low- to moderate-income residents of New York State. This is accomplished by the Agency's issuance of taxable and tax-exempt bonds and the use of proceeds to purchase low-interest rate mortgage loans. In 1978, the Agency's mission was expanded to include the issuance of mortgage insurance to promote the stabilization of neighborhoods throughout the State.

ORGANIZATION AND STAFFING

The Agency is overseen by a Board of Directors comprised of the State Comptroller or his or appointee, the Director of the Budget, the Commissioner of Housing and Community Renewal and four appointees of the Governor, the Temporary President of the Senate and the Speaker of the Assembly. Responsibility for operation of the Agency rests with the President/Chief Executive Officer, who also serves in this capacity for the Housing Finance Agency — the State's other major housing finance entity. The Agency is operated jointly with the Housing Finance Agency (HFA) out of its central headquarters in New York City and from regional offices in Albany and Buffalo.

The State of New York Mortgage Agency has two program divisions. Its Single Family Programs and Financing Division provides low-interest rate mortgages to low- and moderate-income first-time homebuyers (and for other eligible homebuyers in designated target areas) through the issuance of mortgage revenue bonds. The Agency uses a network of banking institutions to originate mortgages on its behalf. The Mortgage Insurance Fund Division provides insurance on mortgage loans for residential, mixed residential, commercial and community service-related properties throughout the State. In addition, in December 2004, the Mortgage Insurance Fund was authorized to enter into agreements to provide credit support for bonds and ancillary bond facilities issued by the Convention Center Development Corporation, a subsidiary of the New York State Urban Development Corporation. This insurance is supported by the Mortgage Insurance Fund, which is funded by a surcharge on the Mortgage Recording Tax. In 2008, the Mortgage Insurance Fund powers will be expanded to include a Housing Opportunity Fund.

BUDGET HIGHLIGHTS

The Agency receives no direct operating support from the State. Statute requires the State to guarantee payments made by the Agency to the State in prior years. The Executive Budget recommends more than \$331 million in appropriations in 2008-09 to satisfy this requirement, although no cash disbursements are projected to be made from this appropriation. All State of New York Mortgage Agency programs and operations are supported by Agency funds, consisting of mortgage income, application fees, insurance premiums and investment proceeds. SONYMA has an staffing level of 101 FTEs for 2008-09 and increase of 8 FTEs from 2007-08 levels.

- **Housing Opportunity Fund**: As part of a 2008-09 infrastructure and economic development plan, a total of \$400 million will be used for a new "Housing Opportunity Fund". These resources will be targeted to the development of

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affordable, supportive and workforce housing initiatives across the state. The new Fund will be financed by the release of reserves held by the SONYMA Mortgage Insurance Fund, and the sale of property at the Jacob K. Javits Convention Center site, and will be allocated with \$300 million for the Downstate region and \$100 million for the Upstate region.

PROGRAM HIGHLIGHTS

Since its inception in 1970, the Agency's Single Family Division has provided more than \$10 billion of affordable financing for over 145,000 homes in New York. During the Agency's 2006-07 fiscal year, 2,558 loans were financed in the amount of \$302 million.

The Mortgage Insurance Fund's portfolio of insured mortgages exceeds \$4.9 billion. In 2006-07, mortgage insurance provided by the Agency totaled more than \$717.5 million.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	76,800,000	76,800,000	0	0
Aid To Localities	293,718,000	255,009,000	(38,709,000)	0
Capital Projects	0	0	0	0
Total	370,518,000	331,809,000	(38,709,000)	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	76,800,000	76,800,000	0
Total	76,800,000	76,800,000	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2007-08	Recommended 2008-09	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues			
General Fund	61,800,000	61,800,000	0
SONYMA Mortgage Insurance Fund Restoration			
General Fund	15,000,000	15,000,000	0
Total	76,800,000	76,800,000	0

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total Amount	Change	Maintenance Undistributed Amount	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues	61,800,000	0	61,800,000	0
SONYMA Mortgage Insurance Fund Restoration	15,000,000	0	15,000,000	0
Total	<u>76,800,000</u>	<u>0</u>	<u>76,800,000</u>	<u>0</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	293,718,000	255,009,000	(38,709,000)
Total	<u>293,718,000</u>	<u>255,009,000</u>	<u>(38,709,000)</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2007-08	Recommended 2008-09	Change
SONYMA Mortgage Insurance Fund Restoration			
General Fund	293,718,000	255,009,000	(38,709,000)
Total	<u>293,718,000</u>	<u>255,009,000</u>	<u>(38,709,000)</u>