

# **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. In 2009, the Agency's existing authority to issue tax-exempt bonds to finance education loans was modernized and expanded to authorize the Agency to implement a program to finance education loans for higher education costs for students attending schools in New York State.

## **ORGANIZATION AND STAFFING**

The Agency is overseen by a Board of Directors comprised of the State Comptroller or his appointee, the Director of the Budget, the Commissioner of Housing and Community Renewal, four appointees of the Governor, one appointee of the Temporary President of the Senate and one appointee of 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 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. The 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 lending 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.

## **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 \$174.52 million in appropriations in 2010-11 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 a staffing level of 121 FTEs for its 2009-10 fiscal year (November 1, 2009 through October 31, 2010) reflecting no change from its prior fiscal year. The 2010-11 Executive Budget assumes that the consolidation

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of administrative and program operations within SONYMA and the nyhomes family of public benefit corporations and the Division of Housing and Community Renewal will achieve total savings of \$3.5 million.

### **PROGRAM HIGHLIGHTS**

Since its inception in 1970, the Agency's Single Family Division has provided more than \$10.7 billion of affordable financing for over 150,800 homes in New York. During the Agency's 2008-09 fiscal year, 1,619 loans were financed in the amount of \$229.7 million.

The Mortgage Insurance Fund's portfolio of insured mortgages exceeds \$4.8 billion. In 2008-09, mortgage insurance provided by the Agency totaled more than \$494 million.

In December 2009, the Agency issued its first series of student loan bonds, the proceeds of which will be used to acquire higher education loans.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2009-10</b>	<b>Appropriations Recommended 2010-11</b>	<b>Change</b>	<b>Reappropriations Recommended 2010-11</b>
State Operations	76,800,000	76,800,000	0	0
Aid To Localities	156,500,000	97,720,000	(58,780,000)	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>233,300,000</b>	<b>174,520,000</b>	<b>(58,780,000)</b>	<b>0</b>

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

<b>Fund Type</b>	<b>Available 2009-10</b>	<b>Recommended 2010-11</b>	<b>Change</b>
General Fund	76,800,000	76,800,000	0
<b>Total</b>	<b>76,800,000</b>	<b>76,800,000</b>	<b>0</b>

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

<b>Program</b>	<b>Available 2009-10</b>	<b>Recommended 2010-11</b>	<b>Change</b>
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
<b>Total</b>	<b>76,800,000</b>	<b>76,800,000</b>	<b>0</b>

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**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2010-11 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total Amount</b>	<b>Change</b>	<b>Maintenance Undistributed Amount</b>	<b>Change</b>
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)**

<b>Fund Type</b>	<b>Available 2009-10</b>	<b>Recommended 2010-11</b>	<b>Change</b>
General Fund	156,500,000	97,720,000	(58,780,000)
Total	<u>156,500,000</u>	<u>97,720,000</u>	<u>(58,780,000)</u>

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

<b>Program</b>	<b>Available 2009-10</b>	<b>Recommended 2010-11</b>	<b>Change</b>
SONYMA Mortgage Insurance Fund Restoration			
General Fund	156,500,000	97,720,000	(58,780,000)
Total	<u>156,500,000</u>	<u>97,720,000</u>	<u>(58,780,000)</u>