

STATE OF NEW YORK MORTGAGE AGENCY

MISSION

The State of New York Mortgage Agency 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 nine-member Board of Directors comprised of the Superintendent of Banks, the State Comptroller, the Director of the Budget, the Commissioner of Housing and Community Renewal and 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 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 Mortgage Finance 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 Division provides insurance on mortgage loans for residential, mixed residential, commercial and community service-related properties throughout the State. This insurance is supported by the Mortgage Insurance Fund, which is funded by a surcharge on the Mortgage Recording Tax.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Agency receives no direct operating support from the State. Statute requires the State to guarantee prior-year payments made by the Agency to the State. The Executive Budget recommends approximately \$158 million in appropriations in 1999-2000 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.

PROGRAM HIGHLIGHTS

Since its inception in 1970, the Agency's Single Family Division has provided nearly \$6.4 billion of affordable financing for over 109,000 homes in New York. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 1998, the Agency purchased \$1.5 billion in single-family mortgages — helping nearly 17,000 New Yorkers buy their first homes. During the Agency's 1997-98 fiscal year, over 3,900 loans were financed for approximately \$359 million in mortgage loan volume.

The Mortgage Insurance Fund's portfolio of insurance liability now exceeds \$2.1 billion. In 1997-98, mortgage insurance provided by the Agency totaled \$225 million.

MORTGAGE AGENCY

ALL FUNDS APPROPRIATIONS

Category	Available 1998-99	Appropriations Recommended 1999-00	Change	Reappropriations Recommended 1999-00
State Operations	\$76,800,000	\$76,800,000	. . . . .	. . . . .
Aid To Localities	56,256,000	80,702,000	+ \$24,446,000	. . . . .
Capital Projects . . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Total	<u>\$133,056,000</u>	<u>\$157,502,000</u>	<u>+ \$24,446,000</u>	<u>.</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
General Fund	\$76,800,000	\$76,800,000	. . . . .
Total	<u>\$76,800,000</u>	<u>\$76,800,000</u>	<u>.</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues General Fund	\$61,800,000	\$61,800,000	. . . . .
SONYMA Mortgage Insurance Fund Restoration General Fund	15,000,000	15,000,000	. . . . .
Total	<u>\$76,800,000</u>	<u>\$76,800,000</u>	<u>.</u>

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

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

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
General Fund	\$56,256,000	\$80,702,000	+ \$24,446,000
Total	<u>\$56,256,000</u>	<u>\$80,702,000</u>	<u>+ \$24,446,000</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1998-99</u>	<u>Recommended 1999-00</u>	<u>Change</u>
SONYMA Mortgage Insurance Fund Restoration General Fund	<u>\$56,256,000</u>	<u>\$80,702,000</u>	<u>+ \$24,446,000</u>
Total	<u>\$56,256,000</u>	<u>\$80,702,000</u>	<u>+ \$24,446,000</u>