



Report to Members

Fiscal Year End
October 31, 2015

Gary Rodney
President



DATE: June 1, 2016

TO: The Chairperson and Members

FROM: Gary Rodney

SUBJECT: Report on REMIC Fiscal Year 2015 Activities

I am pleased to report that the New York City Residential Mortgage Insurance Corporation (“REMIC”) continued its role in helping to establish and maintain the available stock of affordable housing throughout New York City during the fiscal year ended October 31, 2015. Certificates of Insurance were issued for 38 properties with an insured amount of \$39.6 million, representing 3,809 units and \$184.8 million in mortgage amount outstanding. Commitments to Insure were issued for 47 properties with an insured amount of \$69.7 million, representing 5,594 units and \$328.6 million in mortgage amount outstanding.

A detailed summary of the activities and accomplishments of REMIC during the fiscal year ended October 31, 2015 is attached for your review.

MISSION & HISTORY

The New York City Residential Mortgage Insurance Corporation (“REMIC”) is a public benefit corporation created to promote the production and rehabilitation of affordable housing in New York City through the issuance of mortgage insurance. REMIC plays an integral role in New York City’s efforts to stabilize and revitalize the City’s diverse neighborhoods.

Founded as the New York City Rehabilitation Mortgage Insurance Corporation in 1973 by the State Legislature with a \$7.5 million loan from New York City, REMIC was created to promote the development of affordable housing in specifically designated distressed areas of New York City. Using mortgage insurance, REMIC worked to promote the issuance of residential loans, many of which would not have proceeded without credit enhancement.

In 1993, the State Legislature amended the REMIC statute, changing REMIC’s parameters to no longer restrict REMIC to designated distressed areas, but instead, to encourage REMIC to insure mortgages throughout New York City. At the same time, REMIC was renamed the New York City Residential Mortgage Insurance Corporation and was reorganized as a subsidiary of the New York City Housing Development Corporation (“HDC”). The original \$7.5 million loan was returned to the City, with HDC funding REMIC reserve requirements as required by REMIC’s enabling statute. These legal changes and transfers of funds created a “New REMIC” entity, while certain reserve requirements remained in place for the “Old REMIC” insured projects. During 2015, the last remaining “Old REMIC” loan was paid off. There are no remaining “Old REMIC” loans in the portfolio. In fiscal years 2011, 2013, and 2015, HDC injected \$7.5 million, \$10 million, and \$8 million, respectively, into REMIC to capitalize future capacity.

Since becoming a subsidiary of HDC, REMIC has actively sought to become a more formidable presence in the mortgage insurance business by significantly increasing the volume of its underwriting while maintaining adherence to strict underwriting standards. In its 42 years of existence, the REMIC insured portfolio has performed well, having paid only 12 claims for insured loans totaling \$598,291.

As of fiscal year-end, REMIC had a “AA” rating from Standard & Poor’s.

FISCAL YEAR 2015 SUMMARY

During fiscal year 2015 (November 1, 2014 through October 31, 2015), REMIC issued Commitments to Insure to 47 properties, with a total of 5,594 units, a total insured amount of \$69.7 million, and a total mortgage amount of \$328.6 million. During fiscal year 2015, REMIC issued Certificates of Insurance to 38 properties, with a total of 3,809 units, a total insured amount of \$39.6 million, and a total mortgage amount of \$184.8 million.

As of October 31, 2015, REMIC had a total amount of insurance outstanding of \$223.2 million, with a total mortgage amount outstanding related to such insurance of \$985.4 million. In addition, REMIC had total commitments outstanding of \$98.1 million with a total mortgage amount outstanding related to such insurance of \$475.7 million.

Details of the Commitments to Insure and the Certificates of Insurance that REMIC issued during fiscal year 2015 are on the following four pages.

COMMITMENTS TO INSURE ISSUED DURING FY2015

BRONX

| <u>Property</u> | <u>Lender</u> | <u>Original Mortgage Amount</u> | <u>Original Insured Amount</u> | <u># Units</u> |
|--|----------------------|--|---|-----------------------|
| 1380 University Avenue | HDC | \$8,330,000 | \$1,666,000 | 139 |
| 3160 Park Avenue 1A | HDC | \$2,280,000 | \$456,000 | 95 |
| 3160 Park Avenue 1B | HDC | \$8,750,000 | \$1,750,000 | 57 |
| 810 River Avenue | HDC | \$12,480,000 | \$2,496,000 | 134 |
| Compass 2A | HDC | \$7,810,000 | \$1,562,000 | 128 |
| Compass 2B | HDC | \$5,930,000 | \$1,186,000 | 164 |
| Compass Residences 1A | HDC | \$8,270,000 | \$1,654,000 | 110 |
| Compass Residences 1B | HDC | \$5,480,000 | \$1,096,000 | 127 |
| Creston Avenue | HDC | \$5,780,000 | \$1,156,000 | 122 |
| Creston Burnside | HDC | \$9,990,000 | \$1,998,000 | 114 |
| Crossroads Plaza II | HDC | \$12,000,000 | \$2,400,000 | 136 |
| Crossroads Plaza IIIB | HDC | \$22,640,000 | \$4,528,000 | 163 |
| Crotona Terrace | HDC | \$7,150,000 | \$1,430,000 | 80 |
| Crotona Terrace II | HDC | \$5,880,000 | \$1,176,000 | 108 |
| Elton Crossing | HDC | \$8,730,000 | \$1,746,000 | 199 |
| Forest House | HDC | \$3,935,000 | \$787,000 | 124 |
| High Hawk Apartments | HDC | \$8,885,000 | \$1,777,000 | 73 |
| La Casa del Mundo | HDC | \$5,760,000 | \$1,152,000 | 102 |
| Morris Court | HDC | \$22,050,000 | \$4,410,000 | 201 |
| Mount Sharon | HDC | \$1,330,000 | \$266,000 | 106 |
| Plover Apartments | HDC | \$3,100,000 | \$620,000 | 138 |
| Soundview Family | HDC | \$6,090,000 | \$1,218,000 | 120 |
| Summit Ridge | HDC | \$1,825,000 | \$365,000 | 58 |
| Webster Commons Building B | HDC | \$8,570,000 | \$1,714,000 | 95 |
| West Farms/Longfellow | HDC | \$14,765,000 | \$2,953,000 | 181 |
| <i>Total Bronx (25 projects):</i> | | <u>\$207,810,000</u> | <u>\$41,562,000</u> | <u>3,074</u> |

BROOKLYN

| <u>Property</u> | <u>Lender</u> | <u>Original Mortgage Amount</u> | <u>Original Insured Amount</u> | <u># Units</u> |
|--------------------------|----------------------|--|---|-----------------------|
| 260 Marcus Garvey Blvd | CPC | \$266,000 | \$266,000 | 3 |
| 411 Chauncey Street | CPC | \$256,075 | \$256,075 | 5 |
| 482 Franklin Avenue | CPC | \$16,060,000 | \$3,212,000 | 93 |
| 529 Marcy Avenue | CPC | \$279,500 | \$279,500 | 3 |
| 633 Sterling Place | CPC | \$356,366 | \$356,366 | 6 |
| 856 Nostrand Avenue | CPC | \$1,072,780 | \$1,072,780 | 11 |
| Cadman Tower Coop | HDC | \$9,855,000 | \$1,971,000 | 422 |
| Dr. Betty Shabazz Houses | HDC | \$8,540,000 | \$1,708,000 | 160 |
| ENYUYC Resyndication | HDC | \$7,240,000 | \$1,448,000 | 468 |
| Gateway Elton III | HDC | \$18,010,000 | \$3,602,000 | 287 |
| Greenpoint Landing G2 | HDC | \$4,230,000 | \$846,000 | 93 |
| Greenpoint Landing E3 | HDC | \$7,575,000 | \$1,515,000 | 98 |
| MacBain Development | CPC | \$703,203 | \$703,203 | 35 |

| | | | | |
|--------------------------------------|-----|----------------------------|----------------------------|---------------------|
| Medgar Evers Houses | HDC | \$11,865,000 | \$2,373,000 | 308 |
| Quincy Marcus | CPC | \$1,716,909 | \$1,716,909 | 48 |
| Utica Place | HDC | \$4,490,000 | \$898,000 | 87 |
| Total Brooklyn (16 projects): | | <u>\$92,515,833</u> | <u>\$22,223,833</u> | <u>2,127</u> |

MANHATTAN

| <u>Property</u> | <u>Lender</u> | <u>Original Mortgage Amount</u> | <u>Original Insured Amount</u> | <u># Units</u> |
|--------------------------------------|----------------------|--|---|-----------------------|
| Calvert Lancaster D | HDC | \$945,000 | \$189,000 | 27 |
| Green CLOTH Apartments | CPC | \$326,191 | \$326,191 | 12 |
| Striver's Plaza | HDC | \$10,440,000 | \$2,088,000 | 54 |
| Total Manhattan (3 projects): | | <u>\$11,711,191</u> | <u>\$2,603,191</u> | <u>93</u> |

QUEENS

| <u>Property</u> | <u>Lender</u> | <u>Original Mortgage Amount</u> | <u>Original Insured Amount</u> | <u># Units</u> |
|-----------------------------------|----------------------|--|---|-----------------------|
| 9306 Shore Front Parkway | HDC | \$6,750,000 | \$1,350,000 | 94 |
| Archer Avenue | HDC | \$4,730,000 | \$946,000 | 89 |
| Richmond Place | HDC | \$5,100,000 | \$1,020,000 | 117 |
| Total Queens (3 projects): | | <u>\$16,580,000</u> | <u>\$3,316,000</u> | <u>300</u> |

| | | | |
|---------------------------------------|-----------------------------|----------------------------|---------------------|
| TOTAL COMMITTED (47 PROJECTS): | <u>\$328,617,024</u> | <u>\$69,705,024</u> | <u>5,594</u> |
|---------------------------------------|-----------------------------|----------------------------|---------------------|

CERTIFICATES OF INSURANCE ISSUED DURING FY2015

BRONX

| <u>Property</u> | <u>Lender</u> | <u>Original Mortgage Amount</u> | <u>Original Insured Amount</u> | <u># Units</u> |
|--|----------------------|--|---|-----------------------|
| 27 East 169 th Street (East Clarke) | HDC | \$5,980,000 | \$1,196,000 | 106 |
| 3254 White Plains Road | HDC | \$9,610,000 | \$1,922,000 | 125 |
| 850 Jennings Street | HDC | \$8,830,000 | \$1,766,000 | 103 |
| Bryant Avenue Apartments | HDC | \$4,230,000 | \$846,000 | 99 |
| Courtlandt Crescent | HDC | \$8,635,000 | \$1,727,000 | 217 |
| Forest House | HDC | \$3,935,000 | \$787,000 | 124 |
| Highbridge Overlook | HDC | \$4,600,000 | \$920,000 | 155 |
| Hoewood Point | HDC | \$2,570,000 | \$514,000 | 80 |
| Lindenguild Hall | HDC | \$4,220,000 | \$844,000 | 104 |
| Maple Mesa Apartments | HDC | \$3,515,000 | \$703,000 | 59 |
| Prospect Court | HDC | \$4,060,000 | \$812,000 | 59 |
| St. Ann's Terrace FG | HDC | \$7,925,000 | \$1,585,000 | 161 |
| Tilden Towers II | HDC | \$6,970,000 | \$1,394,000 | 266 |
| Via Verde Apartments | HDC | \$3,280,000 | \$656,000 | 151 |
| Via Verde Coop Apartments | HDC | \$5,825,000 | \$1,165,000 | 71 |
| <i>Total Bronx (15 projects):</i> | | <u>\$84,185,000</u> | <u>\$16,837,000</u> | <u>1,880</u> |

BROOKLYN

| <u>Property</u> | <u>Lender</u> | <u>Original Mortgage Amount</u> | <u>Original Insured Amount</u> | <u># Units</u> |
|---|----------------------|--|---|-----------------------|
| 260 Marcus Garvey Blvd | CPC | \$266,000 | \$266,000 | 3 |
| 277 Gates Avenue | HDC | \$2,465,000 | \$493,000 | 35 |
| 411 Chauncey Street | CPC | \$256,075 | \$256,075 | 5 |
| 529 Marcy Avenue | CPC | \$279,500 | \$279,500 | 3 |
| 633 Sterling Place | CPC | \$356,366 | \$356,366 | 6 |
| 738 St. Mark's Rehab | HDC | \$1,220,000 | \$244,000 | 21 |
| 856 Nostrand Avenue | CPC | \$1,072,780 | \$1,072,780 | 11 |
| Atlantic Terrace Coop | HDC | \$3,045,000 | \$609,000 | 80 |
| Coney Island Commons | HDC | \$8,500,000 | \$1,700,000 | 195 |
| Dr. Betty Shabazz Houses | HDC | \$8,540,000 | \$1,708,000 | 160 |
| Gateway Elton | HDC | \$12,030,000 | \$2,406,000 | 197 |
| MacBain Development | CPC | \$703,203 | \$703,203 | 35 |
| Medgar Evers Houses | HDC | \$11,865,000 | \$2,373,000 | 308 |
| Utica Place | HDC | \$4,490,000 | \$898,000 | 87 |
| <i>Total Brooklyn (14 projects):</i> | | <u>\$55,088,924</u> | <u>\$13,364,924</u> | <u>1,146</u> |

MANHATTAN

| <u>Property</u> | <u>Lender</u> | <u>Original Mortgage Amount</u> | <u>Original Insured Amount</u> | <u># Units</u> |
|-------------------------------|----------------------|--|---|-----------------------|
| Calvert Lancaster D | HDC | \$945,000 | \$189,000 | 27 |
| East 118 th Street | HDC | \$2,135,000 | \$427,000 | 59 |

| | | | | |
|--------------------------------------|-----|---------------------------|---------------------------|-------------------|
| Green CLOTH Apartments | CPC | \$326,191 | \$326,191 | 12 |
| Harlem River Point South | HDC | \$5,290,000 | \$1,058,000 | 140 |
| Total Manhattan (4 projects): | | <u>\$8,696,191</u> | <u>\$2,000,191</u> | <u>238</u> |

QUEENS

| <u>Property</u> | <u>Lender</u> | <u>Original Mortgage Amount</u> | <u>Original Insured Amount</u> | <u># Units</u> |
|-------------------------------------|----------------------|--|---|-----------------------|
| 161 st Street Apartments | HDC | \$9,160,000 | \$1,832,000 | 101 |
| Macedonia Plaza | HDC | \$9,440,000 | \$1,888,000 | 143 |
| Richmond Place | HDC | \$5,100,000 | \$1,020,000 | 117 |
| Self Help KVII | HDC | \$5,475,000 | \$1,095,000 | 92 |
| Total Queens (4 projects): | | <u>\$29,175,000</u> | <u>\$5,835,000</u> | <u>453</u> |

STATEN ISLAND

| <u>Property</u> | <u>Lender</u> | <u>Original Mortgage Amount</u> | <u>Original Insured Amount</u> | <u># Units</u> |
|---|----------------------|--|---|-----------------------|
| Stapleton Court | HDC | \$7,615,000 | \$1,523,000 | 92 |
| Total Staten Island (1 project): | | <u>\$7,615,000</u> | <u>\$1,523,000</u> | <u>92</u> |

TOTAL INSURED (38 PROJECTS): \$184,760,115 \$39,560,115 3,809

HIGHLIGHTS OF PROPERTIES INSURED DURING FY2015



**Forest House
Bronx, NY**

**Stapleton Court
Staten Island, NY**



**SelfHelp KVII
Queens, NY**

YEAR-OVER-YEAR COMPARISON
FY 2015 VERSUS FY 2014

Commitments to Insure

| | <u>FY 2014</u> | <u>FY 2015</u> |
|-----------------|-----------------------|-----------------------|
| # Projects | 20 | 47 |
| # Units | 2,674 | 5,594 |
| Insured Amount | \$26,876,000 | \$69,705,024 |
| Mortgage Amount | \$127,520,000 | \$328,617,024 |

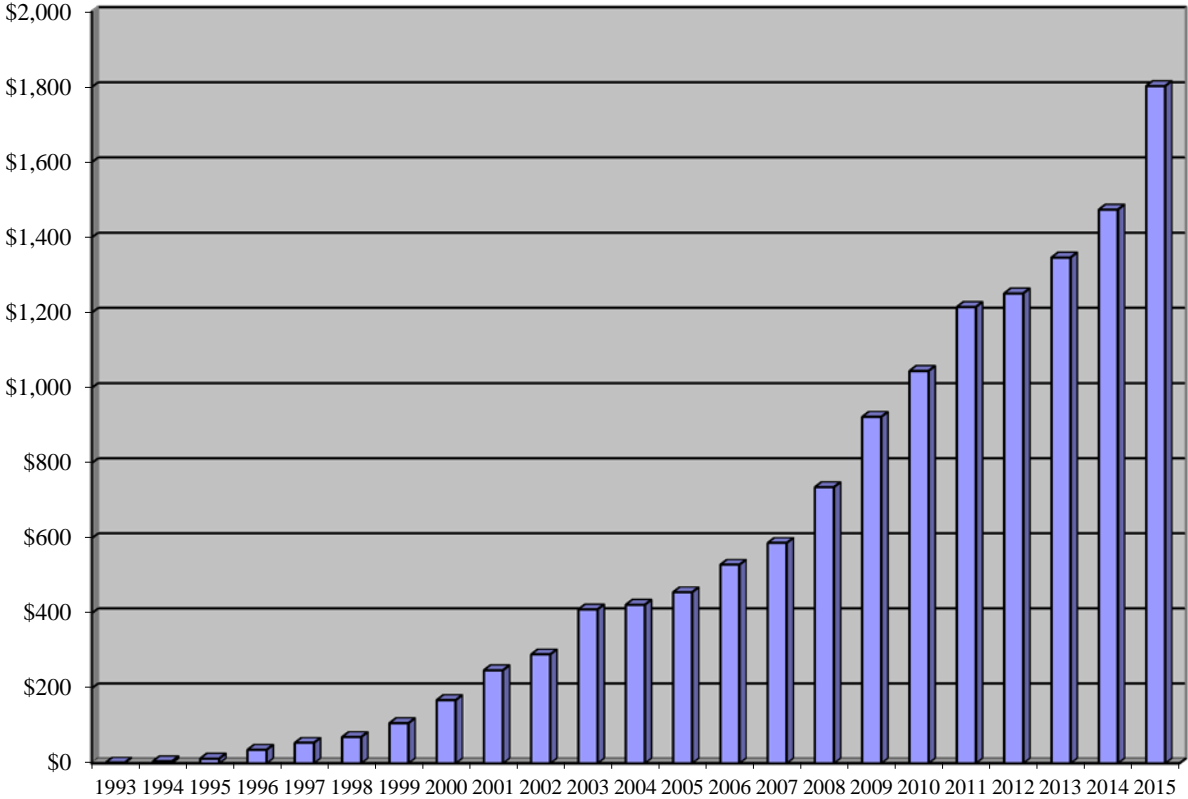
Certificates of Insurance:

| | | |
|-----------------|---------------|---------------|
| # Projects | 17 | 38 |
| # Units | 2,003 | 3,809 |
| Insured Amount | \$24,718,000 | \$39,560,115 |
| Mortgage Amount | \$123,590,000 | \$184,760,115 |

ANNUAL COMMITMENT ACTIVITY

| <u>Fiscal Year</u> | <u># Loans</u> | <u>Insured Amount</u> | <u>Mortgage Amount</u> | <u># Units</u> |
|---------------------------|-----------------------|------------------------------|-------------------------------|-----------------------|
| 1993 | 4 | \$1,567,381 | \$1,928,744 | 187 |
| 1994 | 13 | \$2,693,548 | \$3,763,660 | 334 |
| 1995 | 14 | \$5,014,621 | \$7,208,793 | 393 |
| 1996 | 26 | \$18,865,200 | \$23,366,950 | 1,139 |
| 1997 | 24 | \$14,912,594 | \$18,428,876 | 1,162 |
| 1998 | 28 | \$14,604,742 | \$15,572,362 | 686 |
| 1999 | 36 | \$19,652,037 | \$36,923,037 | 1,077 |
| 2000 | 69 | \$28,622,957 | \$61,518,039 | 1,668 |
| 2001 | 53 | \$25,765,925 | \$79,727,587 | 1,232 |
| 2002 | 33 | \$16,290,443 | \$42,190,603 | 789 |
| 2003 | 47 | \$41,525,739 | \$119,952,922 | 1,673 |
| 2004 | 11 | \$8,411,263 | \$12,285,612 | 329 |
| 2005 | 8 | \$10,079,063 | \$33,367,750 | 477 |
| 2006 | 29 | \$20,673,355 | \$73,358,770 | 1,427 |
| 2007 | 11 | \$10,922,260 | \$58,041,298 | 751 |
| 2008 | 21 | \$32,593,062 | \$148,746,311 | 3,134 |
| 2009 | 24 | \$37,360,000 | \$186,800,000 | 2,600 |
| 2010 | 22 | \$24,424,000 | \$122,120,000 | 2,425 |
| 2011 | 22 | \$34,026,000 | \$170,130,000 | 2,608 |
| 2012 | 10 | \$7,229,820 | \$36,149,100 | 762 |
| 2013 | 18 | \$23,127,428 | \$95,391,428 | 1,769 |
| 2014 | 20 | \$26,876,000 | \$127,520,000 | 2,674 |
| 2015 | 47 | \$69,705,024 | \$328,617,024 | 5,594 |
| <i>Total</i> | <i>590</i> | <i>\$494,942,462</i> | <i>\$1,803,108,866</i> | <i>34,890</i> |

REMIC COMMITMENT HISTORY
Cumulative Mortgage Amounts Committed Since 1993
(\$Millions)

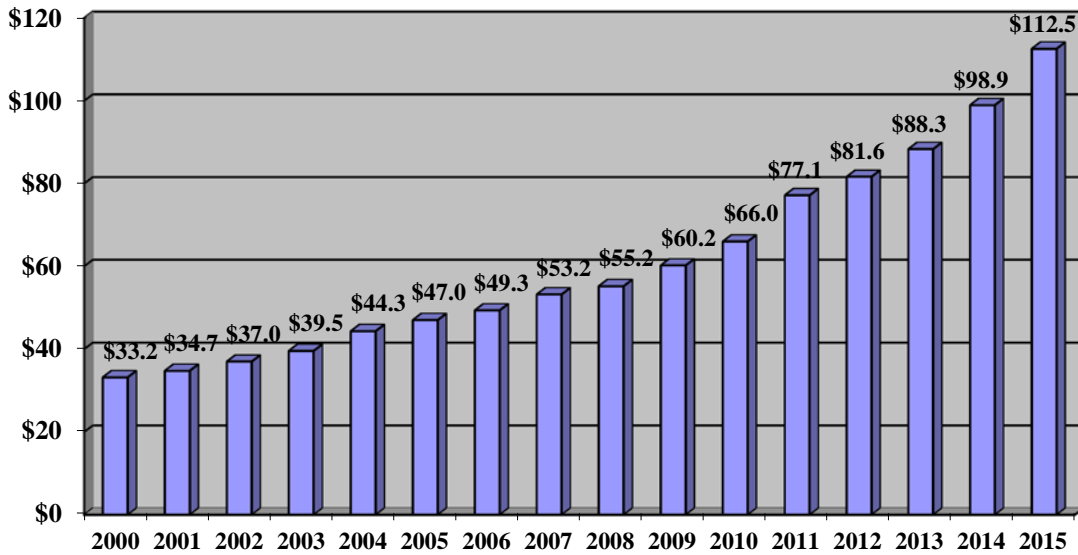


REMIC FY 2015 FUND BALANCES

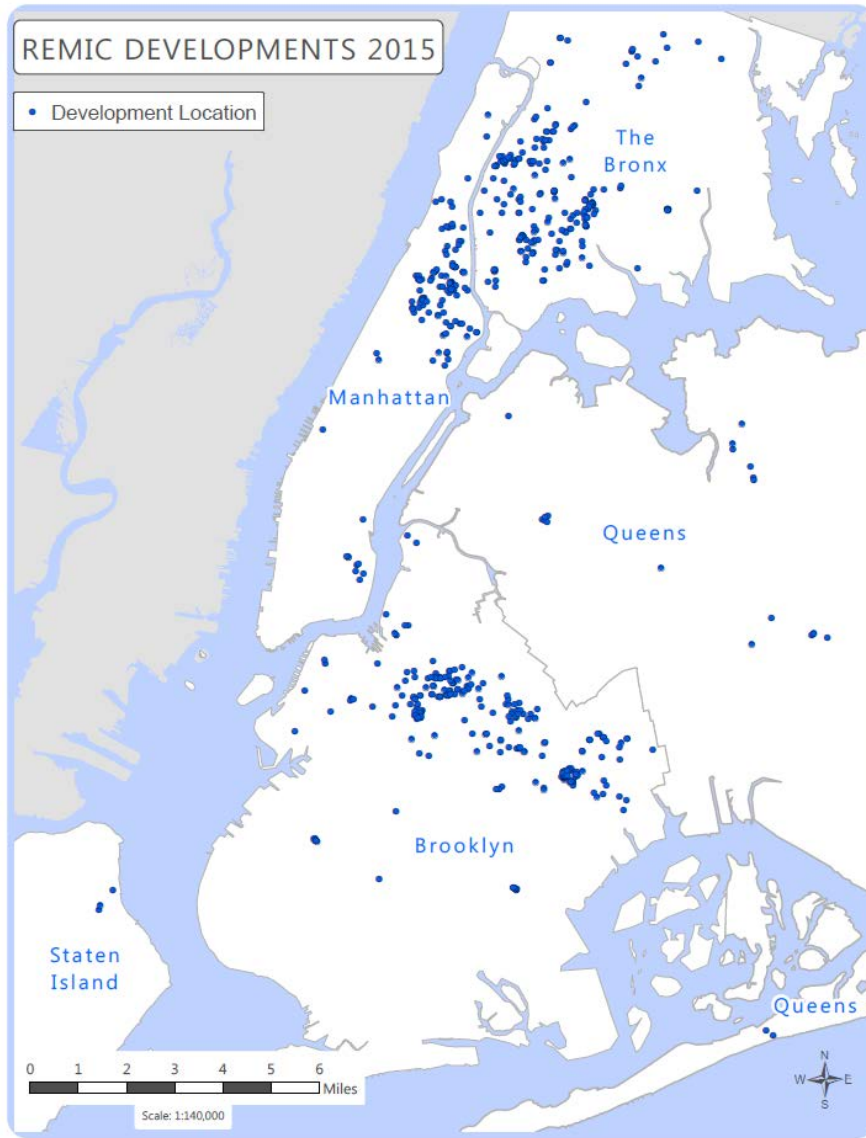
| <u>Restricted Fund Balance</u> | <u>Unrestricted Fund Balance</u> | <u>TOTAL BALANCE</u> |
|---------------------------------------|---|-----------------------------|
| \$64,273,980 | \$48,274,901 | \$112,548,882 |

At the close of fiscal year 2015, REMIC had a fund balance of \$112,548,882, a 14% increase from fiscal year-end 2014. This is inclusive of an \$8 million capital injection from HDC in July, 2015.

**REMIC Annual Fund Balance
(Millions)**



MAP OF REMIC-INSURED PROPERTIES



| Borough | # Loans Insured | \$ Insured Amount |
|----------------|------------------------|--------------------------|
| Bronx | 98 | 96,817,864 |
| Brooklyn | 61 | 41,572,478 |
| Manhattan | 65 | 57,489,016 |
| Queens | 16 | 25,188,082 |
| Staten Island | 2 | 2,170,651 |
| TOTAL | 242 | 223,238,091 |

REMIC INSURANCE CAPACITY

In accordance with Section 654-d of New York Private Housing Finance Law, REMIC set aside reserves to cover insurance commitments and contracts entered into by “Old REMIC” and “New REMIC,” as well as properties currently in pipeline. REMIC ended fiscal year 2015 with undesignated reserves of approximately \$42.0 million. This undesignated reserve amount results in an available capacity to insure approximately \$211 million in insured amount, or a potential \$1.057 billion in mortgage amount (assuming 20% insurance).

CREDIT RATINGS

As of fiscal year-end, Standard & Poor’s maintained a “AA” credit rating for REMIC.

CLAIMS PAYMENT HISORY

During fiscal year 2015, there were no insurance claims paid on either “Old REMIC” or “New REMIC” properties. The total amount of claims paid since 1973 remains at \$598,291. All claims paid have been on loans originated by “Old REMIC.”

“OLD REMIC” PROPERTIES

During fiscal year 2015, the last remaining “Old REMIC” loan was paid off. There are no “Old REMIC” loans remaining in the portfolio.

“NEW REMIC” PROPERTIES

As of October 31, 2015, “New REMIC” had in its portfolio insured mortgages for 242 properties with 19,172 units. The current aggregate balance of these insured mortgages is \$985.4 million with REMIC insurance in effect of \$223.2 million.

INVESTMENT SUMMARY

As of October 31, 2015, REMIC reserves were invested in securities of various U.S. Government Agencies, Repurchase Agreements, and Money Market Funds. Details are provided below:

| <u>Par Amount</u> | <u>Description</u> | <u>Interest</u> <u>Rate</u> | <u>Maturity Date</u> |
|-----------------------------|---|--------------------------------|----------------------|
| \$4,250,000 | FFCB | 2.050% | 2/1/2022 |
| \$2,570,000 | FHLB | 2.200% | 4/22/2022 |
| \$4,166,667 | FHLB | 3.100% | 7/9/2026 |
| \$10,000,000 | FHLB | 3.000% | 2/15/2028 |
| \$2,765,764 | FHLB | 3.100% | 3/20/2028 |
| \$10,000,000 | FHLB | 4.700% | 7/25/2033 |
| \$24,549,000 | FHLMC | 1.250% | 10/29/2018 |
| \$7,000,000 | FHLMC | 3.000% | 8/27/2027 |
| \$5,415,000 | FHLMC | 3.125% | 5/30/2028 |
| \$5,000,000 | FNMA | 2.500% | 2/22/2023 |
| \$14,000 | Daiwa Securities - Repurchase Agreement | 0.150% | 11/2/2015 |
| \$37,096,464 | New York Community Bank Money Market | 0.400% | N/A |
| <u>\$112,826,895</u> | TOTAL | | |

REVENUES & EXPENSES

The following is a review of REMIC's revenues and expenses for fiscal year 2015 with an explanation of each budget category:

| <u>(\$ Thousands)</u> | <u>FY2014</u> | <u>FY2015</u> |
|--|-----------------------|-----------------------|
| <i>Operating Revenues:</i> | | |
| Insurance Premiums & Fees | \$2,902 | \$3,071 |
| Investment Income | \$2,507 | \$2,224 |
| <i>Total Operating Revenues</i> | <i>\$5,409</i> | <i>\$5,295</i> |
| <i>Operating Expenses:</i> | | |
| Reimbursement of HDC Overhead | \$474 | \$491 |
| Insurance Claims | \$0 | \$0 |
| <i>Total Operating Expenses</i> | <i>\$474</i> | <i>\$491</i> |
| OPERATING SURPLUS | \$4,935 | \$4,804 |
| Capital Injection from HDC | \$0 | \$8,000 |
| Unrealized Gain/(Loss) on Investments | \$5,683 | \$821 |
| CHANGE IN NET POSITION | \$10,618 | \$13,625 |

EXPLANATION OF REVENUES & EXPENSES

Revenues

Insurance Premiums & Fees

Insurance premiums and fees represent collections for mortgage insurance and commitments issued by REMIC, as well as application and commitment extension fees. Insurance premiums and fees were \$3.1 million in 2015 versus \$2.9 million in 2014, and represented 58% of REMIC's total revenues.

Investment Income

Investment income represents income generated on REMIC's investment portfolio. For fiscal year 2015, investment income was \$2.2 million versus \$2.5 million for fiscal year 2014, and represented 42% of REMIC's total revenues.

Expenses

Reimbursement of HDC Overhead

The reimbursement back to HDC was \$491,000 for HDC overhead in accordance with the Servicing Agreement between HDC and REMIC.

Insurance Claims

No insurance claims were paid during fiscal year 2015.