




NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION

**MEMORANDUM**

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**TO:** Members of the Audit Committee  
**FROM:** Ellen Duffy   
**SUBJECT:** Monthly Debt Report for April 30, 2012  
**DATE:** JUNE 4, 2012

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Attached please find HDC's debt report for the month of April, 2012. This report has been further revised to better reflect HDC's weighted average spread earned on the its variable rate bonds.

The Corporation issued \$65.8mm of tax-exempt bonds and \$2mm of taxable bonds in a stand-alone resolution, and \$67.5mm of tax-exempt bonds in the Open Resolution in March 2012.

Redemptions in March and April totaled \$12.5 million from 1 series of Open Resolution bonds and \$78.2 million from 1 series of stand-alone bonds.

HDC's debt outstanding as of April 30, 2012 is approximately \$8.4 billion. The Corporation's statutory debt capacity stands at \$10.25 billion.

# HDC Debt -- Monthly Report of Apr 30, 2012

Total HDC Debt		Open Resolution		New Issue Bond Program		Stand-Alone Bonds		Coop-Open Resolution		Total HDC Bonds	
Principal	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Outstanding	2,506,280,000	73.4%	499,590,000	100%	495,217,719	11%	66,465,000	100%	3,567,552,719	42%	
Fixed Rate	289,905,000	8.5%	-	0%	-	0%	-	0%	289,905,000	3%	
Var-Term	596,445,000	17.5%	-	0%	38,470,000	1%	-	0%	634,915,000	8%	
VRDO	24,235,000	0.7%	-	0%	3,910,000,000	86%	-	0%	3,934,235,000	47%	
Total	3,416,865,000	100%	499,590,000	100%	4,443,687,719	100%	66,465,000	100%	8,426,607,719	100%	
Statutory Limit									10,250,000,000		
Remaining Capacity									1,823,392,281		17.79%

Open Resolution Variable Rate Exposure		Bond Total		Mortgage Loan Balance		Rate Reset		Average		Weighted Avg.	
Series	Var-Index	Bond	Total	Maturity	Period/ Index	Period/ Index	Bond Tax Status	Bond Rate	Loan Rate	Spread	Spread
2002 C	44,760,000	74,198,083	2034	Quarterly/ 3 M FHLB Swap Rate + 30 bps	0.40%	7.71%	Taxable	0.40%	12.378%		
2008 E	96,690,000	99,408,166	2037	Quarterly/ 3 M FHLB Swap Rate + 30 bps	0.40%	3.52%	Taxable	0.40%	3.215%		
2008 F	86,825,000	58,544,790	2041	Quarterly/ 3 M FHLB Swap Rate + 30 bps	0.40%	6.30%	Taxable	0.40%	3.848%		
2008 J	34,395,000	44,394,251	2043	Quarterly/ 3 M LIBOR + 80 bps	1.35%	6.39%	Taxable	1.35%	6.898%		
2008 K	101,470,000	153,877,679	2043	Quarterly/ 3 M LIBOR + 70 bps	1.25%	4.77%	Taxable	1.25%	5.979%		
2009 I-2	25,000,000	90,476,152	2039	Quarterly/ 3 M LIBOR + 48 bps	1.03%	1.00%	Taxable	1.03%	2.592%		
2010 H	70,765,000	100,098,300	2040	Quarterly/ 3 M LIBOR + 54 bps	1.09%	4.81%	Taxable	1.09%	5.721%		
2011 F-2	56,460,000	\$61,421,132	2040	Quarterly/ 3 M LIBOR + 48 bps	1.03%	5.53%	Taxable	1.03%	4.988%		
2011 F-3	12,540,000	40,887,351	2040	Quarterly/ 3 M LIBOR + 48 bps	1.03%	3.64%	Taxable	1.03%	10.835%		
2012 A	67,540,000	51,608,348	2014	Weekly/ 7 D SIFMA + 110 bps	1.25%	1.25%	Tax-Exempt	1.25%	0.00%		
Total	596,445,000	774,914,252									
VRDO											
2009 C-4	13,045,000	13,045,000	2015	Weekly	0.18%	0.18%	Tax-Exempt	0.18%	0.00%		
2010 D-2	11,190,000	11,190,000	2015	Weekly	0.22%	0.22%	Tax-Exempt	0.22%	0.00%		
Total	24,235,000	24,235,000									

Open Resolution Interest Rate CAPs		HDC Short-Term Assets	
Outstanding Notional Amount	With Goldman Sachs	Strike Rate	Maturity Date
(5)	237,894,345	7.35%	11/1/2032
(6)	308,893,889	51.79%	
Hedge Ratio: Short-Term Assets/Variable Debt			

2012 Volume Cap	
Awarded (City)	Balance Available 04/30/12
NYS Carryforward 2011	70,000,000
Awarded (State)	(67,540,000)
Used up to 04/30	2,460,000

**Notes**

- (1) One loan (Dayton Tower) is still advancing; loan prepayment recently received
- (2) The mortgages are collateral for both I-1 (50,000,000 outstanding)(fixed) and I-2 (variable)
- (3) The bond is structured as a pass-thru deal and the borrower is responsible for the bond interest, which is fully capitalized.
- (4) Pass-thru structure - HDC does not take the interest rate risk nor the bank bond risk; the Liquidity Provider for 2009 C-4 and 2010 D-2 is Bank of New York Mellon and J.P. Morgan Chase, respectively
- (5) Interest rate caps are not legally tied to the associated bond series, therefore provides a hedge to the full Open Resolution variable rate portfolio
- (6) Includes only those assets for which HDC keeps the earnings

**Open Reso Bonds**

**Debt Issuance / Key Events**

- Debt Issuance in Apr.
- Redemptions in Apr.
  - 2009 Series A HRB-partial redemption \$12,460,000
  - 2007 A (Queens Family Courthouse)-partial redemption \$69,650,000

**Rates of the Index Floating Bonds:**

3 M FHLB Swap Rate - Feb 2012- Apr 2012	0.1020%
3 M LIBOR - Feb 2012- Apr 2012	0.5469%
7 D SIFMA - Current Month Average	0.1500%

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NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION

**MEMORANDUM**

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**TO:** Members of the Audit Committee  
**FROM:** Ellen Duffy *ED*  
**SUBJECT:** Weekly Investment Report for May 22, 2012  
**DATE:** JUNE 4, 2012

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Attached please find HDC's investment report for May 22, 2012. Funds under management totaled approximately \$2.3 billion, consistent with the balances we have been experiencing this year. This report reflects routine investment activity.

Weekly Investment Report  
Tuesday, May 22, 2012

	5/22/2012	5/4/2012	Weekly Change	10/31/2011	Change 10/31/2011 to Current
<b>Total Investments</b>	<b>2,326,413,429</b>	<b>2,385,154,302</b>	<b>(58,740,873)</b>	<b>2,576,393,722</b>	<b>(249,980,293)</b>
<b>Investments by Pool:</b>					
Open Resolution Revenue	77,016,212	91,946,350	(14,930,138)	178,259,579	(101,243,367)
Project-Related GNMA's	183,504,480	183,504,480	-	185,836,274	(2,331,794)
Open Resolution DSR	85,111,400	85,117,001	(5,601)	78,521,155	6,590,245
Open Resolution Capitalized Interest	5,487,120	5,487,020	100	9,399,631	(3,912,512)
Open Resolution Bond Proceeds	666,007,650	686,653,829	(20,646,179)	866,160,068	(200,152,418)
Open Resolution Redemption	13,045,000	25,975,000	(12,930,000)	-	13,045,000
Open Resolution Prepayment	97,269,326	101,442,646	(4,173,319)	137,724,915	(40,455,589)
Non Bonded Proceeds	5,229,105	5,229,105	-	1,245,285	3,983,820
Mitchell-Lama Prepayment	5,190,364	5,190,364	-	7,185,536	(1,995,172)
NYCHA (Stand Alone, All Funds)	31,134,100	31,134,100	-	30,966,778	167,322
Bond Proceeds, Non-OR	106,843,673	118,130,295	(11,286,622)	88,211,791	18,631,882
HPD Participating Loan (Schermerhorn)	11,776,139	11,764,839	11,300	4,836,851	6,939,288
236 Subsidy (Mortgage Loan Trust) *	-	-	-	-	-
Bond Revenue Funds, Non-OR	77,303,056	77,004,482	298,564	79,239,743	(1,936,687)
<b>Subtotal, Bond-Related</b>	<b>1,364,917,625</b>	<b>1,428,579,520</b>	<b>(63,661,896)</b>	<b>1,667,587,606</b>	<b>(302,669,981)</b>
HPD Funds	196,295,656	180,016,459	16,279,196	179,184,868	17,110,788
Escrows (HDC retains earnings)	34,276,557	31,409,304	2,867,253	22,489,137	11,787,420
Reserves for Replacement, Escrows	208,999,292	208,385,769	613,523	207,955,015	1,044,277
<b>Subtotal, Loan Servicing</b>	<b>439,571,505</b>	<b>419,811,532</b>	<b>19,759,973</b>	<b>409,629,021</b>	<b>29,942,485</b>
Housing Assistance Corp.	13,577,900	17,440,200	(3,862,300)	18,230,800	(4,652,900)
REMIC	78,842,712	78,121,648	721,064	77,025,491	1,817,221
Mitchell-Lama Claim Payment Fund	2,348,000	2,348,000	-	2,346,000	2,000
Construction Loan Mortgage Equity	2,319,984	2,174,454	145,530	1,991,034	328,950
Corporate Services - 421a Funds	18,878,376	20,155,339	(1,276,962)	24,665,216	(5,786,840)
Corporate Services - Committed to HDC Loans	31,633,525	33,540,525	(1,907,000)	53,274,095	(21,640,569)
Corporate Services - Cit Loan Participation	85,033,722	95,188,937	(10,155,215)	155,492,946	(70,459,225)
Corporate Services - General/Operating***	174,939,903	173,416,370	1,523,533	60,442,167	114,497,737
Corporate Services - RAP	-	-	-	1,684,736	(1,684,736)
Corporate Services - AHPLP	-	-	-	1,165,596	(1,165,596)
Corporate Services - Revolving/Warehousing	-	-	-	-	-
Corporate Services - Future Mitchell Lama Grants	6,340,000	6,340,000	-	6,239,811	100,189
Corporate Services - Mitchell Lama Repair Fund	7,709,398	7,709,398	-	5,978,893	1,730,505
Corporate Services - HPD 2004 M.O.U.	13,684	13,684	-	13,663	20
Corporate Services - HUD Multi-Family Loan Fund	5,561,092	5,568,692	(7,600)	7,282,771	(1,721,678)
Corporate Services - HPD 15 Year Reserves	1,295,047	1,295,047	-	1,293,128	1,919
Corporate Services - Designated and Restricted / Rating and Reserves **	93,430,955	93,430,955	-	82,050,750	11,380,205
<b>Subtotal, HDC Non-Bond Programs</b>	<b>521,924,299</b>	<b>536,763,249</b>	<b>(14,838,950)</b>	<b>499,177,096</b>	<b>22,747,203</b>
<b>Total, All Pools</b>	<b>2,326,413,429</b>	<b>2,385,154,302</b>	<b>(58,740,873)</b>	<b>2,576,393,722</b>	<b>(249,980,293)</b>

\* This amount represents the 2nd mortgage payoffs from the Mitchell Lama closing held by HDC prior to transfer to REMIC trustee

\*\* 72,500,000 Rating Agency Reserve

\*\* 5,860,000 2006 A DSR

\*\* 15,070,955 (NYCHA GUARANTY)

\*\*\* 3M Self Insurance Reserve for Errors and Omissions

\*\*\* 19M Six Month Operating Reserve

Weekly Investment Report  
Tuesday, May 22, 2012

05/22/2012  
Percentage of  
Type of Securities  
Held

Change 10/31/2011 to  
Current

	5/22/2012	5/4/2012	Weekly Change	10/31/2011	Change 10/31/2011 to Current
<b>Total Investments</b>	<b>2,326,413,429</b>	<b>2,385,154,302</b>	<b>(58,740,873)</b>	<b>2,576,393,722</b>	<b>(249,980,293)</b>
<b>Investments by Security:</b>					
Repurchase Agreements	249,012,000	341,753,000	(92,741,000)	194,944,000	54,068,000
Guaranteed Investment Contracts	353,300,088	355,972,256	(2,672,168)	165,057,649	188,242,439
Demand Deposit (Interest Bearing)	660,695,861	593,056,566	67,639,294	884,032,728	(223,336,867)
Certificate of Deposit	68,000,000	68,000,000	-	68,000,000	-
Agencies	441,274,000	471,274,000	(30,000,000)	426,325,071	14,948,929
Project-Related GNMA	183,504,480	183,504,480	-	185,836,274	(2,331,794)
Municipal Bonds	72,700,000	72,700,000	-	97,000,000	(24,300,000)
Treasuries	297,927,000	298,894,000	(967,000)	555,198,000	(257,271,000)
<b>Total</b>	<b>2,326,413,429</b>	<b>2,385,154,302</b>	<b>(58,740,873)</b>	<b>2,576,393,722</b>	<b>(249,980,293)</b>

**Diversification Details:**  
**Repurchase Agreements:**

	Amount Outstanding
Chase Securities, Inc.	-
Citigroup	-
Daiwa Securities	93,661,000
Banc Of America Securities	-
Mizuho Securities Usa, Inc.	167,584,000
<b>Total</b>	<b>261,245,000</b>

**Commercial Paper**

GIC Uncollateralized %	97.88%
GIC Collateralized %	2.12%

	Uncollateralized	%	Collateralized	%	Total
<b>Total</b>	<b>-</b>	<b>0.00%</b>	<b>6,307,157</b>	<b>0.00%</b>	<b>6,307,157</b>
<b>Guaranteed Investment Contracts</b>	<b>Uncollateralized</b>	<b>%</b>	<b>Collateralized</b>	<b>%</b>	<b>Total</b>
Bank Of America	-	0.00%	6,307,157	0.00%	6,307,157
Bayerische Landesbank	11,315,181	3.27%	-	0.00%	11,315,181
Credit Agricole CIB NEW YORK \Calyon	330,354,549	95.53%	-	-	330,354,549
Rabobank International	4,077,942	1.18%	-	-	4,077,942
RBC Capital Markets Corporation	-	0.00%	-	-	-
Societe Generale Gic	55,260	0.02%	-	0.00%	55,260
Westdeutsche Landesbank	-	0.00%	1,190,000	15.87%	1,190,000
<b>Total</b>	<b>345,802,931</b>	<b>100.00%</b>	<b>7,497,157</b>	<b>100.00%</b>	<b>353,300,088</b>
<b>Demand Deposit (Interest Bearing)</b>					
Wells Fargo / Wachovia	-	0.00%	0.00%	0.00%	-
H.S.B.C	125,710,309	19.03%	5,404	5.404%	125,715,713
Webster	23,204,200	3.51%	0.997%	0.997%	23,205,197
Flushing Commercial Bank	55,868,725	8.46%	2,401%	2.401%	58,270,126
JP MORGAN CHASE BANK	96,237,193	14.57%	4,137%	4.137%	100,374,330
NYC Community Bank	64,304,797	9.73%	2,764%	2.764%	67,068,561
Signature	295,370,637	44.71%	12,696%	12.696%	308,067,334
<b>Total</b>	<b>660,695,861</b>	<b>100.00%</b>	<b>28,400%</b>	<b>28.400%</b>	<b>689,095,265</b>

Note : Does not include DDA accounts that reconcile to zero.



NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION

**MEMORANDUM**

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To: Members of the Audit Committee  
From: Mary Hom *MH*  
Date: May 30, 2012  
Re: Counterparty Credit Risk Exposure

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I have attached a report detailing the Corporation's counterparty exposure as of May 15, 2012.

Please let me know if you have any questions.

***FOR INTERNAL USE ONLY***

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION  
 Counterparty Credit Risk Exposure Report as of May 15, 2012

Counterparty	Moody's	S&P	Construction LOC (05/15/12)	Permanent Enhancement (05/15/12)	Investment (05/15/12)	Liquidity Providers- HDC Bonds (05/15/12)	TOTAL COUNTERPARTY EXPOSURE	% Total Counterparty Exposure
Assured Guaranty	Aa3	AA-	\$67,800,000				\$67,800,000	0.73%
Bank of America	A2	A	\$311,770,000	\$26,455,000	\$6,307,157		\$344,532,157	3.70%
Bank of New York	Aa1	AA-	\$82,245,000			\$13,045,000	\$95,290,000	1.02%
Bayerische Landesbank	Aaa	NR			\$10,965,766		\$10,965,766	0.12%
CALYON/Credit Agricole Corporate & Investment Bank	Aa3	A			\$330,354,549		\$330,354,549	3.55%
Citibank	A1	A	\$546,105,000	\$256,264,340	\$26,406,000		\$802,369,340	8.62%
Daiwa Securities	Baa2	BBB+					\$26,406,000	0.28%
Dexia (**See below)	Baa2	BBB					\$0	0.00%
Dormitory Authority of the State of New York	NR	AAA			\$10,000,000		\$10,000,000	0.11%
Flushing Bank	NR	NR			\$57,203,857		\$57,203,857	0.61%
Goldman Sachs Bank	Aa3	A	\$32,920,000	\$140,800,000			\$32,920,000	0.35%
Helaba (guaranteed)	Aa1	AA	\$210,000,000				\$140,800,000	1.51%
Helaba (unguaranteed)	Aa2	AA-	\$40,685,000				\$210,000,000	2.26%
HSBC	Aa1	A+	\$363,095,000	\$16,910,000	\$125,991,559		\$166,676,559	1.79%
JPMorgan Chase Bank	Aa1	NR		\$70,000,000	\$164,240,685	\$11,190,000	\$555,435,685	5.97%
Landesbank Baden-Wuerttemberg	A2	NR					\$70,000,000	0.75%
M&T Bank	A2	A	\$13,145,000				\$13,145,000	0.14%
MBIA-Illinois/NaI Public Finance Guarantee Corp	Baa2	BBB		\$299,998,414	\$152,745,000		\$299,998,414	3.22%
Mizuho Securities	A2	A			\$28,060,000		\$152,745,000	1.64%
NYC GO (Dexia) (**See below)	Baa2	BBB			\$28,060,000		\$28,060,000	0.30%
NYC GO (unenanced)	Aa3	AA			\$26,135,000		\$26,135,000	0.28%
NYC GO (unenanced)	Aa1	AAA			\$5,240,000		\$5,240,000	0.06%
NYC Transitional Finance Authority	A3	BBB			\$65,060,474		\$65,060,474	0.70%
NY Community Bank	NR	AAA			\$2,265,000		\$2,265,000	0.02%
NYS Urban Development	Aaa	AA			\$4,054,190		\$4,054,190	0.04%
Rabobank	Aa2	AA	\$635,000,000				\$635,000,000	6.82%
RBS Citizens N.A.	NR	AA		\$169,485,494			\$169,485,494	1.82%
REMIC	NR	NR			\$280,367,292		\$280,367,292	3.01%
Signature Bank	NR	NR			\$55,260		\$55,260	0.00%
Societe Generale	A1	A			\$1,000,000		\$1,000,000	0.01%
SONYMA	Aa1	NR		\$338,810,732	\$1,000,000		\$339,810,732	3.65%
US Agency:	Aaa	AA+	\$212,905,000	\$3,048,925,557	\$661,218,480		\$3,923,049,037	42.16%
FHA/HUD			\$30,425,000	\$85,149,179			\$115,574,179	1.24%
FHLB			\$182,480,000		\$219,430,000		\$401,910,000	4.32%
FHLMC				\$519,681,041	\$37,530,000		\$557,211,041	5.99%
FNMA (**See below)				\$2,294,737,081	\$192,534,000		\$2,487,271,081	26.73%
GNMA				\$149,358,256	\$183,504,480		\$332,862,736	3.58%
Other Agency					\$28,220,000		\$28,220,000	0.30%
US Treasury	Aaa	AA+			\$292,537,000		\$292,537,000	3.14%
Webster Bank	A3	BBB			\$23,211,023		\$23,211,023	0.25%
Wells Fargo Bank	Aa3	AA-	\$123,400,000				\$123,400,000	1.33%
West LB (guaranteed)	Aa1	AA-			\$1,190,000		\$1,190,000	0.01%
<b>TOTAL</b>			\$2,639,070,000	\$4,367,649,537	\$2,274,608,292	\$24,235,000	\$9,305,562,829	100.00%

\*Counterparty Exposures Above 10% Are Highlighted

\*\*Does not include municipal investment exposure (see following page)





**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
*Credit Enhancement Diversification as of May 15, 2012*

**CONSTRUCTION PROJECTS**

Provider	Moody's	S&P	Enhancement During Construction:		Expected Permanent Enhancement: Expected		% of Total During Construction	Number of Projects	LOC Amount	% of Total During Construction	Number of Projects	Insured Amount	Permanent Enhanced or Amount	% of Total During Permanent
			Number of Projects	LOC Amount	Number of Projects	Insured Amount								
Assured Guaranty	Aa3	AA-	1	\$67,800,000	2.57%	1	\$67,800,000	3.67%						
Bank of America	A2	A	8	\$311,770,000	11.81%	1	\$100,000,000	5.42%						
Bank of New York	Aa1	AA-	6	\$82,245,000	3.12%	0	\$0	0.00%						
Citibank	A1	AA-	17	\$546,105,000	20.69%	2	\$20,840,000	1.13%						
FHA/HUD	Aaa	AA+	2	\$30,425,000	1.15%	4	\$71,538,000	3.88%						
FHLB	Aaa	AA+	8	\$182,480,000	6.91%	1	\$69,865,000	3.79%						
FHLMC	Aaa	AA+	0	\$0	0.00%	6	\$250,360,000	13.57%						
FNMA	Aaa	AA+	0	\$0	0.00%	1	\$635,000,000	34.41%						
Goldman Sachs Bank	Aa3	A	2	\$32,920,000	1.25%	0	\$0	0.00%						
Helaba (unguaranteed)	A1	A	1	\$210,000,000	7.96%	1	\$210,000,000	11.38%						
HSBC	Aa2	AA-	1	\$40,685,000	1.54%	0	\$0	0.00%						
JPMorgan Chase	Aa1	A+	23	\$363,095,000	13.76%	0	\$0	0.00%						
M&T Bank	A2	A	1	\$13,145,000	0.50%	0	\$0	0.00%						
NONE	NR	NR	9	\$0	0.00%	3	\$0	0.00%						
RBS Citizens NA	A2	A	1	\$635,000,000	24.06%	0	\$0	0.00%						
REMIC	NR	AA	0	\$0	0.00%	46	\$70,231,000	3.81%						
SONYMA	Aa1	NR	0	\$0	0.00%	15	\$349,588,806	18.95%						
Wells Fargo	Aa3	AA-	3	\$123,400,000	4.68%	0	\$0	0.00%						
<b>TOTAL</b>			<b>83</b>	<b>\$2,639,070,000</b>	<b>100.00%</b>	<b>81</b>	<b>\$1,845,222,806</b>	<b>100.00%</b>						

**In Construction:**

Rating	% of Total
AAA	0.00%
AA	19.97%
A	80.03%
<b>TOTAL</b>	<b>100.00%</b>

**PERMANENT LOANS WITH ENHANCEMENT**

Provider	Moody's	S&P	Number of Projects	Enhanced Amount	% of Total Permanent Enhanced Amount	Number of Projects	Insured Amount	Permanent Enhanced or Amount	% of Total During Permanent
Citibank	A1	A	33	\$256,264,340	5.87%	1	\$100,000,000	5.42%	
FHA/GNMA	Aaa	AA+	26	\$234,507,435	5.37%	0	\$0	0.00%	
FHLMC	Aaa	AA+	20	\$519,681,041	11.90%	2	\$20,840,000	1.13%	
FNMA	Aaa	AA+	64	\$2,294,737,081	52.54%	4	\$71,538,000	3.88%	
Helaba (guaranteed)	Aa1	AA	1	\$140,800,000	3.22%	1	\$69,865,000	3.79%	
JPMorgan Chase	Aa1	A+	3	\$16,910,000	0.39%	1	\$250,360,000	13.57%	
Landesbank Baden Wuert	A2	NR	1	\$70,000,000	1.60%	0	\$0	0.00%	
MBIA-Illinois/Natl Public Finance^	Baa2	BBB	1	\$299,998,414	6.87%	6	\$250,360,000	13.57%	
REMIC*	NR	AA	152	\$169,485,494	3.88%	1	\$635,000,000	34.41%	
SONYMA	NR	NR	35	\$338,810,732	7.76%	0	\$0	0.00%	
<b>TOTAL</b>			<b>338</b>	<b>\$4,367,649,537</b>	<b>100.00%</b>	<b>81</b>	<b>\$1,845,222,806</b>	<b>100.00%</b>	

**In Permanent:**

Rating	% of Total
AAA	0.00%
AA	84.67%
A	8.46%
BBB	6.87%
<b>TOTAL</b>	<b>100.00%</b>

\*Unenhanced portion totals approximately \$636 million

^Bond insurance on 2005 Series A (NYCHA) Capital Fund Program Revenue Bonds; underlying bond rating is AA+ by S&P



NEW YORK CITY HOUSING DEVELOPMENT CORPORATION  
Investment Summary as of May 15, 2012

Investment Securities & Repo-By Rating:

Counterparty	Type	Amount	AAA	AA	A	BBB*	NR*		
Bank of America	GIC	\$6,307,157			\$6,307,157				
Bayerische Landesbank (guaranteed)	GIC	\$10,965,766	\$10,965,766						
CALYON/Credit Agricole CIB	GIC	\$330,354,549			\$330,354,549				
Daiwa Securities	REPO	\$26,406,000				\$26,406,000			
Dormitory Authority of the State of NY	MUNI	\$10,000,000					\$57,203,857		
Flushing Bank	MM	\$57,203,857							
HSBC	MM	\$125,991,559		\$125,991,559					
JPMorgan Chase	MM	\$164,240,685			\$164,240,685				
Mizuho Securities	REPO	\$152,745,000			\$152,745,000				
NYC GO (Dexia)	MUNI	\$28,060,000				\$28,060,000			
NYC GO	MUNI	\$26,135,000		\$26,135,000					
NYC TFA	MUNI	\$5,240,000		\$5,240,000					
NY Community Bank	MM	\$65,060,474				\$65,060,474			
NYS Urban Development	MUNI	\$2,265,000					\$280,367,292		
Rabobank	GIC	\$4,054,190		\$4,054,190					
Signature Bank	MM	\$55,260			\$55,260				
Societe Generale	GIC	\$1,000,000							
SONYMA	MUNI	\$661,218,480							
US Agency	US Treasury	\$292,537,000							
US Treasury	US Treasury	\$23,211,023					\$23,211,023		
Webster Bank	MM	\$1,190,000							
Westdeutsche Landesbank (guaranteed)	GIC	\$1,190,000							
<b>% of Total</b>		<b>\$2,274,608,292</b>	<b>1.02%</b>	<b>\$1,117,366,229</b>	<b>49.12%</b>	<b>\$653,702,651</b>	<b>28.74%</b>	<b>\$337,571,149</b>	<b>14.84%</b>

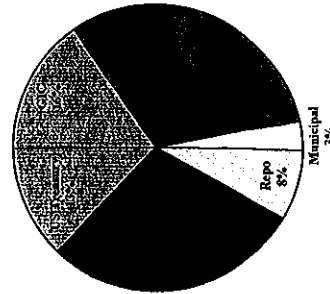
100.00%

\*BBB and NR exposures are fully-collateralized

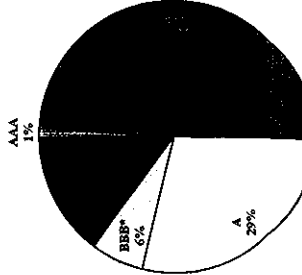
Weighted Average Maturity (Years): 4.68

Investment Portfolio-By Type of Investment:	% Total	Amount
GIC	15.52%	\$352,926,923
Money Market	31.48%	\$716,074,890
Municipal	3.20%	\$72,700,000
Repo	7.88%	\$179,151,000
US Agency	29.07%	\$661,218,480
US Treasury	12.86%	\$292,537,000
<b>Total</b>	<b>100.00%</b>	<b>\$2,274,608,292</b>

INVESTMENT PORTFOLIO  
(By Type)



INVESTMENT PORTFOLIO  
(By Rating)



**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
*Liquidity Providers as of May 15, 2012*

<b>BANK OF NEW YORK MELLON</b>	<b>JPMORGAN CHASE</b>
<b>Issue</b>	<b>Issue</b>
2009 C-4	2010 D-2
<b>Amount</b>	<b>Amount</b>
\$13,045,000	\$11,190,000
<b><u>\$13,045,000</u></b>	<b><u>\$11,190,000</u></b>

<b>Diversification:</b>	<b>Amount</b>	<b>% Total</b>
Bank of New York Mellon	\$13,045,000	53.83%
JPMorgan Chase	\$11,190,000	46.17%
<b>TOTAL</b>	<b><u>\$24,235,000</u></b>	<b><u>100.00%</u></b>

**FOR INTERNAL USE ONLY**





NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION

**INTEROFFICE MEMORANDUM**

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**TO:** MEMBERS OF THE AUDIT COMMITTEE  
**FROM:** SHIRLEY JARVIS *Amst.*  
**SUBJECT:** 2011 ACCOUNTS RECEIVABLE AUDIT EXECUTIVE SUMMARY  
**DATE:** MAY 30, 2012

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Internal Audit has completed its 2011 Accounts Receivable (AR) Audit. The last AR Audit was performed in 2006.

**I. Background**

The Accounts Receivable (AR) department of the Cash Management division is responsible for collecting, identifying, and applying cash, checks, wires and letters of credit to the appropriate accounts.

Information Systems:

Accounts Receivable records receipts using the Oracle AR module. Cash Management recently implemented the Emphasys System for real-time management of cash and investment activity. After receipts are entered into AR, the information is uploaded to Emphasys on a daily basis. Accounting runs a General Ledger (GL) interface between AR and Accounting in order to post receipts to the GL.

The receipts are entered into AR by the AR Administrator. There are four different types of receipts:

1. Letter of Credit (LOC) - draws received by wire directly into the bond program account; are excluded from the Emphasys upload and entered into Emphasys by the Cash Management Administrator.
2. Principle Reserves/Revenue Receipts - also received by wire directly into the bond program account; are excluded from the Emphasys upload and entered into Emphasys by the Cash Management Administrator.
3. Trade Receipts – receipts applied to MBS invoices; are uploaded into Emphasys.
4. Miscellaneous Receipts – any receipts that are not applied to an invoice (i.e., REMIC, checks); are uploaded into Emphasys.

Other than miscellaneous receipts, all receipts are applied to an invoice by project.

**II. Audit Objectives**

The objectives of the audit were to:

1. Ensure that receipts were properly processed, reconciled and accurately recorded.
2. Determine if unapplied receipts were reviewed and monitored.
3. Determine if reversals were properly recorded in Oracle AR and GL.
4. Determine if system access controls were adequate, based on job function.

### **III. Audit Scope**

The scope of the audit focused on system access to the Oracle AR module and receipts processed from May 31, 2011 through October 31, 2011.

### **IV. Audit Results:**

We noted no matters involving internal controls that we considered material weaknesses. Generally, we found that the Accounts Receivables were properly processed in accordance with the procedures. Based on our review of selected activities, we found that receipts were accurately processed and reconciled, the unapplied receipts were reviewed and monitored on a regular basis and receipts were accurately recorded in the GL.

We did note areas where improvements could be made to enhance the efficiency of operations. Those recommendations and management's action plan to address them are summarized below.

#### **Lockbox Unapplied Receipts**

1. Discuss with Accounting the best way to apply long outstanding unapplied funds, so that the cash asset is properly reflected in the GL.
2. Develop procedures on how to book unidentified receipts that remain in the Wells Fargo Lockbox after a certain period of time (i.e., more than one or two months).

The outstanding unapplied funds in the Wells Fargo Lockbox were taken into the GL and recorded in the Corporate Services Fund account in February 2012. Management has established a new process whereby if funds are not applied within two weeks, after extensive research, Wells Fargo will be instructed to return the funds to the sender.

#### **Access to the Oracle AR Module**

1. Review the responsibility functions and the users associated with each to ensure that: access is limited to employees who require that access, based on their job responsibilities; determine if multiple responsibilities exist to perform the same basic functions and to delete duplicate responsibilities functions.
2. Cash Management should regularly review access to the AR module to ensure access is appropriate. Requests for access to the Module should be authorized by the VPs of Cash Management before access is granted by IT.
3. The external auditors should only be given inquiry access.
4. IT should document what each responsibility allows the user to perform.

Management agrees with our recommendations and will take the following actions to address them:

1. Immediately implement a procedure to work with the IT department to ensure that only authorized users have access to the AR Module
2. Work with IT to establish group access levels in the AR Module and require final approval from the VPs of Cash Management to create any new user group access levels to the Module. Management plans to implement this procedure within the next 90 days.
3. The external auditors' access will be changed to inquiry access only.
4. IT will document the responsibilities of each group level access to the AR Module by May 31, 2012.

**Documented Policies and Procedures**

Management agreed with our recommendation to update the written procedures to reflect current practices and to include more detail for certain processes pertaining to:

1. Emphasys - the new cash management system.
2. Unapplied Receipts
3. Reversed Receipts

Management expects to complete the update of the procedures within the next 90 days.

Our comments and recommendations as well as management's responses are fully described in the "2011 Accounts Receivable Audit" report, dated April 17, 2011.