

**NOT A NEW ISSUE**

**SUPPLEMENT DATED JULY 29, 2009**

to

**OFFICIAL STATEMENT DATED DECEMBER 4, 2006**

**Relating to**

**\$24,000,000**

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**

**Multi-Family Mortgage Revenue Bonds (Spring Creek Apartments I and II), 2006 Series A**

This Supplement (the "Supplement") sets forth certain information supplementary to that contained in the Official Statement, dated December 4, 2006 (the "Official Statement"), relating to the Multi-Family Mortgage Revenue Bonds (Spring Creek Apartments I and II), 2006 Series A (the "2006 Bonds") issued by the New York City Housing Development Corporation (the "Corporation"). The information contained in this Supplement should be read together with the Official Statement, a copy of which may be found at [www.nychdc.com](http://www.nychdc.com). Except as expressly set forth herein, this Supplement does not update, modify or replace the information contained in the Official Statement, which contains information only as of its date. To the extent the information in this Supplement conflicts with the information in the Official Statement, the information in this Supplement shall govern. Unless otherwise defined in this Supplement, all terms used herein shall have the same meanings as set forth in the Official Statement.

As described in the Official Statement, the 2006 Bonds relate to a project located in The City of New York. The 2006 Bonds were issued to finance a Mortgage Loan to the Mortgagor in order to finance the Project and pay certain other costs related thereto.

The 2006 Bonds are being remarketed pursuant to this Supplement as variable rate obligations in a Weekly Rate Period and bear interest from the date of remarketing to but not including the Wednesday following the date of remarketing. Thereafter, the 2006 Bonds will bear interest at the Weekly Rate, as determined for the 2006 Bonds from time to time by Goldman, Sachs & Co., as Remarketing Agent, unless the method for determining the interest rate on the 2006 Bonds is changed to a different method or the interest rate is converted to a fixed rate to maturity. So long as the 2006 Bonds bear interest at a Weekly Rate, interest is payable on the first Business Day of each month, commencing September, 2009.

Payment of principal of and interest on the 2006 Bonds is secured by certain revenues and assets pledged under the Resolution pursuant to which the 2006 Bonds were issued. The principal of, interest on and Purchase Price of the 2006 Bonds have been payable from funds advanced under an irrevocable direct pay letter of credit (the "Prior Letter of Credit") issued by Citibank, N.A. (the "Bank") pursuant to a Credit and Disbursement Agreement dated as of December 12, 2006 among the Bank, Spring Creek Housing Development Fund Corp. and the Mortgagor. The Prior Letter of Credit will be surrendered for cancellation as of the close of business on August 3, 2009. On and after August 3, 2009, payments of the principal of and interest on the Mortgage Loan and the Purchase Price of the 2006 Bonds will be secured by a direct pay obligation under the Credit Enhancement Agreement of the Federal Home Loan Mortgage Corporation.

#### **FREDDIE MAC**

The Credit Enhancement Agreement will terminate on December 6, 2039 unless earlier terminated as described herein. Freddie Mac's obligations to make advances to the Trustee upon the proper presentation of documents which conform to the terms and conditions of the Credit Enhancement Agreement are irrevocable.

During the period that the 2006 Bonds bear interest at the Weekly Rate, any 2006 Bond shall be purchased upon demand by the owner thereof, at a purchase price of par plus accrued interest, on any Business Day, upon at least seven (7) days' notice and delivery of a tender notice with respect to such 2006 Bond to Deutsche Bank Trust Company Americas, located in New York, New York, as Tender Agent. The 2006 Bonds are also subject to mandatory tender for purchase under the circumstances described in the Official Statement.

**The 2006 Bonds are special revenue obligations of the Corporation, a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York. The 2006 Bonds are not a debt of the State of New York or of The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2006 Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.**

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE 2006 BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED GOVERNMENT SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE 2006 BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE 2006 BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE 2006 BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FREDDIE MAC. THE 2006 BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

*It is expected that the 2006 Bonds will be remarketed on August 3, 2009.*

**Goldman, Sachs & Co.**  
**Remarketing Agent**

**Remarketing of**

**\$24,000,000**

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION  
Multi-Family Mortgage Revenue Bonds (Spring Creek Apartments I and II), 2006 Series A**

**Price 100%**

**CUSIP Number: 64970VEY5\***

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This Supplement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2006 Bonds to any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Corporation or Goldman, Sachs & Co. (the "Remarketing Agent") to give any information or to make any representations other than as contained in the Official Statement and this Supplement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the Corporation, Freddie Mac, Spring Creek Housing L.P. (the "Mortgagor") (in the case of information contained herein relating to the Mortgagor and the Project) and other sources which are believed to be reliable. Such information herein is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by any of such sources as to information from any other source. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Supplement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Corporation, Freddie Mac or the Mortgagor since the date hereof. The Remarketing Agent and the Corporation disclaim responsibility to update the information contained in the Official Statement or this Supplement.

**Freddie Mac has not provided or approved any information in this Supplement or the Official Statement except with respect to the description under the heading "FREDDIE MAC" in this Supplement, takes no responsibility for any other information contained in this Supplement or the Official Statement, and makes no representation as to the contents of this Supplement or the Official Statement. Without limiting the foregoing, Freddie Mac makes no representation as to the suitability of the 2006 Bonds for any investor, the feasibility or performance of the Project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role with respect to the 2006 Bonds is limited to issuing and discharging its obligations under the Credit Enhancement Agreement and exercising the rights reserved to it in the Resolution and the Reimbursement Agreement.**

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SUPPLEMENT OR THE OFFICIAL STATEMENT.

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**TABLE OF CONTENTS**

	<u>Page</u>
INTRODUCTION.....	1
SECURITY FOR THE 2006 BONDS.....	2
THE PROJECT AND THE MORTGAGOR.....	3
FREDDIE MAC.....	4
DESCRIPTION OF THE 2006 BONDS.....	5
SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT.....	8
THE CORPORATION.....	9
CERTAIN LEGAL MATTERS.....	9
LEGALITY OF 2006 BONDS FOR INVESTMENT AND DEPOSIT.....	9
RATINGS.....	9
FURTHER INFORMATION.....	10
MISCELLANEOUS.....	10
APPENDIX A PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE CORPORATION.....	A-1

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**Multi-Family Mortgage Revenue Bonds (Spring Creek Apartments I and II), 2006 Series A**

This Supplement sets forth certain information supplementary to that contained in the Official Statement dated December 4, 2006 relating to the Multi-Family Mortgage Revenue Bonds (Spring Creek Apartments I and II), 2006 Series A (the “2006 Bonds”) issued by the New York City Housing Development Corporation (the “Corporation”).

This Supplement sets forth certain information supplementary to that contained in the Official Statement and should be read together with the Official Statement, a copy of which may be found at [www.nychdc.com](http://www.nychdc.com). The Official Statement contains information as of the dates specified therein, and except as set forth herein, this Supplement does not update the information contained in the Official Statement. To the extent the information in this Supplement conflicts with the information in the Official Statement, this Supplement shall govern. Unless otherwise defined in this Supplement, all terms used herein shall have the same meanings as those terms have in the Official Statement.

Deutsche Bank Trust Company Americas, located in New York, New York, is acting as trustee for the 2006 Bonds (in its capacity as trustee for the 2006 Bonds, with its successors, the “Trustee”).

**INTRODUCTION**

The 2006 Bonds were issued to finance a mortgage loan (the “Mortgage Loan”) to Spring Creek Housing L.P., a New York limited partnership (the “Mortgagor”), for the purposes of paying a portion of the costs of acquiring, rehabilitating and equipping a multi-family rental housing facility located at 901-903 Drew Street in the Borough of Brooklyn, New York (the “Project”), and certain other costs related thereto. The general partner of the Mortgagor is a single purpose limited liability company, the members of which are AD Spring Creek LLC and Spring Creek Housing Development Fund Corp. The members of AD Spring Creek LLC are Northern Lights LLC and Domain Spring Creek LLC. The members of Northern Lights LLC (Sol Arker, Allan Arker, Alex Arker and Daniel Moritz) and the members of Domain Spring Creek LLC (Aaron Amitin and The Domain Companies LLC (whose members are Matthew Schwartz and Chris Papamichael)) are the developers of the Project (all seven such individuals being hereafter collectively referred to as the “Key Principals”).

The principal of, interest on and Purchase Price of the 2006 Bonds have been payable from funds advanced under an irrevocable direct pay letter of credit (the “Prior Letter of Credit”) issued by Citibank, N.A. (the “Bank”) pursuant to a Credit and Disbursement Agreement dated as of December 12, 2006 among the Bank, Spring Creek Housing Development Fund Corp. and the Mortgagor. The Prior Letter of Credit will be replaced by a direct pay irrevocable transferable credit enhancement agreement executed and delivered by Freddie Mac (the “Credit Enhancement Agreement”) for the 2006 Bonds, as described herein. The Credit Enhancement Agreement will become effective on August 3, 2009 and the Prior Letter of Credit will be surrendered for cancellation as of the close of business, New York City time, on August 3, 2009. As a result of the substitution and replacement of the Prior Letter of Credit, the 2006 Bonds will be subject to mandatory tender for purchase on August 3, 2009 (the “Purchase Date”). Any 2006 Bonds that are tendered for purchase on the Purchase Date but are not remarketed will be purchased with the proceeds of a drawing on the Prior Letter of Credit.

The 2006 Bonds are special obligations of the Corporation payable solely from payments under the Mortgage Loan and other Revenues pledged therefor under the Resolution, including any investment earnings thereon, all as provided in accordance with the terms of the Resolution. In addition, the 2006 Bonds are payable from advances under the Credit Enhancement Agreement or any Alternate Security.

The Official Statement and this Supplement in general describe the 2006 Bonds only while the 2006 Bonds bear interest at the Weekly Rate and only while the Credit Enhancement Agreement is in effect.

**The 2006 Bonds are not a debt of the State of New York or The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2006 Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.**

### **SECURITY FOR THE 2006 BONDS**

The Mortgage Loan is evidenced by the Mortgage Note, in an amount equal to the principal amount of the 2006 Bonds, executed by the Mortgagor in favor of the Corporation and secured by the Mortgage on the Project. The Mortgagor is required under the Mortgage Note to make payments sufficient to pay principal of and interest on the 2006 Bonds. On August 3, 2009 the Mortgage will be amended and restated (as amended and restated, the "Mortgage"). Payment of the 2006 Bonds is secured only by the Mortgage Loan and the revenues or assets pledged under the Resolution, and not by any other mortgage loan or revenues or assets pledged under any other resolution. Payments under the Mortgage Note will be applied only to the payment of the 2006 Bonds and are secured only by the Credit Enhancement Agreement and not by any other credit enhancement agreement.

#### Credit Enhancement Agreement

The following description of the Credit Enhancement Agreement does not purport to be complete or to cover all sections of the Credit Enhancement Agreement. Reference is made to the Credit Enhancement Agreement, on file with the Trustee, for the complete terms thereof and the rights, duties and obligations of Freddie Mac and the Trustee thereunder.

On August 3, 2009, the Mortgagor will cause Freddie Mac to execute and deliver a direct pay Credit Enhancement Agreement to the Trustee for the 2006 Bonds.

Upon presentation by the Trustee of documents required by the Credit Enhancement Agreement and subject to the terms and conditions thereof, Freddie Mac will advance funds under such Credit Enhancement Agreement to the Trustee with respect to the payment of: (i) the principal amount of the Mortgage Note to enable the Trustee to pay the principal amount of the 2006 Bonds (other than 2006 Bonds that are Purchased Bonds) when due by reason of maturity, redemption or acceleration; (ii) an amount equal to interest on the Mortgage Loan to enable the Trustee to pay interest for up to 35 days' interest (computed at the Maximum Rate) on the 2006 Bonds (other than 2006 Bonds that are Purchased Bonds) when due; and (iii) the Corporation's regularly scheduled fee, if such fee is not paid by the Mortgagor to the Corporation in a timely manner.

Freddie Mac will also advance funds under the Credit Enhancement Agreement to the Trustee with respect to the payment of the principal amount of the 2006 Bonds and up to 35 days' interest thereon (computed at the Maximum Rate) in order to pay the Purchase Price of 2006 Bonds tendered to the Trustee as Tender Agent and not remarketed pursuant to the Remarketing Agreement, by and among Goldman, Sachs & Co., as Remarketing Agent, the Corporation, the Mortgagor and the Tender Agent (the "Remarketing Agreement").

The Credit Enhancement Agreement terminates on the first to occur of (a) the date the 2006 Bonds shall have been paid in full, (b) December 6, 2039, (c) the date on which the Trustee, after having received sufficient funds to redeem all of the 2006 Bonds Outstanding in accordance with the terms of the Resolution, shall have released all monies or securities held by it pursuant to the Resolution and shall have paid to Freddie Mac all amounts required to be paid under the Resolution, the Loan Agreement, the Reimbursement Agreement or the Credit Enhancement Agreement, and (d) the second Business Day following the effective date of any Alternate Security.

The Credit Enhancement Agreement constitutes a "Credit Facility" and the "Initial Permanent Phase Credit Facility" under the Resolution and Freddie Mac constitutes a "Credit Facility Provider" and the "Initial Permanent Phase Credit Facility Provider" under the Resolution. The Mortgage Note and Mortgage for the Project were previously assigned to the Bank in its capacity as the Initial Construction Phase Credit Facility Provider, pursuant to an assignment and intercreditor agreement (the "Assignment") dated as of December 1, 2006, by and among the Corporation, the Trustee and the Bank, as their interests then appeared, and acknowledged, accepted and agreed to by the Mortgagor, subject to the reservation by the Corporation of certain rights. In connection with Freddie Mac's

delivery of its Credit Enhancement Agreement and the cancellation of the Prior Letter of Credit, the Bank is assigning its rights under the Assignment to Freddie Mac. The Trustee will assign the mortgage rights assigned to it to Freddie Mac but will retain the right to receive payments relating to the Principal Reserve Fund deposits.

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE 2006 BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER OWNED GOVERNMENT SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE 2006 BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FREDDIE MAC. THE 2006 BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

### **THE PROJECT AND THE MORTGAGOR**

The Mortgagor has provided the following information regarding itself and the Project owned by it and the information regarding the Key Principals for use herein. While the information is believed to be reliable, neither the Corporation, Freddie Mac, the Remarketing Agent nor any of their respective counsel, members, directors, officers or employees makes any representation as to the accuracy or sufficiency of such information.

#### **The Project**

The 2006 Bonds were issued to finance the Mortgage Loan in the amount of \$24,000,000 to Spring Creek Housing L.P., a New York limited partnership, for the purpose of paying a portion of the costs of acquiring, rehabilitating and equipping an existing multi-family rental housing facility located at 901-903 Drew Street, in the Borough of Brooklyn, New York. The Project consists of (i) three (3) condominium units containing an aggregate of five hundred eighty two (582) dwelling units (one hundred ninety three (193) studios, ninety eight (98) one-bedroom units, and two hundred ninety one (291) two-bedroom units (including one superintendent's unit and one management office), plus associated parking, community rooms and a playground (collectively, the "Residential Units"); and (ii) seven (7) condominium units consisting, in the aggregate, of approximately 8,200 square feet of ground floor retail space (collectively, the "Commercial Units"). Proceeds from the sale of the 2006 Bonds were spent only on the Residential Units. It is anticipated that approximately 85% of the units (excluding the superintendent's unit and the management office) will be set-aside for households earning no more than 60% of the New York City area median income ("AMI"), adjusted for family size.

The Mortgagor has received a 30-year exemption from real estate taxes with respect to the Residential Units in accordance with Section 420-c of the Real Property Tax Law of the State of New York, which program currently requires that all residential units in the Project be subject to rent regulation in accordance with the New York City Rent Stabilization Code. In addition, the Mortgagor expects to receive an allocation of federal low income housing tax credits for the Project. See "THE MORTGAGE LOAN" in the Official Statement.

Construction of the Project was completed in December, 2008. Since January, 2009, approximately 99% of the apartments have been occupied. Since that time, the operating income from the Project has been sufficient to pay the operating expenses of the Project and debt service on the 2006 Bonds issued to finance the Project. No assurance can be given, however, that the Project will continue to generate sufficient revenues to pay the debt service and operating expenses of the Project. The ability of the Mortgagor to pay its Mortgage Loan is dependent on the revenues derived from the Project. See "THE MORTGAGE LOAN" in the Official Statement.

#### **Mortgagor**

The Project is owned by Spring Creek Housing L.P. Spring Creek GP LLC is the sole general partner of the Mortgagor, which possesses an approximate .01% ownership interest in the Mortgagor. Spring Creek GP LLC is a single purpose limited liability company, the members of which are AD Spring Creek LLC and Spring Creek Housing Development Fund Corp. (the "HDFC"), each of which possesses a 50% membership interest in Spring Creek GP LLC. The sole member of the HDFC is Northeast Brooklyn Housing Development Corporation. The



members of AD Spring Creek LLC are Northern Lights LLC and Domain Spring Creek LLC. The members of Northern Lights LLC are Sol Arker, Allan Arker, Alex Arker and Daniel Moritz. The members of Domain Spring Creek LLC are Aaron Amitin and The Domain Companies LLC. The members of The Domain Companies LLC are Matthew Schwartz and Chris Papamichael. A low-income housing tax credit investor possesses a 99.98% limited partner interest in the Mortgage with its affiliate owning the remaining .01% as a special limited partner.

The Mortgage was formed solely for the purpose of developing, owning and operating the Project. As such, the Mortgage has not previously engaged in any business operations, has no historical earnings and has no assets other than its interest in the Project. Accordingly, it is expected that the Mortgage will not have any sources of funds to make payments on the Mortgage Loan other than revenues generated by the Project.

The Project was developed by AD Spring Creek LLC, a joint venture of the Key Principals. The Key Principals and their affiliates have collectively developed over 4,000 residential housing units, including over 2,000 affordable units.

AD Diversified Management LLC (“AD Management”), an affiliate of the Key Principals, manages the Project. AD Management is a full-service property management organization with a focus on affordable housing. AD Management and its affiliates currently manage over 3,000 units throughout New York City, including 1,300 affordable units.

### **FREDDIE MAC**

*The information presented under this caption “FREDDIE MAC” has been supplied by Freddie Mac. None of the Corporation, the Trustee, the Mortgage or the Remarketing Agent has independently verified such information, and none assumes responsibility for the accuracy of such information. The information is qualified in its entirety by reference to the Incorporated Documents, as defined below.*

Freddie Mac is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459 (the “Freddie Mac Act”). Freddie Mac’s statutory mission is (i) to provide stability in the secondary market for residential mortgages; (ii) to respond appropriately to the private capital market; (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage financing. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac or to guarantee Freddie Mac’s securities or obligations.

Freddie Mac’s principal business consists of the purchase of (i) first-lien, conventional residential mortgages subject to certain maximum loan limits and other underwriting requirements under the Freddie Mac Act and (ii) securities backed by such mortgages. Freddie Mac finances its mortgage purchases and mortgage-backed securities purchases through the issuance of a variety of securities, primarily pass-through mortgage participation certificates and unsecured debt, as well as with cash and equity capital.

On September 7, 2008, the Director of the Federal Housing Finance Agency (“FHFA”) appointed FHFA as conservator of Freddie Mac in accordance with the Federal Housing Finance Reform Act of 2008 (the “Reform Act”) and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. On September 7, 2008, in connection with the appointment of FHFA as conservator, Freddie Mac and the U.S. Department of the Treasury (“Treasury”) entered into a Senior Preferred Stock Purchase Agreement. Also, pursuant to its authority under the Reform Act, Treasury announced that it has established the Government Sponsored Enterprise Credit Facility (a lending facility to ensure credit availability to Freddie Mac, Fannie Mae, and the Federal Home Loan Banks that will provide secured funding on an as needed basis under terms and conditions established by the Treasury Secretary to protect taxpayers) and a program under which Treasury will purchase Government Sponsored Enterprise (including Freddie Mac) mortgage-backed securities (MBS) in the open market. The announcements by FHFA and Treasury and descriptions of these programs are available at their respective websites: <http://www.OFHFA.gov> and <http://www.Treasury.gov>.

Freddie Mac registered its common stock with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"), effective July 18, 2008. As a result, Freddie Mac files annual, quarterly and current reports, proxy statements and other information with the SEC. Prior to July 18, 2008, Freddie Mac prepared an annual Information Statement (containing annual financial disclosures and audited consolidated financial statements) and Information Statement Supplements (containing periodic updates to the annual Information Statement).

As described below, Freddie Mac incorporates certain documents by reference in this Supplement, which means that Freddie Mac is disclosing information to you by referring you to those documents rather than by providing you with separate copies. Freddie Mac incorporates by reference in this Supplement its proxy statement, and all documents that Freddie Mac files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act, after July 18, 2008 and prior to the completion of the offering of the 2006 Bonds, excluding any information that Freddie Mac may "furnish" to the SEC but that is not deemed to be "filed." Freddie Mac also incorporates by reference its Registration Statement on Form 10, in the form declared effective by the SEC on July 18, 2008 (the "Registration Statement"). These documents are collectively referred to as the "Incorporated Documents" and are considered part of this Supplement. You should read this Supplement, in conjunction with the Incorporated Documents. Information that Freddie Mac incorporates by reference will automatically update information in this Supplement. Therefore, you should rely only on the most current information provided or incorporated by reference in this Supplement.

You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>. Freddie Mac makes no representations as to the contents of this Supplement, the suitability of the 2006 Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role is limited to discharging its obligations under the Credit Enhancement Agreement.

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE 2006 BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE 2006 BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE 2006 BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE 2006 BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

## **DESCRIPTION OF THE 2006 BONDS**

### General

The 2006 Bonds are being remarketed as variable rate obligations in a Weekly Rate Period and bear interest from the date of remarketing to but not including the Wednesday following the date of remarketing. Thereafter, the 2006 Bonds will bear interest at the Weekly Rate, to be determined weekly and as otherwise described herein by Goldman, Sachs & Co., as Remarketing Agent for the 2006 Bonds. Interest on the 2006 Bonds shall be payable on a monthly basis on the first Business Day of each month commencing September 2009, until payment of the principal thereof is made or provided for in accordance with the provisions of the Resolution, whether at maturity on December 1, 2039, upon redemption or otherwise.

Interest on the 2006 Bonds is computed on the basis of a 365 or 366-day year, for the actual number of days elapsed. If the date for payment of interest on or principal or Redemption Price of the 2006 Bonds is a day other than a Business Day, then payment may be made on the next succeeding Business Day with the same force and effect as if made on the date originally fixed for payment, and in the case of such payment no interest shall accrue for the period from the date originally fixed for payment to such next succeeding Business Day. Under

certain circumstances, and with the prior written consent of Freddie Mac, the method of calculating the interest rate borne by the 2006 Bonds may be changed from time to time to a different method provided for in the Resolution or the interest rate may be converted to a fixed rate to maturity. So long as the Freddie Mac Credit Enhancement Agreement is in effect, at no time shall the interest rate on the 2006 Bonds exceed the maximum rate of twelve percent (12%) or such higher rate, which shall not exceed fifteen percent (15%), as may be established in accordance with the provisions of the Resolution (the "Maximum Rate"). The 2006 Bonds are subject to conversion to alternate methods of determining interest rates thereon from time to time and to conversion to an interest rate fixed to maturity.

During any period of time in which the 2006 Bonds bears interest at the Weekly Rate, such 2006 Bonds are subject to purchase at a price equal to 100% of the principal amount of such 2006 Bonds plus accrued and unpaid interest thereon to the date of purchase (with respect to the 2006 Bonds, the "Purchase Price"). Such purchase shall be made upon demand of the owner thereof on any Business Day upon at least seven days' prior notice delivered to the Trustee prior to 4:00 p.m., New York City time. The 2006 Bonds are also subject to mandatory tender for purchase and are subject to optional and mandatory redemption as set forth in the Resolution. Payment of the Purchase Price of tendered 2006 Bonds that are not remarketed shall be paid with amounts provided pursuant to the Credit Enhancement Agreement.

The 2006 Bonds are being remarketed in fully registered form, without coupons, issuable during a Weekly Rate Period in the denomination of \$100,000 or any \$5,000 increment in excess of \$100,000.

#### Disclosure Concerning Remarketing of the 2006 Bonds

*The information contained under this subheading "Disclosure Concerning Remarketing of the 2006 Bonds" has been provided by the Remarketing Agent for use in this Supplement but has not been required by the Corporation to be included herein and, except to the extent such information describes express provisions of the Resolution, the Corporation does not accept any responsibility for its accuracy or completeness.*

**The Remarketing Agent is Paid by the Mortgagor.** The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing 2006 Bonds that are optionally tendered by the owners thereof, all as further described in the Official Statement and this Supplement. The Remarketing Agent is appointed by the Corporation and is paid by the Mortgagor for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of the 2006 Bonds.

**The Remarketing Agent May Routinely Purchase 2006 Bonds for its Own Account.** The Remarketing Agent is permitted, but not obligated, to purchase tendered 2006 Bonds for its own account. The Remarketing Agent, in its sole discretion, may routinely acquire tendered 2006 Bonds for its own inventory in order to achieve a successful remarketing of the 2006 Bonds (i.e., because there otherwise are not enough buyers to purchase the 2006 Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase 2006 Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the 2006 Bonds by routinely purchasing and selling 2006 Bonds other than in connection with an optional tender and remarketing. Such purchases and sales may be at prices that are at or below par. However, the Remarketing Agent is not required to make a market in the 2006 Bonds. If the Remarketing Agent purchases 2006 Bonds for its own account, it may offer those 2006 Bonds at a discount to par to some investors. The Remarketing Agent may also sell any 2006 Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the 2006 Bonds. The purchase of 2006 Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the 2006 Bonds in the market than is actually the case. The practices described above also may reduce the supply of 2006 Bonds that may be tendered in a remarketing.

**2006 Bonds May be Offered at Different Prices on any Date.** The Remarketing Agent is required to determine on the interest rate determination date the rate of interest that, in its judgment, is the lowest rate that would permit the sale of the 2006 Bonds at par plus accrued interest, if any, on the date the rate becomes effective (the "Effective Date"). The interest rate will reflect, among other factors, the level of market demand for the 2006 Bonds (including whether the Remarketing Agent is willing to purchase 2006 Bonds for its own account). The Remarketing Agreement requires that the Remarketing Agent use its best efforts to sell tendered bonds at par, plus accrued interest. There may or may not be 2006 Bonds tendered and remarketed on an interest rate determination

date or an Effective Date, the Remarketing Agent may or may not be able to remarket any 2006 Bonds tendered for purchase on such date at par and the Remarketing Agent may sell 2006 Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the 2006 Bonds at the remarketing price.

**The Ability to Sell the 2006 Bonds other than through Tender Process May Be Limited.** While the Remarketing Agent may buy and sell 2006 Bonds, it is not obligated to do so and may cease doing so at any time without notice. Thus, investors who purchase the 2006 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their 2006 Bonds other than by tendering the 2006 Bonds in accordance with the tender process.

**Status of 2006 Bonds Tendered for Purchase but not Paid.** In the event that Freddie Mac fails to purchase tendered 2006 Bonds when it is obligated to do so, such failure would constitute an Event of Default under the Resolution and the Trustee would be able to avail itself of the remedies available to it thereunder for the non-payment of the Purchase Price for such tendered 2006 Bonds. In addition, Bondholders of such tendered 2006 Bonds would continue to own such 2006 Bonds and such 2006 Bonds would continue to bear interest at the Weekly Rate established by the Remarketing Agent, not exceeding the Maximum Rate. The Remarketing Agent will continue to attempt to remarket 2006 Bonds, however, in such event, there can be no assurance that a secondary market for the 2006 Bonds will exist.

#### Book-Entry Only System

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the 2006 Bonds. The 2006 Bonds were issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2006 Bond certificate was issued for the 2006 Bonds in the aggregate principal amount of the 2006 Bonds, and will be deposited with DTC. Purchasers of the 2006 Bonds will not receive physical delivery of bond certificates.

Notwithstanding any other provision of the Resolution to the contrary, so long as any 2006 Bond is held in book-entry form, such 2006 Bond need not be delivered in connection with any optional or mandatory tender of 2006 Bonds described under “DESCRIPTION OF THE 2006 BONDS” in the Official Statement. In such case, payment of the Purchase Price in connection with such tender shall be made to the registered owner of such 2006 Bonds on the date designated for such payment, without further action by the Beneficial Owner who delivered notice, and, notwithstanding the description of optional and mandatory tender of 2006 Bonds contained under “DESCRIPTION OF THE 2006 BONDS” in the Official Statement, transfer of beneficial ownership shall be made in accordance with the procedures of DTC.

NEITHER THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (ii) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2006 BONDS UNDER THE RESOLUTION; (iii) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2006 BONDS; (iv) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE 2006 BONDS; (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE 2006 BONDS; OR (vi) ANY OTHER MATTER.

A more complete description of the DTC Book-Entry Only System is available at [www.dtcc.com](http://www.dtcc.com).

## **SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT**

The obligations of the Mortgagor to Freddie Mac under the Credit Enhancement Agreement is evidenced by a Reimbursement and Security Agreement (the "Reimbursement Agreement") between the Mortgagor and Freddie Mac. The Reimbursement Agreement governs obligations of the Mortgagor to Freddie Mac on account of Freddie Mac providing such credit enhancement.

The following statements are a brief summary of certain provisions of the Reimbursement Agreement. The summary does not purport to be complete, and reference is made to the Reimbursement Agreement for a full and complete statement of the provisions thereof. Capitalized terms used in this section and not otherwise defined will have the meanings given them in the Reimbursement Agreement, a copy of which is on file with the Trustee.

Under the Reimbursement Agreement, the Mortgagor has promised to repay Freddie Mac all sums of money Freddie Mac has advanced to the Trustee for the principal payments of or the interest on the Mortgage Loan, any payments made for Purchased Bonds upon a failed remarketing and any payment made of the Corporation's regularly scheduled fee. The Reimbursement Agreement also provides that the Mortgagor will pay the Freddie Mac Credit Enhancement Fee (as set forth in the Reimbursement Agreement), the Servicing Fee and other fees and expenses as provided therein.

Under the provisions of the Reimbursement Agreement, Freddie Mac may declare an Event of Default if:

- (a) the Mortgagor fails to pay when due any amounts payable by the Mortgagor under the Reimbursement Agreement, including, without limitation, any fees, costs or expenses;
- (b) the Mortgagor fails to observe or perform any of the terms, covenants, conditions or agreements set forth in the Reimbursement Agreement or in any of the other Owner Documents (taking into account any applicable cure period), including any obligations with respect to a subsequent Hedge Agreement;
- (c) an Event of Default occurs under the Reimbursement Mortgage or any of the other Owner Documents (taking into account any applicable cure period);
- (d) any representation or warranty made by or on behalf of the Mortgagor under the Reimbursement Agreement or any of the other Owner Documents or in any certificate delivered by the Mortgagor to Freddie Mac or the Freddie Mac Servicer pursuant to the Reimbursement Agreement or any other Mortgage Document shall be inaccurate or incorrect in any material respect when made or deemed made;
- (e) Freddie Mac shall have given the Mortgagor written notice that Purchased Bonds have not been remarketed as of the ninetieth day following purchase by the Trustee on behalf of the Mortgagor and the Mortgagor has not reimbursed Freddie Mac for the amount advanced to purchase the Purchased Bonds, or has not paid in full all fees and other amounts due to Freddie Mac under the Reimbursement Agreement; and
- (f) a default or event of default occurs under the terms of any other indebtedness permitted to be incurred by the Mortgagor (after taking into account any applicable cure period).

Upon an Event of Default, Freddie Mac may declare all the obligations of the Mortgagor under the Reimbursement Agreement to be immediately due and payable, in which case all such obligations shall become due and payable, without presentment, demand, protest or notice of any kind, including notice of default, notice of intent to accelerate or notice of acceleration. In addition to the foregoing, Freddie Mac may take any other action at law or equity without notice or demand, as it deems advisable, to protect and enforce its rights against the Mortgagor in and to the Project, if any. Upon the occurrence of an Event of Default under the Reimbursement Agreement, Freddie Mac has the option to keep the 2006 Bonds outstanding or cause a mandatory redemption of the 2006 Bonds.

Freddie Mac shall have the right, to be exercised in its discretion, to waive any Event of Default under the Reimbursement Agreement. Unless such waiver expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

The obligations of the Mortgagor under the Reimbursement Agreement will be secured by the Reimbursement Mortgage. The Reimbursement Mortgage will be subordinate to the Mortgage, subject to the terms of the Assignment. Bondholders will have no rights under and are not third-party beneficiaries under the Reimbursement Mortgage.

## **THE CORPORATION**

Since December 4, 2006, there have been changes to the members and principal officers of the Corporation. Rafael Cestero was appointed Commissioner of The City of New York Department of Housing Preservation and Development (“HPD”) effective March 17, 2009 and is Chairperson and Member ex-officio of the Corporation. Felix Ciampa is the current Vice Chairperson and Member of the Corporation. Michael Hyman was appointed Acting Commissioner of New York City’s Department of Finance on May 4, 2009 and is a Member ex-officio of the Corporation. Denise Scott was appointed as a Member of the Corporation on June 23, 2009, succeeding Michael W. Kelly whose term has expired. Marc Jahr was appointed President of the Corporation on December 19, 2007, effective January 2, 2008. Richard M. Froehlich was appointed Executive Vice President for Capital Markets of the Corporation on February 27, 2008 and also continues as General Counsel of the Corporation. Mathew M. Wambua was appointed Executive Vice President for Real Estate and External Relations of the Corporation on February 27, 2008 and is no longer a Member of the Corporation. Joan Tally was appointed Senior Vice President for Development of the Corporation on February 27, 2008. Eileen M. O’Reilly was appointed Senior Vice President and Chief Financial Officer of the Corporation effective May 2, 2007. Melissa Barkan was appointed Secretary of the Corporation on May 2, 2007 and Deputy General Counsel on March 1, 2007.

Except as set forth above, information concerning the Corporation and its other activities in the Official Statement has not been updated for purposes of this Supplement. Information concerning the Corporation is available upon request to New York City Housing Development Corporation, 110 William Street, 10th Floor, New York, New York 10038, (212) 227-5500 or through its internet address: [www.nychdc.com](http://www.nychdc.com). The Official Statement is also available at the Corporation’s internet address.

## **CERTAIN LEGAL MATTERS**

Upon the substitution and replacement of the Prior Letter of Credit with the Credit Enhancement Agreement on August 3, 2009, Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Corporation, will deliver an opinion for the 2006 Bonds to the effect that the substitution will not adversely affect the exclusion from gross income of the interest on the 2006 Bonds for Federal income tax purposes, the form of which is attached hereto as Appendix A. Certain legal matters will be passed upon for the Mortgagor by its counsel, Cannon Heyman & Weiss, LLP, Albany, New York. Certain legal matters will be passed upon for Freddie Mac by its Office of General Counsel and by its Special Counsel, Ballard Spahr Andrews & Ingersoll, LLP, Washington, D.C. Certain legal matters will be passed upon for the Remarketing Agent by its counsel, Harris Beach PLLC, New York, New York.

## **LEGALITY OF 2006 BONDS FOR INVESTMENT AND DEPOSIT**

Under the provisions of Section 662 of the Act, the 2006 Bonds are securities in which all public officers and bodies of the State of New York and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them. The 2006 Bonds are also securities which may be deposited with and may be received by all public officers and bodies of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or hereafter authorized.

## **RATINGS**

Upon the substitution and replacement of the Prior Letter of Credit with the Credit Enhancement Agreement on August 3, 2009, Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. is expected to assign to the 2006 Bonds a rating of “AAA/A-1+”. Such rating reflects only the view of such organization and an explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn

entirely by such rating agency, if in its judgment, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the 2006 Bonds.

### **FURTHER INFORMATION**

The information contained in this Supplement is subject to change without notice and no implication should be derived therefrom or from the remarketing of the 2006 Bonds that there has been no change in the affairs of the Corporation from the date hereof. Pursuant to the Resolution, the Corporation has covenanted to keep proper books of record and account in which full, true and correct entries will be made of all its dealings and transactions under the Resolution and to cause such books to be audited for each fiscal year. The Resolution requires that such books be open to inspection by the Trustee and the owners of not less than 5% of the 2006 Bonds issued thereunder during regular business hours of the Corporation and that the Corporation furnish a copy of the auditor's report, when available, upon the request of the owner of any Outstanding 2006 Bond.

Additional information may be obtained upon request to New York City Housing Development Corporation, 110 William Street, 10th Floor, New York, New York 10038, (212) 227-5500 or through its internet address: [www.nychdc.com](http://www.nychdc.com).

### **MISCELLANEOUS**

Any statement in this Supplement involving matters of opinion, whether or not expressly so stated, are intended as such, and not as representations of fact. This Supplement is not to be construed as an agreement or contract between the Corporation and the purchasers or owners of any 2006 Bonds.

This Supplement is submitted in connection with the remarketing of the 2006 Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Supplement and the distribution thereof has been duly authorized and approved by the Corporation and this Supplement has been duly executed and delivered on behalf of the Corporation.

### **NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**

By: \_\_\_\_\_ /s/ Marc Jahr  
President

Dated: July 29, 2009

**PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE CORPORATION**

Upon the substitution and replacement of the Prior Letter of Credit with the Credit Enhancement Agreement with respect to the 2006 Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, proposes to issue its opinion in substantially the following form:

NEW YORK CITY HOUSING  
DEVELOPMENT CORPORATION  
110 William Street  
New York, New York 10038

DEUTSCHE BANK TRUST COMPANY AMERICAS  
as Trustee  
60 Wall Street  
New York, New York 10005

FEDERAL HOME LOAN MORTGAGE CORPORATION  
as provider of the Initial Permanent  
Phase Credit Facility  
8100 Jones Branch Drive  
Mc Lean, VA 22102

Ladies and Gentlemen:

We are bond counsel to the New York City Housing Development Corporation (the “Corporation”), a corporate governmental agency, constituting a public benefit corporation created and existing under and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the “Act”). On December 12, 2006, we rendered our approving opinion (the “Approving Opinion”) with respect to the issuance by the Corporation of the Corporation’s Multi-Family Mortgage Revenue Bonds (Spring Creek Apartments I and II), 2006 Series A, in the original aggregate principal amount of \$24,000,000 (the “Bonds”). The Bonds were issued under and pursuant to the Act and the Multi-Family Mortgage Revenue Bonds (Spring Creek Apartments I and II) Bond Resolution of the Corporation, adopted November 9, 2006 (the “Resolution”). Unless otherwise defined in this opinion, all capitalized terms used herein shall have the meanings ascribed thereto in the Resolution

Principal of and interest on the Bonds are payable from an irrevocable direct pay letter of credit issued by Citibank, N.A. (the “Letter of Credit”). Principal of and interest on the Bonds were to be payable from the Letter of Credit through June 15, 2009, subject to extension or earlier termination as described in the Letter of Credit. The term of the Letter of Credit has been extended through December 15, 2009. The Resolution provides that, upon the conversion of the Mortgage Loan from the Construction Phase to the Permanent Phase (“Conversion”), a Facility Change Date will occur and the Initial Permanent Phase Credit Facility will be deposited with Deutsche Bank Trust Company Americas, as trustee under the Resolution (the “Trustee”), in substitution for the Letter of Credit upon the terms and conditions set forth in the Resolution. This opinion is being delivered in connection with the replacement today of a Credit Enhancement Agreement, executed by Federal Home Loan Mortgage Corporation and delivered to the Trustee (the “New Credit Facility”), for the Letter of Credit.

We are of the opinion that (i) the New Credit Facility meets the requirements of the Resolution in connection with the Conversion, and (ii) the replacement of the Letter of Credit with the New Credit Facility is consistent with the provisions of the Resolution and will not subject the Bonds to the registration requirements of Securities Act of 1933, as amended, or the Resolution to qualification under the Trust Indenture Act of 1939, as amended.



We express no opinion as to whether, as of the date hereof, the interest on the Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). We are of the opinion, however, that, under existing statutes and court decisions, the substitution of the New Credit Facility for the Letter of Credit, in and of itself, will not adversely affect the exclusion of interest from gross income for Federal income tax purposes under Section 103 of the Code on any Bonds, the interest on which is otherwise excluded from gross income for Federal income tax purposes under Section 103 of the Code.

Except as stated above, we express no opinion regarding any Federal, state, local or foreign tax consequences with respect to the Bonds. We wish to advise you that our opinion is limited to the Conversion on August 3, 2009 and does not extend to any event or matter occurring subsequent to the delivery of our Approving Opinion on December 12, 2006.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Pursuant to Section 104(E)(1)(2)(i) of Appendix A to the Resolution, the Trustee is hereby permitted to deliver a copy of our Approving Opinion in connection with the Bonds.

Very truly yours,

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