Combined Financial Statements

and Other Information

New York City Housing

Development Corporation

October 31, 2011

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

New York City Housing Development Corporation

Combined Financial Statements and Additional Information

Year Ended October 31, 2011

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Report of Independent Auditors

The Members of the
New York City Housing Development Corporation

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the New York City Housing Development Corporation (the Corporation), a component unit of the City of New York, as of and for the year ended October 31, 2011, which collectively comprise the Corporation's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Corporation's 2010 financial statements and, in our report dated January 18, 2011 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Corporation's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Corporation as of October 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Management's discussion and analysis and the schedule of funding progress on pages 3 to 9 and page 64, respectively, are not a required part of the basic financial statements but are supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of this required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The supplementary information included in Schedule 2 on pages 65 to 67 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ernst & Young LLP

January 18, 2012

INTRODUCTION

The New York City Housing Development Corporation ("HDC" or the "Corporation") is a State public benefit corporation that finances affordable housing in New York City. HDC issues tax-exempt and taxable debt and uses the proceeds along with other monies of the Corporation to make loans to finance new residential construction and the rehabilitation of existing multi-family housing. HDC, which is financially self-supporting, also lends its own internally-generated funds for these purposes. All of these activities are reported in the financial statements under the heading "Housing Development Corporation."

HDC currently has two active subsidiaries that are discretely presented as component units in the financial statements. The Residential Mortgage Insurance Corporation ("REMIC") insures residential mortgages in New York City. The Housing Assistance Corporation ("HAC") made mortgage loans for affordable housing in the 1980s. Presently, it provides rental subsidy assistance to a small number of residential developments.

The Corporation's annual financial report consists of three parts: *management's discussion and analysis* (this section), the basic *financial statements,* and *required supplementary information* which includes the schedule of funding progress and follows directly after the notes to the financial statements.

This section of the Corporation's annual financial report presents our discussion and analysis of the Corporation's financial performance during the fiscal year that ended on October 31, 2011. This period is also referred to as Fiscal Year 2011. Data is presented for the primary governmental entity HDC only. Reported amounts have been rounded to facilitate reading.

FINANCIAL HIGHLIGHTS

- In spite of the current economic conditions, significant growth in assets and liabilities has continued from last fiscal year due to ongoing financing activities.
- Twenty bond series sold, totaling $685.0 million, to create and preserve affordable housing. Of the total issued, $679.3 million was new money and $5.7 million was refinancing of previously issued debt.
- Total assets of $11.73 billion, an increase of $544.3 million or 4.87% from 2010 as a result of borrowing activities noted above and related mortgages.
- Total liabilities of $10.36 billion, an increase of $401.0 million or 4.03% from 2010 as a result of the bonds issued and noted above.
- Total net assets of $1.37 billion, an increase of $143.2 million or 11.68% from 2010 due to normal operating activities and non-operating revenue of grant income.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Corporation is a self-supporting entity and follows enterprise fund reporting. An enterprise fund reports activity that is financed with debt that is secured solely by a pledge of the net revenue from that activity as well as activity that is not supported by taxes or similar revenues. HDC's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting matches revenues and expenses to the time period in which they are earned or attributable, respectively, which may differ from the period in which the associated cash is received or expended.

Enterprise fund statements offer short-term and long-term financial information about the Corporation's activities. While detailed sub-fund information is not presented in the Corporation's financial statements, separate accounts are maintained for each bond issue and component unit, as well as the Corporation's general operating fund, known as the Corporate Services Fund. These sub-funds permit HDC to control and manage money for particular purposes and to demonstrate that the Corporation is properly using specific resources. In addition, HDC also services construction and permanent loans on behalf of New York City's Department of Housing Preservation and Development ("HPD").

HDC's Assets and Liabilities

The balance sheet presents the Corporation's assets, liabilities, and net assets as of October 31, 2011. The following table represents the changes in the primary entity, HDC's, net assets between October 31, 2010 and 2011 and should be read in conjunction with the financial statements. (Dollar amounts are in thousands):

	2011	2010	Change	Percent Change
Assets				
Cash and Investments	$2,309,485	$2,703,591	$(394,106)	(14.6)%
Mortgage Loans	8,131,798	7,279,644	852,154	11.7
Other	1,286,446	1,200,232	86,214	7.2
Total Assets	$11,727,729	$11,183,467	$544,262	4.87%
Liabilities				
Bonds Payable (net)	8,484,314	8,474,214	10,100	0.1
Payable to New York City	818,311	806,566	11,745	1.5
Other	1,055,985	676,804	379,181	56.0
Total Liabilities	$10,358,610	$9,957,584	$401,026	4.03%
Net Assets				
Restricted for bond obligations	592,517	525,372	67,145	12.8
Unrestricted	776,602	700,511	76,091	10.9
Total Net Assets	$1,369,119	$1,225,883	$143,236	11.68%

Assets of the Corporation consist largely of the following: mortgage loans; cash and investments from bond proceeds, debt service and other reserves; funds designated for various housing programs; and other assets, which include participation interests in cash flows from pools of mortgage loans, housing-related notes receivable and purpose investments, and working capital. Total assets grew 4.87% or $544.3 million from 2010 due to the Corporation's ongoing debt issuances and lending activities. In the prior fiscal year, total assets increased $1.21 billion or 12.2%.

As noted above, the growth in total assets in 2011 was due primarily to the Corporation's ongoing debt issuance and lending activities. When HDC sells bonds, the bond proceeds are an investment asset until converted to a loan asset once disbursed. The asset value is generally offset by the related bond liability.

Liabilities of the Corporation can be grouped into three main categories. By far the largest is HDC bonds outstanding, which totaled almost $8.5 billion at October 31, 2011. The second largest category is "Payable to New York City" (the "City"). This includes construction loan funds administered on behalf of HPD and other assets which will ultimately revert to the City pursuant to various loan participation and other agreements. These include loan assets which are currently held by HDC and pledged to pay HDC bonds, but transfer to the City when the related bonds are retired. The last category, "Other", includes payable to mortgagors, deferred income and accounts and other payables. Payable to mortgagors are funds held and administered by HDC but are the property of others, such as escrows held by HDC in the course of its loan servicing functions. Deferred income is where HDC receives certain mortgage and bond-related fee income as cash, but as a result of using the accrual method of accounting only recognizes the income when earned over the appropriate time period. This deferred income is shown as a liability. Accounts and other payables mainly consist of funds held by HDC in escrow to retire certain bonds and payable to other entities as part of a participation loan agreement for short-term loan funding.

Total liabilities of the Corporation were $10.36 billion at October 31, 2011. Liabilities grew 4.03% or $401.0 million from the prior year, principally as a result of HDC issuing 20 new bond series during Fiscal Year 2011, net of bond redemptions and retirements. There was minimal net increase in the Payable to the City as a whole. Three separate transactions primarily impacted this payable during the year. First, the aforementioned origination or purchase of a participation interest with the City in Mitchell Lama subordinate loans, to payoff the bondholders in the REMIC Trust and release of the trust's assets to the Corporation (subject to a reverter interest to NYC), and prepayments caused a net increase of $68.4 million in Payable to the City. Second, a decline of $5.1 million in the participation loan program with HPD due to the receipt of non-operating revenues and bond credit facility fees. Third, a decrease of $51.6 million in the administration of construction and permanent loans on behalf of the City (HPD). "Other" liabilities primarily include accounts and other payables and payable to mortgagors. Accounts and others payable increased by $301.0 million in fiscal year 2011 mainly due to a construction loan participating agreement between the Corporation and other entities and funds held in escrow to retire certain bonds. Payable to mortgagors and others increased by net of $78.0 million mainly due to funds held in escrows by HDC for its loan servicing function and other payables.

Net assets of the Corporation are the excess of assets over liabilities, and totaled $1.37 billion for the Corporation as of October 31, 2011. This represents an increase of $143.2 million or 11.68% over the prior year. In 2010 total net assets increased $59.3 million or 5.1%. The growth in net assets of $143.2 million in 2011 includes $68.0 million from normal operating activities and $75.2 million from non-operating revenue grant income. A further discussion of this increase of revenues in excess of expenses is below.

Net assets are classified as restricted or unrestricted, with restricted assets being committed by law or contract to specific purposes. HDC's most significant restricted assets include debt service reserves for HDC bond issues and undisbursed bond proceeds held prior to construction advances. Unrestricted assets may be classified as designated or undesignated. Designated assets are those allocated by action or policy for specific purposes determined by HDC's Members, such as rating agency reserves (to support the Corporation's general obligation rating), specific housing loan programs to which the Corporation has committed resources under the Mayor's New Housing Marketplace Program, and working capital. Virtually all of the Corporation's net assets are either restricted or designated.

HDC's Revenues and Expenses

The Statement of Revenues, Expenses and Changes in Fund Net Assets presents revenues recognized in and expenses attributed to the fiscal year ended October 31, 2011. The table below summarizes the primary entity, HDC's, revenues and expenses and presents comparative data. It should be read in conjunction with the financial statements. (Dollar amounts are in thousands):

	2011	2010	Change	Percent Change
Revenues				
Interest on Loans and Participation Interests	$189,739	$171,693	$18,046	10.5%
Investment Earnings	28,486	27,470	1,016	3.7
Fees and Charges	40,315	35,635	4,680	13.1
Other Revenues	477	363	114	31.4
Total Revenues	259,017	235,161	23,856	10.1
Expenses				
Bond Interest	148,794	144,325	4,469	3.1
Operating Expenses	37,812	37,680	132	0.4
Other (Revenues) Expenses	(70,825)	(6,170)	(64,655)	1047.9
Total Expenses	115,781	175,835	(60,054)	(34.2)
Change in Net Assets	143,236	59,326	83,910	141.4
Net Assets, Beginning of year	1,225,883	1,166,557	59,326	5.1
Net Assets, End of Year	$1,369,119	$1,225,883	$143,236	11.68%

Revenues of the Corporation are classified as operating and non-operating. Interest income from mortgage and other loan-related interest represents the Corporation's major source of operating revenue, which also includes various loan and bond program fees such as commitment, financing, and mortgage insurance and servicing fees. The Corporation's non-operating revenues consist mostly of earnings on investments including purpose investments and revenues from grant income. Investment income accrues to the benefit of the program for which the underlying sources of funds are utilized.

HDC's expenses are also classified as operating and non-operating. Operating expenses consist primarily of interest on bonds, which accounted for 79.7% of operating expenses in Fiscal Year 2011. Other operating expenses include corporate operating expenses (salaries, overhead, and depreciation) and fees. Non-operating expenses are relatively minor and consist largely of amortization of the capitalized value of a purchased cash flow.

HDC's change in net assets for Fiscal Year 2011 was positively or negatively affected as described below:

- Interest on loans increased by $18.0 million or 10.5%. The increase in mortgage interest earned was mainly due to an increase in the mortgage loan portfolio from the prior year. Income on Participation Interest decreased by $0.4 million in total because there were no prepayments of loans in Mitchell-Lama programs during the year. In 2010, interest on loans declined by $1.2 million or 0.7% from the previous year due to decreases in variable interest rates and the prepayment of loans in the Mitchell-Lama program.
- Earnings on investments increased by $1.0 million or 3.7%. In 2010, earnings on investments decreased by $7.4 million or 21.3% from the previous year.
- Fees and charges increased by a net of $4.7 million or 13.1%. This was mainly due to a $2.0 million increase in negative arbitrage fees earned due to the interest rate environment. Amortization of commitment fees increased by $2.6 million due to increased loan financing activities. Minimal increases in servicing and other fees included credit fees for preservation loans enhanced by the Corporation. In 2010, fees and charges increased by $8.8 million or 32.9 %.
- Interest expense increased from $144.3 million to $148.8 million or 3.1%. This was mainly due to bond issuance activities during the year. In 2010, interest expense decreased by $0.9 million or 0.6% from the previous year.
- Other operating expenses increased by $0.1 million or 0.4% mainly as a result of an increase in costs related to Other Post Employment Benefits ("OPEB") for FY 2011. There was a marginal increase in other operating costs in comparison to the growth in HDC's volume of business. In 2010, other operating expenses increased by $5.9 million or 18.5% from the previous year because of an increase in bond related operating costs and costs related to OPEB.
- Other revenues reported as non-operating revenue increased by a net of $64.7 million. This was mainly due to grant revenue income from the Battery Park City Authority ("BPCA") in the amount of $75.2 million pursuant to a Grant Agreement relating to the elimination of certain tax programs under §421-a of Real Property Tax Law between the City, BPCA and the State of New York. This

increase in other revenue was slightly offset by a capital transfer of $7.5 million by HDC to REMIC to increase the capital base of REMIC.

- As a result of the factors noted above, the Corporation's growth in net assets resulting from revenues in excess of expenses amounted to $143.2 million, an increase of $83.9 million from $59.3 million in 2010. This reflects a significant and steady growth in an economic environment that is slowly recovering from the recent financial crisis.

DEBT ADMINISTRATION

At year-end, the Corporation had approximately $8.5 billion of bond principal outstanding, net of deferred bond refunding costs and discount and premium, an increase of 0.1% over the prior year. The following table summarizes the changes in bonds payable between October 31, 2010 and October 31, 2011. (Dollar amounts are in thousands):

	2011	2010	Percentage Increase FY 2010 to 2011
Bonds Payable	$8,484,314	$8,474,214	0.1%

In Fiscal Year 2011, with the exception of one bond series all "VRDO" bond series were successfully remarketed, and at the end of the fiscal year, there were no Bank Bonds outstanding.

During Fiscal Year 2010, pursuant to a program created under the Housing and Economic Recovery Act of 2008 ("HERA"), the Corporation accepted an allocation of $500,000,000 from the United States Treasury to issue bonds under the New Issue Bond Program ("NIBP") and which would subsequently be issued by HDC, wrapped by the Federal Home Loan Mortgage Corporation ("Freddie Mac") and sold to the United States Treasury. This initiative has expanded the resources to provide affordable mortgages for low and middle income households and support the development and rehabilitation of affordable housing units. The Corporation issued the 2009 Series 1 bonds for $415.0 million and the 2009 Series 2 bonds for $85.0 million on December 23, 2009. As of October 31, 2011, a total of $267.0 million were converted to fixed rate tax exempt bonds and of that $233.0 million were outstanding. Additional information on the Corporation's long-term debt can be found in Note 9 "Bonds Payable" and Note 18 "Subsequent Events" to the financial statements.

NEW BUSINESS

During Fiscal Year 2011, the Corporation issued 20 new taxable and tax-exempt bond series totaling $685.0 million. Included in this total were 19 series of Housing Revenue Bond Program bonds totaling $655.0 million and one series of Multi-Family Mortgage Revenue Bonds for $30.0 million. All of these funds are being used to provide mortgage and loan financing. In further support of its affordable housing mission, the Corporation also made low interest loans from its net assets. Subsequent to October 31, 2011, HDC issued one additional bond series in November 2011 of $53.0 million and another 14 bond series in December 2011 with an aggregate amount of $308.06 million. Additionally, subsequent to October 31, 2011, all of the remaining bonds allocated to the Corporation under HERA and issued under NIBP were rolled out and converted to tax exempt bonds. (See Note 18: “Subsequent Events”.)

CONTACTING THE CORPORATION’S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Corporation’s finances and to demonstrate the Corporation’s accountability for the resources at its disposal. If you have questions about this report or need additional financial information, contact the Public Information Officer, New York City Housing Development Corporation, 110 William Street, New York, NY 10038. The Corporation also maintains information at www.nychdc.com.

New York City Housing Development Corporation
Balance Sheets

At October 31, 2011 (with comparative summarized financial information as of October 31, 2010) (in thousands)

	New York City Housing Development Corporation	New York City Housing Assistance Corporation (Discretely Presented Component Units)	New York City Residential Mortgage Insurance Corporation (Discretely Presented Component Units)	Total 2011	Total 2010
Assets					
Current Assets:					
Cash and cash equivalents (note 3)	$ 627,952	$ -	$ -	$ 627,952	$ 466,774
Investments (note 3)	360,922	-	-	360,922	66,075
Receivables:					
Mortgage loans (note 4)	156,416	166	-	156,582	77,312
Accrued interest	21,217	22	-	21,239	20,080
Notes (note 5)	11,730	-	-	11,730	11,160
Other (note 7)	59,702	-	8	59,710	21,846
Total Receivables	249,065	188	8	249,261	130,398
Other assets	52	-	-	52	61
Total Current Assets	**1,237,991**	**188**	**8**	**1,238,187**	**663,308**
Noncurrent Assets:					
Restricted cash and cash equivalents (note 3)	651,042	7,856	35,747	694,645	990,461
Restricted investments (note 3)	669,569	10,061	41,400	721,030	1,265,461
Purpose investment (note 2C)	186,644	-	-	186,644	190,631
Mortgage loans (note 4)	671,051	-	-	671,051	557,150
Restricted receivables:					
Mortgage loans (note 4)	7,304,331	30,042	-	7,334,373	6,675,505
Loan participation receivable - The City of NY (note 6)	656,707	-	-	656,707	609,581
Accrued interest	791	2,565	-	3,356	2,525
Notes (note 5)	278,668	-	-	278,668	290,399
Other (note 7)	2,779	-	-	2,779	-
Total restricted receivables	8,243,276	32,607	-	8,275,883	7,578,010
Unamortized issuance costs	48,451	-	-	48,451	49,020
Primary government/component unit receivable (payable)	2,767	(2,748)	(19)	-	-
Capital assets	1,321	-	-	1,321	1,363
Other assets (note 8)	15,617	-	-	15,617	6,057
Total Noncurrent Assets	**10,489,738**	**47,776**	**77,128**	**10,614,642**	**10,638,153**
Total Assets	**$ 11,727,729**	**$ 47,964**	**$ 77,136**	**$ 11,852,829**	**$ 11,301,461**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Balance Sheets (continued)

At October 31, 2011 (with comparative summarized financial information as of October 31, 2010) (in thousands)

	Discretely Presented Component Units				
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	Total 2011	Total 2010
Liabilities and Net Assets					
Current Liabilities:					
Bonds payable (net) (note 9)	$ 476,641	$ -	$ -	$ 476,641	$ 481,566
Accrued interest payable	66,106	-	-	66,106	62,072
Payable to mortgagors	204,479	-	-	204,479	191,452
Restricted earnings on investments	8,438	39	-	8,477	13,826
Accounts and other payables	331,781	-	-	331,781	32,586
Deferred fee and mortgage income and other liabilities	-	-	-	-	217
Total Current Liabilities	**1,087,445**	**39**	**-**	**1,087,484**	**781,719**
Noncurrent Liabilities:					
Bonds payable (net) (note 9)	8,007,673	-	-	8,007,673	7,992,648
Payable to The City of New York:					
Loan participation agreement (note 11)	656,707	-	-	656,707	609,581
Other	161,604	46,766	-	208,370	247,455
Payable to mortgagors	270,102	504	-	270,606	203,283
OPEB liability (note 13)	9,809	-	-	9,809	8,035
Deferred fee and mortgage income and other liabilities	164,600	-	-	164,600	163,032
Due to the United States Government (note 14)	670	-	-	670	2,843
Total Noncurrent Liabilities	**9,271,165**	**47,270**	**-**	**9,318,435**	**9,226,877**
Total Liabilities	**10,358,610**	**47,309**	**-**	**10,405,919**	**10,008,596**
Net Assets:					
Restricted for bond obligations (note 17)	592,517	655	-	593,172	526,404
Restricted for insurance requirement and others (note 17)	-	-	48,448	48,448	43,733
Unrestricted (note 17)	776,602	-	28,688	805,290	722,728
Total Net Assets	**1,369,119**	**655**	**77,136**	**1,446,910**	**1,292,865**
Total Liabilities and Net Assets	**$ 11,727,729**	**$ 47,964**	**$ 77,136**	**$ 11,852,829**	**$ 11,301,461**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation Statements of Revenues, Expenses and Changes in Fund Net Assets

Year ended October 31, 2011 (with comparative summarized financial information for the year ended October 31, 2010) (in thousands)

	New York City Housing Development Corporation	Discretely Presented Component Units: New York City Housing Assistance Corporation	Discretely Presented Component Units: New York City Residential Mortgage Insurance Corporation	Total 2011	Total 2010
Operating Revenues					
Interest on loans (note 4)	$ 185,271	$ -	$ -	$ 185,271	$ 166,788
Fees and charges (note 7)	40,315	-	1,483	41,798	37,013
Income on loan participation interests (note 6)	4,468	-	-	4,468	4,905
Other	37	-	1	38	153
Total Operating Revenues	**230,091**	**-**	**1,484**	**231,575**	**208,859**
Operating Expenses					
Interest and amortization of bond premium and discount (note 9)	148,794	-	-	148,794	144,325
Salaries and related expenses (note 12)	20,987	-	-	20,987	20,319
Trustees' and other fees	4,399	-	-	4,399	4,770
Amortization of debt issuance costs	7,038	-	-	7,038	7,024
Corporate operating expenses (note 10)	5,388	-	-	5,388	5,567
Total Operating Expenses	**186,606**	**-**	**-**	**186,606**	**182,005**
Operating Income	**43,485**	**-**	**1,484**	**44,969**	**26,854**
Non-operating Revenues (Expenses)					
Earnings on investments (note 3)	28,486	(377)	2,642	30,751	32,413
Other non-operating revenues, net (note 7)	78,325	-	-	78,325	6,170
Payments to REMIC Subsidiary from HDC (note 1)	(7,500)	-	7,500	-	-
Payments from REMIC Subsidiary to HDC	440	-	(440)	-	-
Total Non-operating Revenues, net	**99,751**	**(377)**	**9,702**	**109,076**	**38,583**
Change in Net Assets	**143,236**	**(377)**	**11,186**	**154,045**	**65,437**
Total net assets - beginning of year	1,225,883	1,032	65,950	1,292,865	1,227,428
Total Net Assets - End of Year	**$ 1,369,119**	**$ 655**	**$ 77,136**	**$ 1,446,910**	**$ 1,292,865**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Statements of Cash Flows

Year ended October 31, 2011 and 2010 (in thousands)

	2011	2010
Cash Flows From Operating Activities		
Mortgage loan repayments	$ 651,587	$ 531,298
Receipts from fees and charges	13,628	21,182
Mortgage escrow receipts	111,531	75,641
Reserve for replacement receipts	39,231	39,892
Mortgage loan advances	(1,307,305)	(1,077,740)
Escrow disbursements	(81,537)	(65,571)
Reserve for replacement disbursements	(30,190)	(31,275)
Payments to employees	(19,006)	(17,886)
Payments to suppliers for corporate operating expenses	(5,434)	(5,372)
Project contributions and funds received from NYC	95,081	134,603
Advances and other payments for NYC	(142,542)	(136,609)
Bond cost of issuance	(607)	(4,417)
Other receipts	488,422	236,318
Other payments	(149,243)	(112,632)
Net Cash Used in Operating Activities	**(336,384)**	**(412,568)**
Cash Flows From Non Capital Financing Activities		
Proceeds from sale of bonds	685,105	1,591,371
Retirement of bonds	(674,397)	(572,600)
Interest paid	(145,457)	(134,773)
Grant proceeds from BPCA	38,238	-
Payments from component units	440	210
Payments to component units	(10,200)	(3,000)
Net Cash (Used in) Provided by Non Capital Financing Activities	**(106,271)**	**881,208**
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(85)	(73)
Net Cash Used in Capital and Related Financing Activities	**(85)**	**(73)**
Cash Flows From Investing Activities		
Sale of investments	18,233,199	21,197,364
Purchase of investments	(17,990,826)	(21,342,945)
Interest and dividends collected	28,831	35,136
Net Cash Provided by (Used in) Investing Activities	**271,204**	**(110,445)**
(Decrease) Increase in cash and cash equivalents	(171,536)	358,122
Cash and cash equivalents at beginning of year	1,450,530	1,092,408
Cash and Cash Equivalents at End of Year	**$ 1,278,994**	**$ 1,450,530**

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Statements of Cash Flows (continued)

Year ended October 31, 2011 and 2010 (in thousands)

		2011		2010
Reconciliation of Operating Income to Net Cash Used in Operating Activities:				
Operating Income	**$**	**43,485**	**$**	**25,476**
Adjustments to reconcile operating income to net cash used in operating activities:				
Depreciation expenses		128		391
Amortization of bond discount and premium		(1,452)		(1,375)
Amortization of deferred bond refunding costs		844		998
Amortization of bond issuance costs		6,194		6,026
Net cash provided by nonoperating activities		145,474		134,773
Changes in Assets and Liabilities:				
Mortgage loans		(960,624)		(802,373)
Accrued interest receivable		(21,294)		(1,940)
Other receivables		32,629		18,910
Bond issuance costs		(5,707)		(11,696)
Primary government/component unit receivable (payable)		59,531		79,344
Other assets		(9,707)		2,852
Payable to The City of New York		20,552		5,174
Payable to mortgagors		76,687		85,799
Accounts and other payables		281,988		34,893
Due to the United States Government		-		(17)
Restricted earnings on investments		(6,096)		(4,053)
Deferred fee, mortgage income and other liabilities		(3,050)		6,320
Accrued interest payable		4,034		7,930
Net Cash Used in Operating Activities	**$**	**(336,384)**	**$**	**(412,568)**
Non Cash Investing Activities:				
(Decrease) increase in fair value of investments	$	(271)	$	1,736

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation
Notes to the Financial Statements
October 31, 2011

Note 1: Organization

The New York City Housing Development Corporation (the "Corporation" or "HDC") is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York (the "State"). The Corporation is also a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the "Code"). The Corporation was established in 1971 under the provisions of Article XII of the Private Housing Finance Law (the "Act") of the State and is to continue in existence for at least as long as bonds, notes or other obligations of the Corporation are outstanding.

The Corporation was created to encourage the investment of private capital through low-interest mortgage loans in order to increase the supply of safe and sanitary dwelling accommodations for families and persons whose need for housing accommodations cannot be provided by unassisted private enterprise. To accomplish its objectives, the Corporation is empowered to finance housing through new construction or rehabilitation and to provide permanent financing for multi-family residential housing. The Corporation finances significant amounts of its activities through the issuance of bonds and notes. The bonds and notes of the Corporation are not debts of either the State or the City of New York (the "City").

Pursuant to Governmental Accounting Standards Board Statement ("GASB") No. 14, "The Financial Reporting Entity," the Corporation's financial statements are included in the City's financial statements as a component unit for financial reporting purposes.

Primary Government Entity

For the purpose of these financial statements, the Corporation is the primary government entity. Financial activity in HDC's bond and loan programs and in its Corporate Services Fund are aggregated and reported in the financial statements under Housing Development Corporation. The Corporation sells bonds, administers bond proceeds and manages bond revenues and repayments in accordance with bond resolutions adopted by its Board Members (See Note 9: "Bonds Payable"). Bond proceeds are used to make loans and provide for related costs and reserves, and loan repayments are applied to pay principal and interest on the related bonds (See Note 4: "Mortgage Loans"; Note 5: "Notes Receivable"; and Note 6: "Loan Participation Receivable for The City of New York"). Corporation resources that are not pledged under or governed by a bond resolution are managed in the Corporate Services Fund. This fund accounts for (1) fees and earnings transferred from the bond and loan programs; (2) fees earned on loans serviced for HDC and for the City; (3) income from Corporate Services Fund investments; (4) grant revenues; (5) payments of the Corporation's operating expenses; (6) loan assets made with corporate funds; and (7) Section 8 administrative fees.

The Corporation currently has two active subsidiaries that are reported as Discretely Presented Component Units in the financial statements and two inactive subsidiaries.

The Housing Assistance Corporation ("HAC") and the New York City Residential Mortgage Insurance Corporation ("REMIC") represent active subsidiaries and together with the Housing New York Corporation ("HNYC") and the Real Estate Owned Corporation ("REO") comprise the reporting entity.

HAC and REMIC have been included in the Corporation's financial statements as discretely presented component units of HDC. All of these entities have been reported as component units because HDC's Members comprise all or a controlling majority of the Board for each entity and HDC's staff provides all services for each entity.

Discretely Presented Component Units

(A) Housing Assistance Corporation

The Housing Assistance Corporation is a public benefit corporation established pursuant to Section 654-b of the Act as a subsidiary of the Corporation.

HAC is empowered to receive monies from any source, including, but not limited to, the Corporation, the City or the State, for the purpose of assisting rental developments to maintain rentals affordable to low and moderate-income persons for whom the ordinary operation of private enterprise cannot supply safe, sanitary and affordable housing accommodations. In order to accomplish this objective, HAC may transfer, lend, pledge or assign these monies to any rental development or assist the Corporation in financing such developments. As a subsidiary of HDC, HAC's functions are administered by the Corporation and its Board Members substantially overlap with HDC's Board Members, so it is reported as a discretely presented component unit in HDC's financial statements.

(B) New York City Residential Mortgage Insurance Corporation

The New York City Residential Mortgage Insurance Corporation is a public benefit corporation established pursuant to Section 654-d of the Act as a subsidiary of HDC. REMIC is the successor entity to the New York City Rehabilitation Mortgage Insurance Corporation ("Old REMIC"), which was dissolved on January 27, 1993. REMIC has the authority to insure residential mortgage loans throughout the City in order to promote the preservation of neighborhoods which are blighted, are becoming blighted or may become blighted, to discourage divestment and encourage the investment of mortgage capital in such neighborhoods and to provide safe, sanitary and affordable housing accommodations to persons and families for whom the ordinary operations of private enterprise cannot supply such accommodations.

REMIC is required to maintain three reserves. The Housing Insurance Fund can be used as a revolving fund solely for the payment of liabilities arising from housing insurance contracts issued by REMIC. The Housing Insurance Fund requirement as of any particular date is established by statute and must be in an amount equal to the aggregate of (i) one hundred percent of the insured amounts due and payable pursuant to housing insurance contracts, plus (ii) twenty percent of the insured amounts under housing insurance contracts other than insured amounts which are due and payable pursuant to (i) above, plus (iii) twenty percent of the amounts to be insured under REMIC's commitments to insure. The Housing Insurance Fund requirement at October 31, 2011 is $48,267,000.

REMIC must also maintain a Mortgage Insurance Fund which shall be used solely for the payment of liabilities arising from mortgage insurance contracts of the Old REMIC. The Mortgage Insurance Fund requirement at October 31, 2011 is $181,000, which constitutes one hundred percent of Old REMIC's insured mortgage loans.

Any income or interest earned on these two reserves in excess of their respective requirements is transferred at least annually to the Premium Reserve Fund. The Premium Reserve Fund must also be maintained to provide for the payment of REMIC's liabilities arising from its operations, including liabilities arising from housing and mortgage insurance contracts. REMIC also maintains an Operating Fund for operation purposes. During fiscal year 2011, to increase REMIC's capital base, the Corporation made a capital contribution of $7.5 million to REMIC. The additional capital capacity will be used by REMIC to maintain its rating while affording it the opportunity to insure more mortgage loans. As a subsidiary of HDC, REMIC functions are administered by the Corporation. The Premium Reserve Fund and Operating Fund have a combined balance of $27,414,000 at October 31, 2011. REMIC is reported as a component unit because HDC's Members comprise a controlling majority of the Board and HDC's staff provides all services for REMIC.

(C) Housing New York Corporation

The Housing New York Corporation is a public benefit corporation established pursuant to Section 654-c of the Act as a subsidiary of the Corporation. Authorization for the funding of the Housing New York Program ended on July 1, 1995. Consequently, HNYC can no longer issue bonds or notes to fund the Housing New York Program.

Upon repayment of all of the outstanding HNYC bonds on November 3, 2003, HNYC became an inactive subsidiary of the Corporation and its remaining funds were transferred out of HNYC. However, HNYC is not expected to be dissolved.

Blended Component Unit

(D) Real Estate Owned Corporation

The NYC HDC Real Estate Owned Corporation ("REO Subsidiary Corporation"), was established under Section 654-a of the Act on September 20, 2004. The REO Subsidiary Corporation has the power to hold property whenever, in the sole discretion of the Corporation, it has become necessary to acquire a project in the case of sale under foreclosure or in lieu of foreclosure to effectuate the purposes of the Act. On February 28, 2011, HDC acquired a property located at 271 East 139th street from the U.S. Department of Housing and Urban Development ("HUD") and immediately transferred such property to the East One Thirty Eight Housing Development Fund Company. The REO Subsidiary Corporation is treated as a blended component unit of HDC.

Note 2: Summary of Significant Accounting Policies

The Corporation follows the principles of fund accounting, with a sub-fund for each bond series, for the Corporate Services Fund, and for each component unit. Each fund's assets, liabilities and net assets are accounted for as separate entities and follow enterprise fund reporting. Certain individual funds are aggregated into larger categories for the purpose of financial reporting. The accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred.

In its accounting and financial reporting, the Corporation follows the pronouncements of GASB. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are followed by the Corporation to the extent that those standards do not conflict with or contradict guidance of the GASB. The Corporation has elected not to follow subsequent private-sector guidance.

Other significant accounting policies are:

A. Revenue and Expense Recognition

The Corporation's operating revenues consist of earnings on loans and loan participation interests, fees and charges associated with both financing and servicing mortgages and loans, and other revenues that are received to cover the costs of raising capital. All other revenue, which is primarily investment income and grant revenue are considered non-operating. Revenues are recognized when earned; commitment and financing fees are recognized over the life of the related mortgage.

Operating expenses include bonding costs, expenses for administering the various bond resolutions, personnel expenses, corporate operating expenses, amortization of capitalized issuance and financing costs, and depreciation expense. The Corporation reports all other expenses, including distributions of first mortgage earnings to the City in connection with loan participations and the payment, if necessary, of mortgage loan principal receipts on bond payments, as non-operating expenses. Expenses are recognized as incurred. Virtually all resources are either restricted or designated. Net assets have been restricted in accordance with terms of an award, agreement or by state law. Designated assets are committed for specific purposes pursuant to HDC policy and/or Board directives. Please see Note 17: "Net Assets" for more detailed information.

B. Cash Equivalents and Investments

Short-term bank deposits and investments with stated maturities of 90 days or less are reported as Cash and Cash Equivalents. All investments are reported at fair value, except for investment agreements. The Corporation's investment agreements, which can take the form of open time deposits or fixed repurchase agreements, are reported at an amount equal to principal and accrued interest.

Generally Accepted Accounting Principles ("GAAP") generally require that restricted assets be reported as non-current assets. In the case of cash equivalents and investments, this treatment generally causes restricted investments with maturities less than one year to be reported as non-current. However, to more accurately report the alignment of HDC's current liability for payment of bond principal and interest with funds available to satisfy these liabilities, HDC has included in Current Assets the cash, cash equivalents and investments held as of October 31, 2011 to cover $546,697,000 for payment of bond principal and interest due in the following year.

C. Purpose Investments

As part of its financing activities, HDC has made five housing development loans that are secured by GNMA certificates rather than mortgages on the related properties. The GNMA certificates provide payments at such times and in such amounts as to fully repay the respective HDC loans, and are the only source of repayment for these loans. As such, the GNMA certificates are treated under U.S. Treasury regulations as acquired program obligations. The GNMA certificates are classified in the financial statements as purpose investments and identified separately from other investments and restricted investments in the financial statements. However, interest earned on the GNMA certificate is included in investment income.

It is the Corporation's policy to record GNMAs at amortized cost, which amounted to $186,644,000 and $190,631,000, at October 31, 2011 and October 31, 2010, respectively. The fair value of these purpose investments amounted to $193,380,000 and $201,900,000, at October 31, 2011 and at October 31, 2010, respectively.

D. Earnings on Investments

Earnings on investments include interest income and changes in fair market value. Investment earnings on monies held for the City, project reserves for replacement and certain other project escrows are not reported as revenues; rather, they are reported as payable to the City or payable to mortgagors, respectively.

E. Debt Issuance Costs, Bond Discount and Other Bond Related Costs

Debt issuance costs and bond discount and premium are amortized over the life of the related bond issues using the effective interest method. Premiums paid in connection with interest rate cap agreements are amortized and reported as interest expense over the life of the respective agreements. Deferred Bond Refunding Costs are amortized to expenses over the shorter of the life of the refunding bonds or the refunded bonds.

F. Allowance for Credit Losses

HDC's loans are underwritten according to standards the Corporation believes prudent and are closely monitored for payment and for management of the associated housing developments. In addition, many of the Corporation's mortgages have credit enhancements through letters of credit, mortgage insurance and other supports. As such, HDC believes that the likelihood of experiencing material credit losses relating to its bonded mortgage programs is unlikely. Management has determined that current charges against income are not required.

G. Summarized Financial Information

The financial statements include summarized comparative information for the year ended October 31, 2010 in total but not by reporting unit. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended October 31, 2010 (which are available from the Corporation and on its website).

H. Recent and Upcoming Accounting Pronouncements

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* ("GASB 62"). This Standard will improve financial reporting by incorporating into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements. GASB 62 will supersede Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting.* The requirements of GASB 62 are effective for financial statements for periods beginning after December 15, 2011. The adoption of GASB 62 standard will not have significant impact on the Corporation's financial statements.

In June 2011, the GASB issued Statement No. 63, Financial *Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* ("GASB No. 63). This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concept Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. GASB No.63 amends the net assets reporting requirements in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The requirements of GASB 63 are effective for financial statements for periods beginning after December 15, 2011. The Corporation has not completed the process of evaluating the impact of GASB No. 63 on its financial statements.

I. Reclassifications

Certain fiscal year 2010 balances have been reclassified in order to conform to the current year presentation.

Note 3: Investments and Deposits

The Corporation is authorized to engage in investment activity pursuant to the Act and the Corporation's respective bond resolutions. Investment policies are set for the Corporation by the Members of the Corporation on an annual basis, through the annual adoption of written investment guidelines. Investments are reviewed on a periodic basis by the Corporation's Audit Committee. Day-to-day investment decisions are made by the Corporation's Investment Committee. The Corporation principally invests in securities of the United States and its agencies, highly rated commercial paper, open time deposits ("OTDs") in the form of investment agreements, demand accounts, and repurchase agreements. In fiscal year 2011, HDC continued investing in municipal bonds of New York State and New York City, consistent with the Corporation's statute and Investment Guidelines. The Corporation did not enter into any reverse repurchase agreements during the year ended October 31, 2011. According to management, the Corporation is not in violation of any provisions of the foregoing policies.

All securities, other than securities held by the respective trustees for the benefit of the bondholders, are held by the Corporation or its agents in the Corporation's name. Bond program investments are held by the trustee of the applicable program. All investment transactions are recorded on a delivery basis.

As of October 31, 2011, the Corporation had the following investments.

	Fair Value	Investment Maturities at October 31, 2011 (in Years)			
Investment Type	2011	Less than 1	1-5	6-10	More than 10
(in thousands)					
Money Market and NOW Accounts	$865,548	865,548	—	—	—
U.S. Treasury (Bonds, Notes, Bills)	547,617	543,015	90	—	4,512
FHLB	224,806	129,938	—	86,047	8,821
Fixed Repurchase Agreements	170,975	170,975	—	—	—
Open Time Deposits	139,246	53,100	55,841	—	30,305
NYS/NYC Municipal Bonds *	98,268	11,081	40,756	—	46,431
FHLMC	74,228	39,998	—	34,230	—
Certificates of Deposit	68,011	—	68,011	—	—
FNMA	52,281	24,973	20,204	—	7,104
Federal Farm Credit Bonds	33,568	—	15,031	18,537	—
Term Repurchase Agreements	25,820	24,630	—	1,190	—
Total	2,300,368	1,863,258	199,933	140,004	97,173
Less amounts classified as cash Equivalents	(1,269,877)	(1,269,877)	—	—	—
Total investments	1,030,491	593,381	199,933	140,004	97,173

**Note: These are mostly VRDO instruments which can be put weekly.*

In addition to the investments identified above, as of October 31, 2011 and 2010, the Corporation held $9,117,000 and $3,238,000, respectively, uninvested as cash in various trust and escrow accounts.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Corporation's Investment Guidelines charge the Investment Committee with "…determining appropriate investment instruments…based on…length of time funds are available for investment purposes..." among other factors. Thus, maturities are matched to the Corporation's liquidity needs.

Credit Risk: The Corporation's investment guidelines and policies are designed to protect principal by limiting credit risk. This is accomplished by making decisions based on a review of ratings, collateral, and diversification requirements that vary according to the type of investment.

As of October 31, 2011, investments in Federal National Mortgage Association ("FNMA" or "Fannie Mae"), Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac") and Federal Home Loan Bank ("FHLB") were rated by Standard & Poor's and/or Moody's Investors Service (Fannie Mae, Freddie Mac, FHLB, Farmer MAC and Federal Farm Credit Bond are collectively referred to as "Agency"). These ratings were AA+ and A-1+ by Standard & Poor's, and Aaa and P-1 by Moody's for long-term and short-term instruments, respectively. Investments in Fannie Mae, Freddie Mac and FHLB are implicitly guaranteed by the U.S. government. They carry ratings equivalent to the credit ratings for the U.S. government. Some investments were not rated by Fitch Ratings. Of the investments that were rated by Fitch Ratings, they carried ratings from AAA to BBB. Money markets accounts are not rated; however the providers are rated and they are backed by either collateral held or letters of credit provided by third parties.

Ratings for investments in NYS/NYC municipal bonds are based on the issuers rating for its general obligation debt or the rating of their letter-of-credit providers, as the case may be. The letter-of-credit providers' ratings carried a range from AA to A-, and Aa1 to A3, by Standard & Poor's and Moody's Investors Service, respectively. The remaining investments, short term and long term, that were rated by Standard & Poor's and/or Moody's Investors Service were rated from AAA to BBB, and Aaa to Baa1. Some investments were not rated by Fitch Ratings. Of the investments that were rated by Fitch Ratings, they carried ratings from AAA to BBB. Money Market, Open Time Deposits and Repurchase Agreements in the form of OTDs are not rated; however, the providers are rated.

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Corporation, and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the Corporation.

The Corporation manages custodial credit risk by limiting its investments to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Corporation, and accordingly, the Corporation was not exposed to custodial credit risk on its investment securities.

As of October 31, 2011, open time deposits in the amount of $34,159,000, repurchase agreements in the amount of $196,795,000, certificates of deposit in the amount of $68,011,000, and demand accounts in the amount of $865,548,000 were collateralized by high quality instruments such as U.S. Treasury Notes, U.S. Treasury Bills and Agency investments held by the Corporation's agent in the name of the Corporation. All such investments are not subject to custodial credit risk.

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposit may not be returned to it. HDC limits its deposits to highly rated institutions, and such deposits are either in trust accounts or insured through the Federal Deposit Insurance Corporation ("FDIC"). HDC bank deposits amounted to $17,298,000 as of October 31, 2011, of which $10,357,000 was secured in trust accounts, which are protected under state law. $6,941,000 was held in Demand Deposit Accounts ("DDA"). Under the deposit insurance provision of the Dodd-Frank Act, all funds in a "noninterest-bearing transaction account" are insured in full by the FDIC from December 31, 2010, through

December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least $250,000 available to depositors under the FDIC's general deposit insurance rules. All of the Corporation's funds held in the DDA are covered under this provision.

Concentration of Credit Risk: The Corporation reviews its credit concentration monthly. The Corporation's Credit Risk unit monitors concentration risk amongst issuers and reports to the Members of the Corporation's Audit Committee.

The following table shows issuers that represent 5% or more of total investments at October 31, 2011 ($ in thousands):

Issuer	Dollar Amount	Percentage
Signature Bank	$376,286	16.36%
HSBC	245,631	10.68
FHLB	224,806	9.77

Note 4: Mortgage Loans

The Corporation had outstanding, under various loan programs, mortgage loans of $8,131,798,000 and $7,279,644,000 as of October 31, 2011 and 2010, respectively. These amounts represent the portion of mortgage loans for which the Corporation has advanced monies. The portion of mortgage loans that has not yet been advanced is recorded as investments and this amounted to $671,817,000 and $1,087,889,000 at October 31, 2011 and October 31, 2010, respectively. (See Note 15: "Commitments".)

Changes in Mortgage Loans
The changes in Mortgage Loans are as follows:

Mortgage loans outstanding at October 31, 2009	6,563,945,000
Mortgage Advances	1,090,161,000
Principal Collections	(379,803,000)
Discount/Premium Amortized	5,341,000
Mortgage loans outstanding at October 31, 2010	7,279,644,000
Mortgage Advances	1,334,622,000
Principal Collections	(486,246,000)
Discount/Premium Amortized	3,778,000
Mortgage loans outstanding at October 31, 2011	$8,131,798,000

(A) New York City Housing Development Corporation

The HDC mortgage loans listed above were originally repayable over terms of 2 to 55.5 years and bear interest at rates from 0.02% to 12% per annum. Almost all mortgage loans receivable are collateralized by first or second mortgages on the property of the housing sponsors and contain exculpatory clauses with respect to the liability of the principals of such housing sponsors. The table above does not include loans which are not secured by mortgages, which include a military housing loan and a loan to the New York City Housing Authority ("NYCHA"), each of which are secured by notes (See Note 5: "Notes Receivable"), and loans secured by GNMA certificates (See Note 2C: "Purpose Investments"). Of the total HDC mortgages including those that are in the Mitchell-Lama programs held as of October 31, 2011, 79% are first mortgages and 21% are subordinate loans.

(B) Housing Assistance Corporation

The Housing Assistance Corporation financed construction and capitalized interest costs for eight affordable housing projects during the period of 1986 to 1990. These loans, funded by the City, accrue interest at the rate of 0-1% per annum. As of October 31, 2011, there were five loans remaining and the total outstanding loan balance was $30,208,000 and $30,323,000 at October 31, 2011 and October 31, 2010, respectively.

Note 5: Notes Receivable

HDC has two loans outstanding that are secured by notes and pledged revenues. Military Housing Notes Receivable of $46,600,000 was received in connection with the 2004 Series A Class I & II Military Housing Revenue Bond (Fort Hamilton LLC Project) issuance. The notes are secured by pledged revenues of the development under a Master Trust Indenture. The interest rate on the mortgage loan is a blended rate of 6.32% which is equal to the bond interest rate. The interest on the mortgage is collected semi-annually on the debt service date.

In addition, notes receivable from NYCHA in connection with the Corporation's 2005 Series A Capital Fund Program Revenue Bond issuance was $243,798,000 at October 31, 2011. This note is secured under a Master Trust Indenture by NYCHA's pledge of HUD's annual appropriation of public housing capital funds to NYCHA.

Note 6: Loan Participation Receivable for The City of New York

In fiscal year 2002, the Corporation acquired interests in two real estate mortgage investment trusts in connection with its housing activities. In addition, the Corporation entered into various agreements with the City whereby HDC sold bonds and used the bond proceeds to purchase from the City interests in various mortgage loans and pools of mortgage loans.

First, in each of fiscal years 2002 and 2003, HDC used bond proceeds from its Multi-Family Housing Revenue Bonds, "2002 Series D", and Multi-Family Housing Revenue Bonds, "2003 Series D" bond issues to purchase a subordinated position in a 100% participation interest in a portion of the cash flows from a pool of mortgage loans the City had previously securitized in 1996. This pool is known as the Sheridan Trust II and HDC's purchased asset is the Class B Certificate. Upon completion of the 2003 transaction, HDC's participation interest covered all the cash flows of the Sheridan Trust II. In September, 2005 the senior lien interests were satisfied and HDC became the primary beneficiary of Sheridan Trust II. At that time, therefore, the loan asset was added to HDC's balance sheet and was valued at its principal amount.

At issuance, the 2002 Series D and 2003 Series D bonds were substantially over collateralized by their respective total loan assets. In April 2006, the Corporation issued its Multi-Family Housing Revenue Bonds, "2006 Series A" bonds to refinance the 2002 Series D and 2003 Series D bonds. At the time, the principal amount of the Sheridan Trust II had a balance of $211,455,000 that was transferred to the 2006 Series A bond program. As of October 31, 2011, the principal amount was $120,522,000.

Second, in fiscal year 2005, HDC used bond proceeds to acquire from the City a 100% participation interest in the cash flows payable to the City as owner of the Class B Certificate of the NYC Mortgage Loan Trust (the "Certificates Trust"), also created by the City in 1996. On June 27 2011, the Certificates Trust was dissolved and the Corporation and the City amended and restated the 2004 Participation Agreement (as amended and restated, the "2011 Participation Agreement") and replaced the 2004 Participation Interest with the 2011 Participation Interest. The remaining value of $5,963,000 relating to the 2004 Participation Agreement was subtracted from the amount Payable to the City of New York. The Corporation pledged the 2011 Participation Interest (net of certain amounts to be paid to the Corporation) for the benefit of the holders of the 2011 Series F-1 and 2011 Series F-2 Bonds. The 2011 Participation Interest is considered a "Mortgage Loan" under the Resolution. (See Note 11: "Payable to The City of New York".)

Third, the remaining $536,185,000 in "Loan Participation Receivable - The City of New York" represents the excess face amount of collateral over the related bonds.

In each case, the "Loan Participation Receivable - The City of New York" are pledged to the associated bonds but revert to the City when such bonds are retired. (See Note 11: "Payable to The City of New York".)

Note 7: Other Receivables

Other Receivables of $62,481,000 represent mortgage commitment and financing fees, servicing fees receivable, Reserve for Replacement loans and Corporate Services Fund loans not secured by mortgages on the properties, interest and servicing fees receivable on HPD loans serviced (but not owned) by HDC, and 421-A grant funds due to be received from the Battery Park City Authority ("BPCA").

On March 29, 2010, the City of New York entered into a grant agreement with BPCA whereby the City is to receive funds from BPCA that exceed BPCA's operating expenses over the next seven years. This amount is anticipated to be $400,000,000. The City designated HPD and the Corporation to each receive $200,000,000 of these funds to further the purpose of creating additional affordable housing in New York City.

On April 20, 2011, the Corporation entered into a "421-A Fund Agreement" with the City of New York which further details the roles and responsibilities of the Corporation and HPD related to the use and reporting of the BPCA funds. The funds are intended to be used by HDC and HPD to address the availability of affordable housing in the City with priority given to the fifteen sub-borough areas with the highest percentage of households below the poverty line according to the most recent United States census bureau data.

During this past fiscal year, the Corporation recognized grant revenue in the amount of $75,253,000 from BPCA. The Corporation received the first installment of $38,238,000 during the year ended October 31, 2011 and has recorded a receivable for the second installment of approximately

$37,015,000 that it will receive in fiscal year 2012.

Note 8: Other Non Current Assets

Other non-current assets totaled $15,617,000 at October 31, 2011, and consist of (a) various interest rate caps purchased by the Corporation in connection with certain bond issuances; (b) the value of purchased cash flows related to the 223(f) Program; and (c) the 2011 participation interest of Certificates Trust.

Interest rate caps are used to mitigate the Corporation’s exposure to rising interest rates on its variable rate debt. Three interest rate caps were purchased from the New York City Transitional Finance Authority (“TFA”) in connection with the Corporation’s issuance of its Multi-Family Housing Revenue Bonds 2002 Series C and 2002 Series D. These caps were carried at their amortized value. On December 2, 2005, by mutual agreement between the Corporation and the TFA, these interest rate caps were cancelled. As a condition of cancellation, TFA delivered, at its expense, three new interest rate caps from Goldman Sachs Mitsui Marine Derivative Products with substantially the same terms and conditions as the original caps. At that time, the combined balances of the interest rate caps had an amortized value of $16,088,000 and a fair value of $7,275,000 and, accordingly, the Corporation recorded a fair market value adjustment of $8,813,000 in fiscal year 2006.

On April 28, 2006, the Corporation issued its Multi-Family Housing Revenue Bonds 2006 Series A bonds to refinance both the 2002 Series D and 2003 Series D bonds, and the related interest rate caps on these bonds were transferred to the 2006 Series A bond program. At October 31, 2011, the value of the interest rate cap for the 2006 Series A bonds was $2,556,000.

The purchased cash flows are revenue streams consisting of (a) the excess of mortgagors’ payments over bond debt service payments, trustee fees and servicing fees to the Corporation and (b) the earnings on certain restricted funds (which earnings are excluded from the Combined Statement of Revenues and Expenses), relating to the 223(f) program and Multi-Family Housing Revenue Bonds, 2001 Series B. These cash flows were purchased by the Corporation from the City of New York in fiscal year 1996. The purchase price amounts, representing the discounted value of the future cash flows, were recorded as an asset and have been amortized over the remaining mortgage life. During fiscal year 2011, $102,000 was amortized and is reported as a non-operating expense. The unamortized value of these purchased cash flows is $2,852,000 at October 31, 2011.

On June 27 2011, the Certificates Trust was dissolved and the Corporation and the City entered into 2011 Participation Interest (as defined above). The Certificates Trust consisted of a trust fund made up primarily of the pledge of the income from Interest Reduction Payment Contracts (“Section 236 Contracts”) from the Federal government on 32 developments. Under the 2011 Participation Agreement, the Corporation holds a 100% participation interest in the second mortgages and related Section 236 Contracts on the remaining nine properties. The Corporation paid the City $10,266,000 as the purchase price, which represents the discounted value of the future cash flows (monthly interest reduction payments). The 2011 Participation Interest was recorded as other assets and will be amortized over the period until 2025. During fiscal year 2011, $58,000 was amortized and was recorded as a non-operating expense. The unamortized value of 2011 Participation Interest was $10,209,000 at October 31, 2011.

Note 9: Bonds Payable

The Corporation's authority to issue bonds and notes for any corporate purpose is limited by the Act to the extent that (i) the aggregate principal amount outstanding may not exceed $10.25 billion, exclusive of refunding bonds or notes, and (ii) the maximum Capital Reserve Fund requirement may not exceed $85 million. No bonds are currently subject to the Capital Reserve Fund requirement. These limits may be changed from time to time through State legislation. During the year ended October 31, 2011, the limit on the aggregate principal amount outstanding remains unchanged at $10.25 billion.

Bond Programs

The Corporation issues bonds and notes to fund mortgage loans for multi-family residential developments under the bond programs described below. As of October 31, 2011, the Corporation had bonds outstanding in the aggregate principal amount of $8,484,310,000. All of the bonds are separately secured, except for the bonds issued under the General Resolution which are equally and ratably secured by the assets pledged under the General Resolution (See "*C. Housing Revenue Bond Program*" below). None of the bonds under the bond programs described in "*A. Multi-Family Bond Program*", "*D. Liberty Bond Program*", and "*E. Section 223(f) Refinancing Bond Program*" provide security under the General Resolution, and none of the bonds under these programs is secured by the General Resolution.

A. Multi-Family Bond Program. The Corporation established its Multi-Family Bond Program to develop privately-owned multi-family housing, all or a portion of which is reserved for low income tenants. The following describes the Corporation's activities under its Multi-Family Bond Program.

(1) Rental Projects; Fannie Mae or Freddie Mac Enhanced: The Corporation has issued tax-exempt and/or taxable bonds which either (i) are secured by mortgage loan payments, which payments are secured by obligations of Fannie Mae under various collateral agreements, (ii) are secured by a Direct Pay Credit Enhancement Instrument issued by Fannie Mae or (iii) are secured by a Direct Pay Credit Enhancement Agreement with Freddie Mac.

(2) Rental Projects; Letter of Credit Enhanced: The Corporation has issued tax-exempt and/or taxable bonds to finance a number of mixed income projects and entirely low income projects, which bonds are secured by letters of credit issued by investment-grade rated commercial lending institutions.

(3) Residential Housing; Credit Enhanced: The Corporation has issued bonds to provide financing for residential facilities for hospital staff and for post-secondary students, faculty and staff which bonds are secured by letters of credit issued by investment-grade rated institutions.

(4) Cooperative Housing; SONYMA-Insured Mortgage Loan: The Corporation issued tax-exempt obligations in order to fund underlying mortgage loans to cooperative housing developments. Each mortgage loan in this program is insured by the State of New York Mortgage Agency ("SONYMA"). The bonds relating to this program have been redeemed.

(5) Senior Housing; Letter of Credit Enhanced: The Corporation has issued tax-exempt obligations to finance a mortgage loan for low-income senior housing, which obligations are secured by letters of

credit issued by investment-grade rated commercial lending institutions.

(6) Cooperative Housing; Letter of Credit Enhanced: The Corporation has issued taxable obligations in order to fund underlying mortgage loans to cooperative housing developments, which bonds are secured by letters of credit issued by investment-grade rated commercial lending institutions.

B. Millitary Housing Revenue Bond Program. Under this program, the Corporation has issued taxable obligations in order to fund a portion of the cost of the design, demolition, renovation, construction and operation of housing units in residential family housing areas located at Fort Hamilton.

C. Housing Revenue Bond Program. Under its Housing Revenue Bond Program, the Corporation may issue bonds payable solely from and secured by the assets held under its General Resolution which include a pool of mortgage loans, some of which are construction loans (which pool contains FHA-insured mortgage loans, REMIC-insured mortgage loans, SONYMA-insured mortgage loans, GNMA mortgage-backed securities, other mortgage loans and participation interests in mortgage loans), the revenues received on account of all such loans and securities, and other assets pledged under such resolution and any supplemental resolution for a particular series of bonds. Certain of the projects, which secure a portion of the mortgage loans, receive the benefits of subsidy payments. As of October 31, 2011, one hundred and fifty-five (155) series of bonds have been issued under the Housing Revenue Bond Program including the Corporation's Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series 1 and 2009 Series 2, which are separately secured and then by the General Resolution.

D. Liberty Bond Program. In accordance with Section 301 of the Job Creation and Worker Assistance Act of 2002, the Corporation has issued tax-exempt and taxable bonds, each secured by a letter of credit or a direct pay credit enhancement instrument to finance the development of multi-family housing within an area of lower Manhattan designated in such legislation as the "Liberty Zone".

E. Section 223(f) Refinancing Bond Program. Under this program, the Corporation acquired mortgages originally made by the City, obtained federal insurance thereon and either sold such insured mortgages or issued its obligations secured by said insured mortgages and paid the net proceeds of the sale of such mortgages or issuance of obligations to the City. Each series of bonds issued under this program is secured by a mortgage loan insured by FHA pursuant to Section 223(f) of Title II of the National Housing Act of 1934, as amended (the "National Housing Act"). Debt service on each series of bonds is paid only from monies received on account of the applicable mortgage loan securing such series, including, with respect to certain projects, interest reduction subsidy payments received by the Corporation pursuant to Section 236 of the National Housing Act.

F. Capital Fund Revenue Bond Program. Under this program, the Corporation has issued tax-exempt obligations in order to assist the New York City Housing Authority with the execution of a multi-year construction initiative that addressed critical capital improvement needs of their aging housing portfolio.

New York City Housing Development Corporation
Notes to the Financial Statements
October 31, 2011

Changes in Bonds Payable

The summary of changes in Bonds Payable was as follows:

Bonds Payable outstanding at October 31, 2009	$7,455,485,000
Bond Issued	1,591,345,000
Bond Principal Retired	(572,600,000)
Deferred Bond Refunding Costs	779,000
Net Premium/Discount on Bonds Payable	(795,000)
Bonds Payable outstanding at October 31, 2010	$8,474,214,000
Bond Issued	684,995,000
Bond Principal Retired	(674,397,000)
Deferred Bond Refunding Costs	844,000
Net Premium/Discount on Bonds Payable	(1,342,000)
Bonds Payable outstanding at October 31, 2011	$8,484,314,000

Details of changes in HDC bonds payable for the year ended October 31, 2011 were as follows:

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
MULTI-FAMILY BOND PROGRAM:					
Multi-Family Rental Housing Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced					
1997 Series A Related-Carnegie Park Project—0.03% to 0.32% Variable Rate Bonds due upon demand through 2019	$ 66,800	—	—	66,800	—
1997 Series A Related-Monterey Project—0.03% to 0.31% Variable Rate Bonds due upon demand through 2019	104,600	—	—	104,600	—
1997 Series A Related-Tribeca Tower Project—0.05% to 0.37% Variable Rate Bonds due upon demand through 2019	55,000	—	—	55,000	—
1998 Series A Jane Street Development—0.06% to 0.33% Variable Rate Bonds due upon demand through 2028	16,450	—	—	16,450	—
1998 Series A One Columbus Place Project—0.06% to 0.33% Variable Rate Bonds due upon demand through 2028	142,300	—	—	142,300	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
1999 Series A West 43rd Street Project—0.06% to 0.33% Variable Rate Bonds due upon demand through 2029………………………….	51,900	—	—	51,900	—
1999 Series A Brittany Development Project—0.06% to 0.33% Variable Rate Bonds due upon demand through 2029………………………….	57,000	—	—	57,000	—
2000 Series A Related West 89th Street Development—0.05% to 0.30% Variable Rate Bonds due upon demand through 2029.............	53,000	—	—	53,000	—
2001 Series A Queenswood Refunding—0.03% to 0.30% Variable Rate Bonds due upon demand through 2031………………………….	10,800	—	—	10,800	—
2001 Series A Related Lyric Development—0.06% to 0.33% Variable Rate Bonds due upon demand through 2031.......................................	85,000	—	—	85,000	—
2001 Series B (Federally Taxable) Related Lyric Development—0.14% to 0.31% Variable Rate Bonds due upon demand through 2031.....	4,000	—	—	4,000	—
2002 Series A James Tower Development—0.03% to 0.33% Variable Rate Bonds due upon demand through 2032.......................................	20,530	—	(310)	20,220	—
2002 Series A The Foundry—0.06% to 0.33% Variable Rate Bonds due upon demand through 2032…………………………………………….	55,100	—	—	55,100	—
2003 Series A Related-Sierra Development—0.06% to 0.33% Variable Rate Bonds due upon demand through 2033......................................	56,000	—	—	56,000	—
2004 Series A West End Towers—0.06% to 0.33% Variable Rate Bonds due upon demand through 2034…………………………………..	135,000	—	—	135,000	—
2004 Series A Related-Westport Development—0.06% to 0.33% Variable Rate Bonds due upon demand through 2034..............	110,000	—	—	110,000	—
2004 Series B (Federally Taxable) Related-Westport Development—0.14% to 0.30% Variable Rate Bonds due upon demand through 2034..	13,800	—	—	13,800	—

Description of Bonds as Issued *(in thousands)* *(variable rates cover fiscal year 2011)*	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
2005 Series A Royal Charter Properties—0.03% to 0.30% Variable Rate Bonds due upon demand through 2035..	89,200	—	—	89,200	—
2005 Series B Royal Charter Properties—0.14% to 0.28% Variable Rate Bonds due upon demand through 2011..	1,550	—	(1,550)	—	—
2005 Series A Atlantic Court Apartments—0.06% to 0.33% Variable Rate Bonds due upon demand through 2035..	83,700	—	—	83,700	—
2005 Series B (Federally Taxable) Atlantic Court Apartments—0.14% to 0.30% Variable Rate Bonds due upon demand through 2035......	17,700	—	(1,100)	16,600	1,000
2005 Series A The Nicole Development—0.06% to 0.33% Variable Rate Bonds due upon demand through 2035………………………….	54,600	—	—	54,600	—
2005 Series B (Federally Taxable) The Nicole Development—0.14% to 0.35% Variable Rate Bonds due upon demand through 2035………..	8,600	—	(700)	7,900	600
2005 Series B Progress of People Development—3.50% to 4.95% Term Bonds maturing in varying installments through 2036.	51,825	—	(900)	50,925	950
2006 Series A Rivereast Apartments – 0.04% to 0.32% Variable Rate Bonds due upon demand through 2036…………………………………...	50,000	—	—	50,000	—
2006 Series B (Federally Taxable) Rivereast Apartments – 0.09% to 0.37% Variable Rate Bonds due upon demand through 2036………..	5,700	—	(500)	5,200	—
2006 Series A Seaview Towers – 3.70% to 4.75% Serial & Term Bonds maturing in varying installments through 2039…………….	23,375	—	(975)	22,400	1,015
2007 Series A Ocean Gate Development – 0.05% to 0.37% Variable Rate Bonds due upon demand through 2040………………………….	32,530	—	(24,085)	8,445	—
2007 Series B Ocean Gate Development – 4.80% to 5.35% Term Bonds maturing in varying installments through in 2025…………	14,240	—	(610)	13,630	650

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2007 Series A West 61st Street Apartments — 0.05% to 0.30% Variable Rate Bonds due upon demand through 2037……………………….	54,000	—	—	54,000	—
2007 Series B (Federally Taxable) West 61st Street Apartments — 5.63% Fixed Rate Term Bonds due 2019……………………………...	11,785	—	(990)	10,795	1,055
2007 Series A 155 West 21st Street Apartments —0.05% to 0.30% Variable Rate Bonds due upon demand through 2037 ……………………	37,900	—	—	37,900	—
2007 Series B (Federally Taxable) 155 West 21st Street Apartments —0.13% to 0.28% Variable Rate Bonds due upon demand through 2037………………………………………….	14,000	—	(400)	13,600	300
2008 Series A Linden Plaza — 0.05% to 0.37% Variable Rate Bonds due upon demand through 2043………………………………………….	70,925	—	(1,310)	69,615	1,375
2009 Series A Gateways Apartments – 2.65% to 4.5% Term Bonds due upon demand through 2025………………………………………….	22,020	—	(200)	21,820	215
2009 Series A Lexington Courts — 0.02% to 0.32% Variable Rate Bond due upon demand through 2039…………………………………...	25,500	—	—	25,500	—
Multi-Family Mortgage Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced					
1995 Series A Columbus Apartments Development—0.03% to 0.30% Variable Rate Bonds maturing in varying installments through 2025...	21,870	—	—	21,870	—
2001 Series A West 48th Street— 0.06% to 0.33% Variable Rate Bonds due upon demand through 2034…………………………………...	20,000	—	—	20,000	—
2002 Series A First Ave Development — 0.06% to 0.33% Variable Rate Bond due upon demand through 2035…………………………	44,000	—	—	44,000	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2004 Series A Aldus Street Apartments— 0.04% to 0.32% Variable Rate Bonds due upon demand through 2037..	8,100	—	—	8,100	—
2004 Series A 941 Hoe Avenue Apartments — 0.04% to 0.32% Variable Rate Bonds due upon demand through 2037..	6,660	—	—	6,660	—
2004 Series A Peter Cintron Apartments — 0.04% to 0.32% Variable Rate Bonds due upon demand through 2037...	7,840	—	—	7,840	—
2004 Series A State Renaissance Court—0.04% to 0.32% Variable Rate Bonds due upon demand through 2037...	35,200	—	—	35,200	—
2004 Series A Louis Nine Boulevard Apartments —0.05% to 0.30% Variable Rate Bonds due upon demand through 2037.............	7,300	—	—	7,300	—
2004 Series A Courtlandt Avenue Apartments —0.050% to 0.30% Variable Rate Bonds due upon demand through 2037...............................	7,905	—	—	7,905	—
2004 Series A Ogden Avenue Apartments — 0.04% to 0.32% Variable Rate Bonds due upon demand through 2038..	4,760	—	—	4,760	—
2004 Series A Nagle Courtyard Apartments — 0.04% to 0.320% Variable Rate Bonds due upon demand through 2038...............................	4,200	—	—	4,200	—
2005 Series A Morris Avenue Apartments — 0.04% to 0.32% Variable Rate Bonds due upon demand through 2038..	14,700	—	—	14,700	—
2005 Series A Vyse Avenue Apartments — 0.04% to 0.32% Variable Rate Bonds due upon demand through 2038…………………………	4,335	—	—	4,335	—
2005 Series A —33 West Tremont Avenue Apartments —0.04% to 0.32% Variable Rate Bonds due upon demand through 2038.............	3,490	—	—	3,490	—
2005 Series A Ogden Avenue Apartments II — 0.06% to 0.33% Variable Rate Bonds due upon demand through 2038..	2,500	—	—	2,500	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2005 Series A White Plains Courtyard Apartments — 0.06% to 0.33% Variable Rate Bonds due upon demand through 2038..............	4,900	—	—	4,900	—
2005 Series A Highbridge Apartments — 0.04% to 0.32% Variable Rate Bonds due upon demand through 2039..	13,600	—	—	13,600	—
2005 Series A 89 Murray Street Development — 0.06% to 0.33% Variable Rate Bonds due upon demand through 2039...............................	49,800	—	—	49,800	—
2005 Series A 270 East Burnside Avenue Apartments — 0.05% to 0.30% Variable Rate Bonds due upon demand through 2039..............	6,400	—	—	6,400	—
2006 Series A Reverand Ruben Diaz Gardens Apartments — 0.04% to 0.32% Variable Rate Bonds due upon demand through 2038..............	6,400	—	—	6,400	—
2006 Series A Villa Avenue Apartments — 0.04% to 0.32% Variable Rate Bonds due upon demand through 2039..	5,990	—	—	5,990	—
2006 Series A Bathgate Avenue Apartments — 0.04% to 0.32% Variable Rate Bonds due upon demand through 2039..	4,435	—	—	4,435	—
2006 Series A Spring Creek Apartments I & II — 0.06% to 0.33% Variable Rate Bonds due upon demand through 2039...............................	24,000	—	—	24,000	—
2006 Series A Linden Boulevard Apartments – 3.90% to 4.75% Serial and Term Bonds maturing in varying installments through 2039	13,810	—	(200)	13,610	210
2006 Series A Markham Garden Apartments — 0.06% to 0.33% Variable Rate Bond due upon demand through 2040…………………………	16,000	—	—	16,000	—
2008 Series A 245 East 124th Street – 0.02% to 0.32% Variable Rate Bonds due upon demand through 2046…………………………………..	40,000	—	—	40,000	4,600
2008 Series A Hewitt House Apartments — 0.06% to 0.31% Variable Rate Bonds due upon demand through 2048..	11,000	—	(6,900)	4,100	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands)					
(variable rates cover fiscal year 2011)					
Multi-Family Mortgage Revenue Bonds – Rental Projects; Letter of Credit Enhanced					
2003 Series A (AMT) Related-Upper East — 0.11% to 0.60% Variable Rate Bonds due upon demand through 2036	67,000	—	—	67,000	—
2003 Series B (Federally Taxable) Related-Upper East — 0.19% to 0.36% Variable Rate Bonds due upon demand through 2036	3,000	—	—	3,000	—
2004 Series A Manhattan Court Development — 0.06% to 0.35% Variable Rate Bonds due upon demand through 2036	17,500	—	—	17,500	—
2004 Series A East 165th Street Development — 0.06% to 0.35% Variable Rate Bonds due upon demand through 2036	7,665	—	—	7,665	—
2004 Series A Parkview Apartments — 0.08% to 0.36% Variable Rate Bonds due upon demand through 2036	5,935	—	—	5,935	—
2004 Series A Thessalonica Court Apartments — 0.07% to 0.35% Variable Rate Bonds due upon demand through 2036	18,500	—	(300)	18,200	—
2004 Series A Brookhaven Apartments — 0.07% to 0.35% Variable Rate Bonds due upon demand through 2036	8,700	—	(200)	8,500	—
2004 Series A Marseilles Apartments — 0.04% to 0.31% Variable Rate Bonds due upon demand through 2034	12,525	—	(300)	12,225	—
2005 Series A 2007 LaFontaine Avenue Apartments — 0.06% to 0.35% Variable Rate Bonds due upon demand through 2037	3,825	—	—	3,825	—
2005 Series A La Casa del Sol Apartments — 0.07% to 0.35% Variable Rate Bonds due upon demand through 2037	5,050	—	(200)	4,850	—
2005 Series A 15 East Clarke Place Apartments — 0.08% to 0.34% Variable Rate Bonds due upon demand through 2037	5,430	—	—	5,430	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2005 Series A Urban Horizons II Development — 0.07% to 0.35% Variable Rate Bonds due upon demand through 2038................................	5,865	—	—	5,865	100
2005 Series A 1090 Franklin Avenue Apartments — 0.07% to 0.33% Variable Rate Bonds due upon demand through 2037..............	2,320	—	—	2,320	—
2005 Series A Parkview II Apartments — 0.07% to 0.33% Variable Rate Bonds due upon demand through 2037……………………….	4,255	—	—	4,255	—
2005 Series A Grace Towers Development — 0.07% to 0.35% Variable Rate Bonds due upon demand through 2037……………………….	10,900	—	(200)	10,700	—
2006 Series A Granville Payne Apartments — 0.06% to 0.35% Variable Rate Bonds due upon demand through 2039……………………….	5,560	—	—	5,560	—
2006 Series A Target V Apartments — 0.07% to 0.35% Variable Rate Bonds due upon demand through 2038……………………….	7,000	—	(100)	6,900	—
2006 Series A Beacon Mews Development — 0.08% to 0.36% Variable Rate Bonds due upon demand through 2039……………………….	23,500	—	—	23,500	—
2006 Series A Granite Terrace Apartments – 0.06% to 0.35% Variable Rate Bonds due upon demand through 2038……………………….	4,060	—	—	4,060	—
2006 Series A Intervale Gardens Apartments – 0.06% to 0.35% Variable Rate Bonds due upon demand through 2038……………………….	3,115	—	—	3,115	—
2006 Series A 500 East 165th Street Apartments – 0.07% to 0.34% Variable Rate Bonds due upon demand through 2039……………………	7,255	—	—	7,255	—
2006 Series A 1405 Fifth Avenue Apartments – 0.06% to 0.35% Variable Rate Bonds due upon demand through 2039……………………….	14,190	—	—	14,190	—
2006 Series A Pitt Street Residence – 0.24% to 0.37% Variable Rate Bonds due upon demand through 2040…………………………………..	31,000	—	(31,000)	—	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2007 Series A 550 East 170th Street Apartments – 0.06% to 0.35% Variable Rate Bonds due upon demand through 2042……………………	5,500	—	—	5,500	—
2007 Series A Susan's Court – 0.07% to 0.33% Variable Rate Bonds due upon demand through 2039………………………………................	24,000	—	—	24,000	—
2007 Series A The Dorado Apartments – 0.07% to 0.33% Variable Rate Bonds due upon demand through 2040………………………….	3,470	—	—	3,470	—
2007 Series A The Plaza – 0.06% to 0.35% Variable Rate Bonds due upon demand through 2039…………………………………………….	12,000	—	(200)	11,800	—
2007 Series A Queens Family Courthouse Apartments – 0.06% to 0.36% Variable Rate Bonds due upon demand through 2042………..	120,000	—	(1,810)	118,190	—
2007 Series A Boricua Village Apartments Site A-2 – 0.14% to 0.60% Variable Rate Bonds due upon demand through 2042…………………….	11,000	—	(6,750)	4,250	—
2007 Series A Boricua Village Apartments Site C – 0.08% to 0.36% Variable Rate Bonds due upon demand through 2042…………………….	17,300	—	(10,635)	6,665	—
2007 Series A Cook Street Apartments – 0.06% to 0.34% Variable Rate Bonds due upon demand through 2040…………………………..	4,680	—	—	4,680	—
2008 Series A Las Casas Development –0.08% to 0.50% Variable Rate Bonds due upon demand through 2040………………………….	36,880	—	—	36,880	—
2008 Series A Bruckner by the Bridge — 0.04% to 0.36% Variable Rate Bonds due upon demand through 2048………………………….	68,500	—	—	68,500	—
2008 Series A Sons of Italy Apartments — 0.08% to 0.33% Variable Rate Bonds due upon demand through 2048………………………….	7,670	—	—	7,670	—
2009 Series A-1 Beekman Tower— 0.17% to 0.32% Variable Rate Bonds due upon demand through 2048………………………………...	158,700	—	(35,350)	123,350	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2009 Series A-2 Beekman Tower— 0.18% to 0.35% Variable Rate Bonds due upon demand through 2048………………………………...	79,350	—	(17,650)	61,700	—
2010 Series A (Federally Taxable) Via Verde Apartments — 0.13% to 0.29% Variable Rate Bond due upon demand through 2016………..	33,690	—	—	33,690	—
2010 Series A-1 Beekman Tower— 0.17% to 0.32% Variable Rate Bonds due upon demand through 2048………………………………...	98,050	—	(21,850)	76,200	—
2010 Series A-2 Beekman Tower— 0.18% to 0.35% Variable Rate Bonds due upon demand through 2048………………………………...	95,000	—	(21,150)	73,850	—
2010 Series A 101 Avenue D Apartments — 0.04% to 0.33% Variable Rate Bonds due upon demand through 2043…………………………..	25,000	—	—	25,000	—
2010 Series A Elliot Chelsea Development — 0.03% to 0.36% Variable Rate Bonds due upon demand through 2043…………………………..	41,440	—	—	41,440	—
2011 Series A (West 26th Street) Development — 2.34% Variable Rate Bonds due upon demand through 2044 (secured by MPA by Citibank)……………..………………………	—	30,000	—	30,000	—
Multi-Family Rental Housing Revenue Bonds – Rental Projects; Letter of Credit Enhanced					
2009 Series A The Balton — 0.05% to 0.34% Variable Rate Bonds due upon demand through 2049………………………………………….	29,750	—	—	29,750	—
Residential Revenue Bonds – Residential Housing; Letter of Credit Enhanced					
1993 Series A Montefiore Medical Center— 0.05% to 0.33% Variable Rate Term Bonds maturing in varying installments through 2030..	7,200	—	(200)	7,000	200
2003 Series A The Animal Medical Center— 4.25% to 5.50% Serial and Term Bonds maturing in varying installments through 2033.	10,140	—	(10,140)	—	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2009 Series A Queens College Residence — 0.05% to 0.34% Variable Rate Bonds due upon demand through 2043……………………….	69,565	—	(270)	69,295	605
Mortgage Revenue Bonds – Cooperative Housing; SONYMA-Insured Mortgage Loan					
1994 Series A Maple Court Cooperative— 6.22% Term Bonds maturing in varying installments through 2027……………………..	9,670	—	(9,670)	—	—
1996 Series A Maple Plaza Cooperative— 6.08% Term Bonds maturing in varying installments through 2029……………………..	13,895	—	(13,895)	—	—
Multi-Family Mortgage Revenue Bonds – Senior Housing; Letter of Credit Enhanced					
2000 Series A 55 Pierrepont Development - 2.50% to 5.00% Variable Rate Bonds due upon demand through 2031…………………………..	4,600	—	(4,600)	—	—
Mortgage Revenue Bonds – Cooperative Housing; Letter of Credit Enhanced					
2008 Series A Coop-HMRB Prospect Macy (Federally Taxable) — 0.13% to 0.29% Variable Rate Bonds due upon demand through 2013…………………………………………….	8,565	—	—	8,565	—
2008 Series A Coop-HMRB East Harlem South Development (Federally Taxable) — 0.13% to 0.28% Variable Rate Bonds due upon demand through 2013…………………………………...	7,440	—	—	7,440	—
Sub-Total Multi-Family Bond Program	3,372,830	30,000	(227,200)	3,175,630	12,875
<u>MILITARY HOUSING REVENUE BOND PROGRAM</u>					
2004 Series A Class I & II Fort Hamilton Housing LLC Project—5.60% to 6.72% Term Bonds maturing in varying installments through 2049……………………………………………	46,895	—	(295)	46,600	310
Total Multi-Family Bond Program	3,419,725	30,000	(227,495)	3,222,230	13,185

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
HOUSING REVENUE BOND PROGRAM:					
Multi-Family Housing Revenue Bonds Under the Corporation's General Resolution, assets pledged to bondholders include a pool of mortgage loans.					
1998 Series A (Federally Taxable) — 6.84% Term Bonds maturing in varying installments through 2030……………………………………...	5,800	—	(3,300)	2,500	2,200
1998 Series B — 3.75% to 5.25% Serial and Term Bonds maturing in varying installments through 2031……………………………………...	1,000	—	—	1,000	700
1999 Series A-1 — 5.83% to 6.06% Term Bonds maturing in varying installments through 2022 ………………………………................	20,300	—	(3,800)	16,500	4,000
1999 Series B-2 (Federally Taxable) — 6.83% to 7.32% Term Bonds maturing in varying installments through 2022 ……………………..	21,500	—	(1,300)	20,200	1,400
1999 Series C — 4.40% to 5.70% Serial and Term Bonds maturing in varying installments through 2031……………………………………...	2,845	—	(2,445)	400	—
1999 Series E — 4.40% to 6.25% Serial and Term Bonds maturing in varying installments through 2036……………………………………...	700	—	(300)	400	—
2000 Series B (Federally Taxable) — 7.79% Term Bonds maturing in varying installments through 2032..	22,500	—	(22,500)	—	—
2001 Series A Carnegie East — 3.70% to 5.60% Serial and Term Bonds maturing in varying installments through 2042…………….	28,315	—	(6,310)	22,005	21,705
2001 Series C-2 — 2.85% to 5.40% Serial and Term Bonds maturing in varying installments through 2033……………………………………...	15,735	—	(345)	15,390	15,390
2002 Series A (AMT) — 2.20% to 5.50% Serial and Term Bonds maturing in varying installments through 2034……………………...	32,325	—	(665)	31,660	695

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2002 Series B (AMT) — 2.20% to 5.50% Serial and Term Bonds maturing in varying installments through 2032……………………..	6,250	—	(150)	6,100	155
2002 Series C (Federally Taxable) — 0.401% to 0.503% Variable Rate Index Bonds maturing in varying installments through 2034………..	45,875	—	(730)	45,145	790
2002 Serial E-2 (AMT) — 2.00% to 5.20% Serial and Term Bonds maturing in varying installments through 2034……………………..	17,315	—	(365)	16,950	385
2002 Series F (AMT) — 2.00% to 5.20% Serial and Term Bonds maturing in varying installments through 2032……………………..	4,070	—	(100)	3,970	105
2003 Series B-2 (AMT) — 2.00% to 4.60% Serial and Term Bonds maturing in varying installments through 2036……………………..	26,865	—	(780)	26,085	810
2003 Series E-2 (AMT) — 2.25% to 5.05% Serial and Term Bonds maturing in varying installments through 2036……………………..	27,235	—	(440)	26,795	465
2004 Series A (Non-AMT)—1.85% to 5.25% Serial and Term Bonds maturing through 2030	128,925	—	(3,730)	125,195	3,900
2004 Series B-2 (AMT) —2.00% to 5.30% Serial and Term Bonds maturing in varying installments through 2036……………………..	21,340	—	(480)	20,860	500
2004 Series C-2 (Federally Taxable) — 5.52% to 6.34% Serial and Term Bonds maturing in varying installments through 2036……………..	46,500	—	(740)	45,760	790
2004 Series E-1 (Non-AMT) 4.95% Term Bonds maturing in varying installments through 2033………………………………………….	39,595	—	—	39,595	—
2004 Series E-2 (Federally Taxable) — 5.75% Term Bonds maturing in varying installments through 2024…………………… ………..	8,980	—	—	8,980	—
2004 Series F (Federally Taxable) — 3.68% to 5.70% Serial and Term Bonds maturing in varying installments through 2035……………..	27,090	—	(2,250)	24,840	2,370

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2004 Series G (Federally Taxable) — 5.63% Term Bonds maturing in varying installments through 2029………….………………………..	10,315	—	(70)	10,245	80
2004 Series H (AMT) — 2.70% to 5.25% Serial and Term Bonds maturing in varying installments through 2046……………………...	9,010	—	(95)	8,915	100
2004 Series I-2 (AMT) — 2.50% to 5.20% Serial and Term Bonds maturing in varying installments through 2038……………………...	24,720	—	(465)	24,255	480
2004 Series J (Federally Taxable) — 2.95% to 5.70% Serial and Term Bonds maturing in varying installments through 2036……………..	22,780	—	(1,140)	21,640	1,085
2005 Series A-1 (Non-AMT) — 4.50% to 4.60% Term Bonds maturing in 2027 and 2035, respectively……………………………………..	9,735	—	—	9,735	—
2005 Series C (AMT) — 3.10% to 4.80% Serial and Term Bonds maturing in varying installments through 2037……………………..	4,205	—	(85)	4,120	85
2005 Series D (AMT) — 3.10% to 4.80% Serial and Term Bonds maturing in varying installments through 2047……………………..	5,645	—	(60)	5,585	65
2005 Series E (AMT) — 2.90% to 4.75% Serial and Term Bonds maturing in varying installments through 2035……………………...	3,215	—	(200)	3,015	205
2005 Series F-1 (Non-AMT) — 4.65% to 4.75% Term Bonds maturing in 2025 and 2035, respectively……………………………………..	65,410	—	—	65,410	—
2005 Series F-2 (Federally Taxable) — 4.66% to 5.43% Term Bonds maturing in 2010 and 2017, respectively…………………….………...	55,975	—	(6,400)	49,575	6,745
2005 Series G (Non-AMT) — 3.35% to 4.35% Serial and Term Bonds maturing in varying installments through 2018……………………..	3,610	—	(360)	3,250	380
2005 Series J-1 (Non-AMT) — 4.65% to 4.85% Term Bonds maturing in 2036…………………	20,495	—	—	20,495	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2005 Series K (AMT) — 3.60% to 5.00% Serial and Term Bonds maturing in 2037…………….	12,330	—	(185)	12,145	190
2005 Series L (AMT) — 3.85% to 5.05% Serial and Term Bonds maturing in 2039…………….	12,700	—	(190)	12,510	205
2006 Series A (Federally Taxable) — 6.42% Term Bonds maturing in 2027..........................	165,170	—	(23,140)	142,030	16,545
2006 Series B (AMT) —5.35% Term Bonds maturing in varying installments through 2049.	31,485	—	(385)	31,100	530
2006 Series C (AMT) — 4.05% to 5.13% Serial and Term Bonds maturing in varying installments through 2040……………………..	38,470	—	(395)	38,075	535
2006 Series D-1 (Non-AMT) — 4.95% Term Bonds maturing in 2036………………………..	2,510	—	—	2,510	—
2006 Series G-1 (AMT) — 3.80% to 4.88% Serial and Term Bonds maturing in 2039 …….	25,295	—	(390)	24,905	405
2006 Series H-1 (AMT) — 3.85% to 4.70% Serial and Term Bonds maturing in 2040……...	25,005	—	—	25,005	405
2006 Series H-2 (AMT) — 3.95% Serial Bonds maturing in 2010 ………………………………	30,775	—	(30,775)	—	—
2006 Series I (Federally Taxable) — 5.33% to 5.96% Term Bonds maturing in varying installments through 2040……………………...	6,700	—	(35)	6,665	90
2006 Series J-1 (Non-AMT) — 0.35% Fixed Rate Term Bonds mandatory tender in 2012….	100,000	—	—	100,000	—
2006 Series J-2-A (AMT) — 3.95% to 4.85% Serial and Term Bonds maturing in variable installments through 2040……………………..	10,900	—	—	10,900	175
2006 Series J-2B (AMT) – 0.26% to 0.34% Variable Rate Term Bonds maturing in 2040…	10,100	—	(10,100)	—	—
2006 Series J-2C (AMT) – 4.40% to 5.20% Serial and Terms Bonds maturing in variable installments through 2040……………………..	17,925	—	—	17,925	285
2007 Series A (Federally Taxable) – 5.26% to 5.52% Term Bonds maturing in 2041………..	25,690	—	—	25,690	315

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2007 Series B-1 (AMT) – 4.40% to 5.25% Serial and Term Bonds maturing in varying installments through 2045 …………………......	34,610	—	—	34,610	500
2007 Series C (Federally Taxable) – 6.02% to 6.56% Term Bonds maturing in 2040……..……	5,370	—	(25)	5,345	65
2007 Series D (Federally Taxable) –5.95% Terms Bonds maturing in 2039………………..	27,930	—	(365)	27,565	385
2007 Series E-1 (AMT) – 3.90% to 5.45% Serial and Term Bonds maturing in varying installments through 2040……………………...	24,035	—	—	24,035	345
2007 Series E-2 (AMT) – 0.15% to 0.39% Variable rate Bonds due upon demand through 2042………………………………………….	16,885	—	(16,885)	—	—
2008 A-1-A (AMT) – 0.15% to 1.15% Variable Rate Bonds due upon demand through 2046….	30,945	—	(30,945)	—	—
2008 Series A-1-A (AMT) — 5.00% to 5.45% Fixed Rate Term Bonds due 2046……………...	15,665	—	—	15,665	—
2008 Series A-1-B (AMT) - 0.26% to 0.34% Variable Rate Bonds due upon demand through 2013………………………………………….	11,030	—	(11,030)	—	—
2008 A-2 (AMT) – 4.35% to 5.00% Fixed Rate Serial Bonds maturing in varying installments through 2018…………………………………...	3,405	—	—	3,405	—
2008 Series C-2 (Federally Taxable) – 3.55% to 5.69% Serial & Term Bonds maturing in varying installments through 2018…………….	6,930	—	(655)	6,275	700
2008 Series D (Non-AMT) – 0.21% to 0.32% Index Floating Rate Term maturing in varying installments through 2025.................................	12,670	—	(12,670)	—	—
2008 Series E (Federally Taxable) – 0.40% to 0.50% Index Floating Rate Terms Bonds maturing in 2037……………………………….	98,440	—	(1,145)	97,295	1,230
2008 Series F (Federally Taxable) – 0.40% to 0.50% Index Floating Rate Term Bonds maturing in 2041……………………………….	86,825	—	—	86,825	410

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands)					
(variable rates cover fiscal year 2011)					
2008 Series H-1 (AMT) – 4.50% to 5.50% Serial and Term Bonds maturing in varying installments through 2028……………………..	8,060	—	—	8,060	—
2008 Series H-2-A (AMT) — 0.15% to 0.75% Variable Rate Term Bonds maturing in 2041…	1,005	—	(1,005)	—	—
2008 Series H-2-A (AMT) — 0.55% Fixed Rate Term Bonds mandatory tender due 2012…	23,485	—	(5,145)	18,340	18,340
2008 Series H-2-A (AMT) — 5.00% to 5.35% Fixed Rate Term Bonds due 2041……………..	14,540	—	—	14,540	—
2008 Series H-2-B (AMT) — 0.55% Fixed Rate Term Bonds maturing in 2012…………………	32,210	—	—	32,210	32,210
2008 Series I-1 and I-2 (AMT) - 0.60% and 0.72% Term bonds due 2011…………………..	93,440	—	(93,440)	—	—
2008 Series J (Federally Taxable) —1.05% to 1.60% Index Floating Rate Term Bonds due 2043………………………………………….	34,590	—	(140)	34,450	120
2008 Series K (Federally Taxable) — 0.95% to 1.60% Index Floating Rate Term Bonds due 2043………………………………………….	104,230	—	(1,855)	102,375	1,925
2008 Series L (Non-AMT) — 2.25% to 6.50% Fixed Rate Serial and Term Bonds due 2028…	5,210	—	(250)	4,960	260
2008 Series M (Non-AMT) — 3.15% to 6.88% Fixed Rate Serial and Term Bonds due 2038…	30,620	—	(245)	30,375	410
2008 Series M (Non-AMT) — 0.48% Fixed Rate Term Bonds mandatory tender due Sep 2011 ………………………………………….	27,220	—	(27,220)	—	—
2008 Series M (Non-AMT) — 0.30% Fixed Rate Term Bonds mandatory tender due Dec 2012 ………………………………………….	9,455	—	—	9,455	9,455
2009 Series A (Non-AMT) — 2.00% to 4.20% Term Bonds maturing in varying installments through 2019………………………………...	17,450	—	(1,350)	16,100	—
2009 Series C-1 (Non-AMT) — 2.50% to 5.70% Serial and Term Bonds due 2046……….	118,200	—	—	118,200	2,500

Description of Bonds as Issued *(in thousands)* *(variable rates cover fiscal year 2011)*	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
2009 Series C-2 (Non-AMT) — 2.30% to 5.00% Serial Bonds due 2013………………….	82,140	—	(2,995)	79,145	57,140
2009 Series C-3 (Non-AMT) — 0.18% to 0.38% Variable Rate Bonds due 2015….……...	6,425	—	(6,425)	—	—
2009 Series C-3 (Non-AMT) — 0.55% Fixed Rate Term Bonds mandatory tender due 2012…	41,665	—	—	41,665	41,665
2009 Series C-4 (Non-AMT) — 0.05% to 0.32% Variable Rate Bonds due 2015………...	13,045	—	—	13,045	—
2009 Series D (Non-AMT) — 3.45% Fixed Rate Serial Bonds due 2013……………………	9,500	—	—	9,500	—
2009 Series E-2-A (Non-AMT) — 0.41% Fixed Rate Term Bonds mandatory tender due Sep 2011…………………………………………….	1,575	—	(1,575)	—	—
2009 Series E-2-A (Non-AMT) — 0.25% Fixed Rate Term Bonds mandatory tender due Dec 2011…………………………………………….	40,000	—	—	40,000	40,000
2009 Series E-2-B (Non-AMT) — 0.35% Fixed Rate Term Bonds mandatory tender due Dec 2010…………………………………………….	3,800	—	(3,800)	—	—
2009 Series F (Non-AMT) — 1.95% to 4.85% Fixed Rate Serial and Term Bonds maturing in varying installments through 2041……………....	9,000	—	—	9,000	—
2009 Series H-1 (Non-AMT) (Remarketed) — 0.37% Fixed Rate Term Bonds mandatory tender due Dec 2010…….................................	34,625	—	(34,625)	—	—
2009 Series H-2 (Non-AMT) — 0.30% Fixed Rate Term Bonds mandatory tender due 2012..	26,570	—	—	26,570	26,570
2009 Series I-1 (Federally Taxable) — 5.63% to 6.42% Fixed Rate Term Bonds maturing in varying installments through 2039……..……...	50,000	—	—	50,000	—
2009 Series I-2 (Federally Taxable) — 0.73% to 1.20% Index Floating Rate Term Bonds due 2039…………………………………………….	25,000	—	—	25,000	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2009 Series J (Non-AMT) — 0.70% to 4.80% Fixed Rate Serial and Term Bonds maturing in varying installments through 2036……..……	25,590	—	(795)	24,795	800
2009 Series K (Non- AMT) — 1.95% to 4.95% Fixed Rate Serial and Term Bonds due 2039….	108,785	—	(6,170)	102,615	—
2009 Series L-1 (Non- AMT) — 1.65% to 4.95% Fixed Rate Serial and Term Bonds due 2043………………………………………….	23,590	—	—	23,590	—
2009 Series L-2 (Non- AMT) — 2.00% Fixed Rate Term Bonds mandatory tender due 2013..	68,000	—	—	68,000	—
2009 Series L-3 (Non- AMT) — 2.50% Fixed Rate Term Bonds mandatory tender due 2013..	27,745	—	—	27,745	—
2009 Series L-4 (Non- AMT) — 2.00% Fixed Rate Term Bonds mandatory tender due 2012…	10,200	—	—	10,200	10,200
2009 Series M (Non- AMT) — 1.85% to 5.15% Fixed Rate Serial and Term Bonds due 2045…..	30,945	—	—	30,945	—
2010 Series A-1 (Non- AMT) — 3.35% to 4.90% Fixed Rate Serial and Term Bonds maturing in vary installments through 2041…...	25,325	—	—	25,325	—
2010 Series A-2 (Federally Taxable) — 3.67% to 4.97% Fixed Rate Term Bonds maturing in vary installments through 2019………………..	3,000	—	—	3,000	—
2010 Series B (Non- AMT) — 2.13% Fixed Rate Serial Bonds maturing 2014……………..	150,000	—	—	150,000	—
2010 Series C (Non- AMT) — 1.50% to 4.95% Fixed Rate Serial and Term Bonds due 2047…	14,815	—	—	14,815	—
2010 Series D-1-A (Non- AMT) — 1.60% to 5.00% Fixed Rate Serial and Term Bonds due 2042………………………………………….	43,475	—	—	43,475	—
2010 Series D-2 (Non- AMT) — 0.08% to 0.33% Variable Rate Term bond due 2015……	11,190	—	—	11,190	—
2010 Series E (Non- AMT) — 0.80% to 3.85% Fixed Rate Serial and Term Bonds due 2013…..	10,570	—	(225)	10,345	3,495

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2010 Series F (Non- AMT) — 1.70% to 4.75% Fixed Rate Serial and Term Bonds due 2030…..	4,130	—	—	4,130	—
2010 Series G (Non- AMT) — 0.40% to 4.75% Fixed Rate Serial and Term Bonds maturing in vary installments through 2041………………..	50,765	—	(905)	49,860	2,290
2010 Series H (Federally Taxable) — 0.79% to 0.84% Index Floating Rate Term Bonds due 2040………………………………………….	74,575	—	(2,570)	72,005	2,510
2010 Series I (Non- AMT) — 2.05% Fixed Rate Serial Bonds due 2014……………………	8,115	—	—	8,115	—
2010 Series J-1 (Non- AMT) — 0.75% to 5.00% Fixed Rate Serial Bonds due 2022…..…	—	21,560	—	21,560	705
2010 Series J-2 (Non- AMT) — 1.15% to 2.15% Fixed Rate Term Bonds due 2014……..	—	25,510	—	25,510	—
2010 Series J-3 (Non- AMT) — 2.05% Fixed Rate Term Bonds due 2014……………………	—	11,240	—	11,240	—
2010 Series K-1 (Non- AMT) — 2.05% to 5.25% Fixed Rate Serial and Term Bonds due 2032………………………………………….	—	5,165	—	5,165	—
2010 Series K-2 (Non- AMT) — 2.05% Fixed Rate Term Bonds due 2014……………………	—	23,175	—	23,175	—
2010 Series L-1 (Non- AMT) — 2.35% to 5.00% Fixed Rate Serial and Term Bonds due 2026………………………………………….	—	12,620	—	12,620	—
2010 Series L-2 (2-A) (Non- AMT) — 2.70% Fixed Rate Term Bonds due 2015…..…………	—	12,400	—	12,400	—
2010 Series L-2 (2-B) (Non- AMT) — 1.90% Fixed Rate Term Bonds due 2015……………...	—	37,600	—	37,600	—
2010 Series M (Non- AMT) — 0.30% Fixed Rate Term Bonds mandatory tender due 2012…	—	67,285	(32,690)	34,595	34,595
2010 Series N (Non- AMT) — 0.60% to 4.25% Fixed Rate Serial Bonds due 2021……………..	—	5,675	(100)	5,575	545

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2011 Series B-1 (Non- AMT) — 0.50% to 3.65% Fixed Rate Serial and Term Bonds due 2018……………………………………………	—	21,240	—	21,240	455
2011 Series B-2 (Non- AMT) — 2.05% Fixed Rate Term Bonds due 2014……………………	—	5,100	—	5,100	—
2011 Series C (Non- AMT) — 2.25% to 4.50% Fixed Rate Serial and Term Bonds due 2022…..	—	1,980	—	1,980	—
2011 Series D (Non- AMT) — 0.28% to 3.37% Fixed Rate Serial and Term Bonds due 2020…..	—	23,645	—	23,645	55
2011 Series E (Non- AMT) — 1.40% to 4.93% Fixed Rate Serial and Term Bonds due 2036…..	—	72,030	—	72,030	—
2011 Series F-1 (Taxable) — 0.29% to 3.47% Fixed Rate Serial Bonds due 2018….…………	—	31,000	—	31,000	4,370
2011 Series F-2 (Taxable) — 0.73% Index Floating Rate Term Bonds due 2040..…………	—	56,460	—	56,460	—
2011 Series F-3 (Taxable) — 0.73% Index Floating Rate Term Bonds due 2040…..………	—	12,540	—	12,540	—
2011 Series A (Non- AMT) — 3.25% Fixed Rate Term Bonds due 2014……………………	—	140,000	—	140,000	—
2011 Series I (Non- AMT) — 0.32% Fixed Rate Term Bonds mandatory tender due Dec 2012……………………………………………	—	68,770	—	68,770	68,770
Multi-Family Secured Mortgage Revenue Bonds					
2005 Series A-1 Secured Mortgage Revenue Bonds — 5.65% Term Bonds due upon demand through 2031…………………………………...	5,980	—	(50)	5,930	60
2005 Series A-2 Secured Mortgage Revenue Bonds — 6.32% Term Bonds due upon demand through 2037…………………………………...	4,355	—	(60)	4,295	70
2005 Series B — Secured Mortgage Revenue Bonds— 6.35% Term Bonds due upon demand through 2038…………………………………	3,375	—	(45)	3,330	50

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands)					
(variable rates cover fiscal year 2011)					
Federal New Issue Bond Program					
2009 Series 1 (Federally Taxable) (NIBP) — 0.004% to 0.127% Variable Rate Bonds due 2051……………………………………………	190,730	—	—	190,730	—
2009 Series 1-1 HRB (NIBP) (Non-AMT) — 3.96% Fixed Rate Term bonds due 2043 ……	41,850	—	—	41,850	—
2009 Series 1-2 HRB (NIBP) (Non-AMT) — 3.16% Fixed Rate Term bonds due 2043 ……	89,600	—	—	89,600	—
2009 Series 1-3-A HRB (NIBP) (Non-AMT) — 3.70% Fixed Rate Term bonds due 2043 ……..	53,000	—	—	53,000	—
2009 Series 1-3-B HRB (NIBP) (AMT) — 3.70% Fixed Rate Term bonds due 2031 ……	10,180	—	—	10,180	—
2009 Series 1-4 HRB (NIBP) (Non-AMT) — 3.68% Fixed Rate Term bonds due 2051 ……	29,640	—	—	29,640	—
2009 Series 2 (Federally Taxable) (NIBP) — 0.004% to 0.127% Variable Rate Bonds due 2051…………………………………………..	42,290	—	—	42,290	—
2009 Series 2-1 HRB (NIBP) (Non-AMT) — 3.96% Fixed Rate Term Bonds due 2043……	16,590	—	(130)	16,460	260
2009 Series 2-2 HRB (NIBP) (Non-AMT) — 3.16% Fixed Rate Term Bonds due 2043……	10,830	—	—	10,830	—
2009 Series 2-3 HRB (NIBP) (Non-AMT) — 3.70% Fixed Rate Term Bonds due 2043……	3,120	—	—	3,120	230
2009 Series 2-4-A HRB (NIBP) (Non-AMT) — 3.68% Fixed Rate Term Bonds due 2044……	9,550	—	—	9,550	100
2009 Series 2-4-B HRB (NIBP) (Non-AMT) — 3.68% Fixed Rate Term Bonds due 2041……	2,620	—	—	2,620	40
Total Housing Revenue Bond Program	3,743,555	654,995	(422,730)	3,975,820	449,095

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
LIBERTY BOND PROGRAM:					
Multi-Family Mortgage Revenue Bonds					
2005 Series A 90 Washington Street — 0.02% to 0.32% Variable Rate Bonds due upon demand through 2035………………………….	74,800	—	—	74,800	—
2005 Series A The Crest— 0.13% to 0.50% Variable Rate Bonds due upon demand through 2036…………………………………………….	132,500	—	—	132,500	—
2005 Series B (Federally Taxable) The Crest— 0.13% to 0.50% Variable Rate Bonds due upon demand through 2036………………………….	10,000	—	(800)	9,200	—
2006 Series A 90 West Street — 0.05% to 0.30% Variable Rate Bonds due upon demand through 2036..	104,000	—	—	104,000	—
2006 Series B (Federally Taxable) 90 West Street — 0.13% to 0.28% Variable Rate Bonds due upon demand through 2036.........................	8,000	—	—	8,000	—
2006 Series A - 2 Gold Street — 0.05% to 0.30% Variable Rate Bonds due upon demand through 2036..	162,000	—	—	162,000	—
2006 Series B (Federally Taxable) - 2 Gold Street — 0.13% to 0.28% Variable Rate Bonds due upon demand through 2036.........................	50,800	—	(1,300)	49,500	—
2006 Series A - 20 Exchange Place — 0.13% to 0.50% Variable Rate Bonds due upon demand through 2039…………………………………...	66,400	—	—	66,400	—
2006 Series B (Federally Taxable) 20 Exchange Place— 0.11% to 0.50% Variable Rate Bonds due upon demand through 2039………………..	137,100	—	(2,000)	135,100	—
2006 Series A 201 Pearl Street — 0.05% to 0.30% Variable Rate Bonds due upon demand through 2041………...	65,000	—	—	65,000	—
2006 Series B (Federally Taxable) 201 Pearl Street — 0.13% to 0.28% Variable Rate Bonds upon demand through 2041…………………….	25,000	—	—	25,000	—

Description of Bonds as Issued	Balance at Oct. 31, 2010	Issued	Retired	Balance at Oct. 31, 2011	Amount Due Within 1 Year
(in thousands) *(variable rates cover fiscal year 2011)*					
2008 Series A Beekman Tower – 0.08% to 0.50% Variable Rate Bonds due upon demand through 2048………………………………...	203,900	—	—	203,900	—
Total Liberty Bond Program	1,039,500	—	(4,100)	1,035,400	—
SECTION 223(f) REFINANCING BOND PROGRAM:					
Multi-Family Housing Bond Program—6.50% to 7.25% Bonds maturing in varying installments through 2019……………………..	34,657	—	(9,207)	25,450	2,941
Total Section 223(f) Refinancing Bond Program	34,657	—	(9,207)	25,450	2,941
CAPITAL FUND PROGRAM REVENUE BOND (New York City Housing Authority ("NYCHA"))					
2005 Series A Capital Fund Program—3.00% to 5.00% Serial and Term Bonds maturing in varying installments through 2025……………..	236,275	—	(10,865)	225,410	11,420
Total Capital Fund Program Revenue Bonds	236,275	—	(10,865)	225,410	11,420
Total Bonds Payable Prior to Net Premium (Discount) on Bonds Payable and Deferred Bond Refunding Costs	$ 8,473,712	684,995	(674,397)	8,484,310	476,641
Net Premium (Discount) on Bonds Payable	13,736	110	(1,452)	12,394	—
Deferred Bond Refunding Costs	(13,234)	—	844	(12,390)	—
Total Bonds Payable (Net)	$ 8,474,214	685,105	(675,005)	8,484,314	476,641

Interest on the Corporation's variable rate debt is based on the Securities Industry and Financial Markets Association ("SIFMA") rate and is reset daily and weekly.

Bonds issued in Fiscal Year 2011

(A) New York City Housing Development Corporation

On December 22, 2010, nine Multi-Family Housing Revenue Bonds were issued in the amount totaling $222,230,000. The fixed rate 2010 Series J-1 Bonds were issued in the amount of $21,560,000, the 2010 Series J-2 Bonds were issued in the amount of $25,510,000, the 2010 Series J-3 Bonds were issued in the amount of $11,240,000, the 2010 Series K-1 Bonds were issued in the amount of $5,165,000, the

2010 Series K-2 Bonds were issued in the amount of $23,175,000, the 2010 Series N Bonds were issued in the amount of $5,675,000, the term rate 2010 Series L-1 Bonds were issued in the amount of $12,620,000, the 2010 Series L-2 Bonds were issued in the amount of $50,000,000, and the 2010 Series M Bonds were issued in the amount of $67,285,000. The 2010 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for the new construction or rehabilitation of certain developments and refund certain outstanding bonds of the Corporation.

On April 28, 2011, three Multi-Family Housing Revenue Bonds were issued in the amount totaling $28,320,000. The fixed rate 2011 Series B-1 Bonds were issued in the amount of $21,240,000, the 2011 Series B-2 Bonds were issued in the amount of $5,100,000, and the 2011 Series C Bonds were issued in the amount of $1,980,000. The 2011 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for the new construction or rehabilitation of certain developments.

On June 29, 2011, five Multi-Family Housing Revenue Bonds were issued in the amount totaling $195,675,000. The fixed rate 2011 Series D Bonds were issued in the amount of $23,645,000, the 2011 Series E Bonds were issued in the amount of $72,030,000, the 2011 Series F-1 (Federally Taxable) Bonds were issued in the amount of $31,000,000, the index floating rate 2011 Series F-2 (Federally Taxable) Bonds were issued in the amount of $56,460,000 and the 2011 Series F-3 (Federally Taxable) Bonds were issued in the amount of $12,540,000. The 2011 Bonds were issued and combined with other available monies to finance directly or indirectly construction and permanent mortgage loans for the new construction or rehabilitation of certain developments and to refund certain outstanding bonds of the Corporation.

On September 21, 2011, the fixed rate Multi-Family Housing Revenue Bonds 2011 Series A were issued in the amount of $140,000,000 to directly finance construction and permanent mortgage loans for the acquisition and rehabilitation of certain developments.

On September 30, 2011, the term rate Multi-Family Housing Revenue Bonds 2011 Series I were issued in the amount of $68,770,000 to finance construction and permanent mortgage loans for the new construction and/or rehabilitation of certain developments.

On October 19, 2011, the variable rate Multi-Family Mortgage Revenue Bonds 2011 Series A (West 26th Street Development) were issued in the amount of $30,000,000 to finance a mortgage loan for the purposes of paying a portion of the project located in the borough of Manhattan, New York, and to pay certain other related costs.

All the bonds listed above are subject to regular redemption and certain issues are also subject to special redemption provisions as well. The parameters under which the redemptions may occur are set forth in the respective bond resolutions.

During fiscal year 2010, as part of the Housing Finance Agency ("HFA") initiative using authority provided to Treasury by the HERA to help support low mortgage rates and expand resources to provide affordable mortgages for low and middle income households, and to support the development and rehabilitation of affordable housing units, the Corporation was allocated $500,000,000 by Treasury to issue bonds under the New Issue Bond Program ("NIBP"). HDC has issued two Multi-Family Housing Revenue Bonds under the NIBP. The variable rate 2009 Series 1 (Federally Taxable) Bonds were issued in the amount of $415,000,000 and the 2009 Series 2 (Federally Taxable) Bonds were issued in the amount of $85,000,000 on December 23, 2009.

On June 29, 2010, $41,850,000 of the principal amount of the 2009 Series 1 (NIBP) Bonds and $16,590,000 principal amount of the 2009 Series 2 (NIBP) Bonds were converted to fixed rate tax exempt bonds. These Bonds were designated as the 2009 Series 1-1 (Non-AMT) and the 2009 Series 2-1 (Non-AMT) (the "Converted Bonds"), respectively.

On December 22, 2010, $89,600,000 of the principal amount of the 2009 Series 1 (NIBP) Bonds and $10,830,000 principal amount of the 2009 Series 2 (NIBP) Bonds were converted to fixed rate tax exempt bonds. These Bonds were designated as the 2009 Series 1-2 (Non-AMT) and 2009 Series 2-2 (Non-AMT) (the "Converted Bonds"), respectively.

On April 28, 2011, $63,180,000 of the principal amount of the 2009 Series 1 (NIBP) Bonds and $3,120,000 principal amount of the 2009 Series 2 (NIBP) Bonds were converted to fixed rate tax exempt bonds. These Bonds were designated as the 2009 Series 1-3-A (Non-AMT), the 2009 Series 1-3-B (AMT), and the 2009 Series 2-3 (Non-AMT) (the "Converted Bonds"), respectively.

On June 29, 2011, $29,640,000 of the principal amount of the 2009 Series 1 (NIBP) Bonds and $12,170,000 of the principal amount of the 2009 Series 2 (NIBP) Bonds were converted to fixed rate tax exempt bonds. These Bonds were designated as the 2009 Series 1-4 (Non-AMT), the 2009 Series 2-4-A and the 2009 Series 2-4-B (Non-AMT) (the "Converted Bonds"), respectively.

As of October 31, 2011, a total of $233,020,000 remained outstanding for the 2009 Series 1 (NIBP) Bonds and the 2009 Series 2 (NIBP) Bonds combined. The Corporation may direct any or all of the remaining portion of the 2009 Series 1 (NIBP) and 2009 Series 2 (NIBP) Bonds be converted to tax-exempt bonds and to another interest rate mode by December 31, 2011, and did as such on December 22, 2011. (See Note 18: "Subsequent Events".)

Since fiscal year 2005, the Corporation has defeased several series of bonds. The table below lists those series as well as the amount outstanding as of October 31, 2011. These bonds are held with an escrow agent.

Detail of Defeased Bonds outstanding as of October 31, 2011:

Bond issues	Date Defeased	Amount Defeased	Bonds Outstanding 10/31/11
2003 Series C Multi-Family Housing Revenue Bond	April 3, 2006	$ 4,175,000	$ 2,280,000
2004 Series D Multi-Family Housing Revenue Bond	October 24, 2006	18,000,000	18,000,000
2004 Series E-2 Multi-Family Housing Revenue Bond	October 24, 2006	19,720,000	19,720,000
Total		$41,895,000	$40,000,000

Future Debt Service:

Required debt payments by the Corporation for the next five years and thereafter are as follows:

Year Ending October 31,	Principal	Interest	Total
(in thousands)			
2012…………………....	$476,641	148,912	625,553
2013…………………....	249,889	146,824	396,713
2014…………………....	414,090	139,565	553,655
2015…………………....	227,752	126,826	354,578
2016…………………....	182,965	121,484	304,449
2017 – 2021……….….	705,608	544,742	1,250,350
2022 – 2026…………....	536,255	443,650	979,905
2027 – 2031…………....	925,910	312,029	1,237,939
2032 – 2036…………....	1,706,515	203,940	1,910,455
2037 – 2041……….…...	1,685,945	102,608	1,788,553
2042 – 2046…………....	319,390	27,589	346,979
2047 – 2051…………....	819,940	4,012	823,952
2052 – 2056…………....	233,410	7	233,417
Total	$ 8,484,310	2,322,188	10,806,498

Changes in Long Term Liabilities:

Long term liability activities for the year ended October 31, 2011, are as follows:

Descriptions	Balance at Oct. 31, 2010	Additions	Deductions	Balance at Oct. 31, 2011	Due Within 1 Year
(in thousands)					
Bonds Payable, (net)	$8,474,214	685,105	(675,005)	8,484,314	476,641
Payable to The City of New York	806,566	156,082	(144,337)	818,311	—
Payable to Mortgagors & Restricted Earnings on Investments	408,019	533,875	(458,875)	483,019	212,917
Other	268,785	518,446	(214,265)	572,966	397,887
Total	$9,957,584	1,893,508	(1,492,482)	10,358,610	1,087,445

Note 10: Consultant's Fees

The fees paid by the Corporation for legal, accounting and consulting services in fiscal year 2011 for HDC include $38,973 to The City of New York Law Department; $17,434 to Seyfarth Shaw, LLP; $16,235 to Epstein, Becker & Green, P.C.; $4,000 to Tao Lin Esq.; and $2,086 to the Law Office of Allen E. Kayes, PC. Auditing Fees of $216,000 were paid to Ernst & Young, LLP.

The Corporation paid consulting fees in the amount of $311,822 to Quest America, Inc.; $131,703 to Finsoft Consultant, Inc.; $41,250 to Bartley & Dick Advertising/Design; $35,687 to Hawkins, Delafield & Wood; $30,000 to Cristo Rey New York High School; $22,768 to The Institute of Internal Auditors; $8,930 to Dyntek Services; $3,075 to Kirsten Major; $1,915 to Carlton Architecture, PC; and $1,800 to Insurance Advisors, LLC.

In addition, the Corporation paid legal, accounting and consulting fees for services provided in connection with bond financings which have been reimbursed either from bond proceeds or from project developers. Fees of $1,085,790 to Hawkins, Delafield & Wood; $92,500 to Ballard Spahr, LLP; $48,000 to Ernst & Young, LLP; $41,500 to Carter Ledyard & Milburn, LLP; $30,000 to Orrick, Herrington & Sutcliffe, LLP; $3,000 to Dewey & LeBoeuf, LLP; $25,000 to Nixon Peabody, LLP; $12,000 to Causey Demgen & Moore; $3,000 to Novogradac & Comp, LLP; and $2,500 to Harris Beach, LLP.

Note 11: Payable to the City of New York

(A) New York City Housing Development Corporation

Since fiscal year 2002, the Corporation has entered into various agreements with the City whereby HDC sold bonds and used the bond proceeds to purchase from the City interests in various mortgage loans and pools of mortgage loans. Additionally, starting from fiscal year 2005 and 2006 and onward, HDC originated second mortgage loans in which it sold a residual interest to the City. Cash flow derived from these loan interests is pledged to the repayment of the related HDC bonds. At such time as these HDC bonds are retired, ownership of the associated loan interests transfers to the City. The excess of such interest over the amount of the related bonds, which totaled $656,707,000 as of October 31, 2011 is reported in the Corporation Balance Sheet as “Loan participation receivable - The City of NY” in the Noncurrent Assets section and “Payable to The City of New York: Loan participation agreement” in the Noncurrent Liabilities. The related details are described in the next three paragraphs.

In fiscal years 2002 and 2003, the Corporation issued its Multi-Family Housing Revenue Bonds, 2002 Series D and Multi-Family Housing Revenue Bonds, 2003 Series D (the “2002 Series D Bonds” and “2003 Series D Bonds”, respectively). In each case, HDC used the bond proceeds to purchase from the City a 100% participation interest in the cash flow of a portfolio of mortgage loans and a 100% participation interest in the cash flows of a loan pool securitized by the City in 1996 and known as the Sheridan Trust II. As noted in Note 6: “Loan Participation Interest Receivable”, the 2002 Series D Bonds and 2003 Series D Bonds were substantially over-collateralized by their respective total loan assets. Due to over-collateralization of these bonds and the opportunity to release funds to the Corporation by capitalizing the underlying loan portfolio, the Corporation issued the Multi-Family Housing Revenue Bonds 2006 Series A (the “2006 Series A Bonds”) to refinance the 2002 Series D Bonds and 2003 Series D Bonds. At October 31, 2011, the Corporation’s payable to the City relating to the 2006 Series A Bonds was $287,937,000.

The Corporation has completed numerous transactions as part of its Mitchell-Lama Restructuring Program, an affordable housing preservation program. The following Multi-Family Housing Revenue Bonds were issued prior to the current fiscal year as part of the Mitchell Lama Restructuring Program: 2004 Series D, 2004 Series E-1, 2004 Series E-2, 2005 Series A-1, 2005 Series A-2, 2005 Series F-1, 2005 Series F-2, 2005 Series J-1, 2005 Series J-2, 2006 Series D-1, 2006 Series D-2, 2008 Series C-1, 2008 Series C-2, 2008 Series G-1, 2008 Series G-2, 2008 Series J, 2008 Series L, 2010 Series G and a portion of 2010 Series H (“Mitchell-Lama Restructuring Bonds”), and this fiscal year, 2011 Series F-1 and 2011 Series F-2 were issued as Mitchell-Lama Restructuring Bonds. Under this program the Corporation has funded various new first and second mortgage loans as well as the acquisition of participation interests in City-owned second mortgages and associated cash flows. As long as any

Mitchell-Lama Restructuring Bonds are outstanding, all cash flows from the purchased interests must be applied to debt service on such bonds. Once all such bonds are retired, HDC's participation interests revert to the City. HDC also has sold to the City a residual interest in the second mortgage loans the Corporation originated. These loans also transfer to the City when the bonds are retired. As of October 31, 2011, the Corporation's payable to the City under the Mitchell-Lama Restructuring Bonds program was $311,495,000.

As previously noted, during fiscal year 2011, the Corporation and the City had entered into the 2011 Participation Agreement. The Corporation pledged the 2011 Participation Interest (net of certain amount to be paid to the Corporation) for the benefit of the holders of the 2011 Series F-1 and 2011 Series F-2 bonds. As of October 31, 2011, the second mortgage underlying the 2011 Participation Interest had an aggregate outstanding principal balance of $38,846,000 and accrued interest owed of $18,429,000.

In 2009, HPD and HDC entered into a Memorandum of Understanding ("MOU"), which provides for the granting of funds by HPD to HDC pursuant to Section 661 of the Act, to make subordinate loans for affordable housing. At October 31, 2011, the total related payable to the City relating to this MOU was $31,289,000.

The Corporation also administers construction loans on behalf of HPD, using funds provided by HPD. All such funds are the property of HPD and thus are reported as due to the City in the Corporation's financial statements. At October 31, 2011, the total related payable to the City was $130,315,000.

On April 20, 2011, the Corporation entered into a "421-Fund Agreement" with HPD as presented in note 7. HDC will treat funding pursuant to the 421-A Fund Agreement as funds received from the City and will be reported as payable to the City. As of October 31, 2011 the Corporation did not receive any of HPD's 421-A funds.

(B) Housing Assistance Corporation

Funding for HAC was received through the City in 1985. All of HAC's assets, after repayment of HDC advances to HAC and if unused for HAC purposes, will revert back to the City. At October 31, 2011, total resources payable to the City amounted to $46,766,000. The resources held for the City are primarily the mortgage loans described in Note 4, "Mortgage Loans," and the investments held to fund tenant assistance payments.

Since fiscal year 2009, the Corporation has been transferring funds to HAC in monthly increments in an original amount not to exceed $5,000,000 to provide funds for the tenant assistance ("TAC") payments for Ruppert/Yorkville pursuant to an agreement made by the City for the benefit of such residents. On March 10, 2011 the Corporation's Members approved an additional $5,000,000 for Ruppert/Yorkville. The total debt to HDC is not to exceed $10,000,000. As of October 31, 2011, the TAC advances from HDC to HAC were $6,700,000. HAC is obligated to repay the Corporation for all funds advanced by HDC, without interest, at such time as funds become available to HAC.

Note 12: Retirement Programs

The Corporation is a participating employer in the New York City Employees' Retirement System ("NYCERS"), a cost sharing multi-employer plan, of which 89 employees of the Corporation are members. The Corporation made contributions to NYCERS of $1,181,481, $898,559 and $1,019,415 during fiscal years 2011, 2010 and 2009, respectively. Copies of NYCERS' financial statements can be obtained by writing to 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3751.

The Corporation also offers its employees the option of participating in a Tax Sheltered Annuity Plan managed by Wells Fargo Bank, N.A. as an alternate or supplemental retirement plan under Section 403(b) of the Internal Revenue Code. The Internal Revenue Service has approved the Corporation as an entity which can provide this type of plan to its employees. The majority of the Corporation's employees participate in this plan.

Note 13: Postemployment Benefits Other Than Pension

The Corporation sponsors a single employer defined benefit health care plan that provides postemployment medical benefits for eligible retirees and their spouses. The Corporation does not issue a publicly available financial report for the plan.

Benefit provisions for the plan are established and amended by actions taken by the Corporation's Members and there is no statutory requirement for HDC to continue this plan for future HDC employees. The plan is currently a non-contributory plan with all payments for plan benefits being funded by HDC on a pay-as-you-go-basis.

HDC follows the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement establishes guidelines for reporting costs associated with "other postemployment benefits" ("OPEB"). HDC's annual OPEB cost for the plan is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC includes interest of $78,000 on the net OPEB obligation. HDC's annual OPEB cost for the current year and the related information for the plan are as follows (dollar amounts in thousands):

Annual required contribution	$2,033
Contributions made	(259)
Increase in net OPEB obligation	1,774
Net OPEB obligation—beginning of year	8,035
Net OPEB obligation—end of year	$9,809

HDC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the previous three years were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
10/31/11	$2,033	12.75%	$9,809
10/31/10	$1,643	2.24%	$8,035
10/31/09	$1,592	1.19%	$6,429

As of October 31, 2011, the actuarial accrued liability for benefits was $18,407,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $12,863,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 143%. Actual payments during Fiscal Year 2011 amounted to $259,307. This amount includes a payment of $196,861 to the City of New York's Office of Labor Relations to cover retirees' medical coverage from the period of January 1, 2000 through September 30, 2010.

The actuarial valuation date was October 31, 2010. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between HDC and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the actuarial valuation, the frozen entry age actuarial cost method was used for fiscal year ended October 31, 2006 and October 31, 2008 and is changed to the entry age normal cost method for fiscal year ended October 31, 2010. The actuarial assumptions included a 4% discount rate, 3% wage inflation rate and an annual healthcare cost trend rate of 9.5% grading down to an ultimate rate of 5%. The unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payroll on an open basis. The remaining amortization period was 24 years.

Note 14: Due to the United States Government – Non Current

The amount reported in this classification is made up of two major components.

A. Due to HUD

The Corporation has entered into contracts with HUD to administer housing assistance payment contracts with housing projects occupied by tenants qualifying for Section 8 housing assistance payments. Pursuant to the contracts, HUD makes annual contributions to the Corporation in an amount equal to the annual assistance payments plus an administrative fee, if applicable, for the Corporation.

The Corporation receives the annual contract contributions periodically during the year and disburses funds monthly for the benefit of the covered projects. As of October 31, 2011, the Corporation held $654,000 in prefunded annual contributions. Related fees earned during fiscal year 2011 amounted to $535,000 and are included in operating income.

B. Rebate Fund

In order to maintain the exemption from federal income tax of interest on bonds issued subsequent to January 1, 1986, the Corporation established a separate fund, the Rebate Fund, into which amounts required to be rebated to the Federal Government pursuant to Section 148 of the Code are deposited. In general, the Code requires the payment to the U. S. Treasury of the excess of the amount earned on all non-purpose obligations over the amount that would have been earned if the gross proceeds of the issue were invested at a rate equal to the yield on the issue. Project or construction funds, debt service funds or any other funds or accounts funded with proceeds of such bonds, including earnings, or pledged to or expected to be used to pay interest on such bonds are subject to this requirement. Issues with respect to which all gross proceeds are expended for the governmental purpose of the issue within the required time period after the date of issue and debt service funds with annual gross earnings of less than $100,000 are exempt from this requirement. Payment is to be made after the end of the fifth bond year and after every fifth bond year thereafter, and within 60 days after retirement of the bonds. At October 31, 2011, HDC had set aside $16,000 to make future rebate payments when due.

Note 15: Commitments

(A) New York City Housing Development Corporation

(i.) The Corporation is committed under one operating lease for office space for minimum annual rentals for the next five years and thereafter as follows:

Year Ending October 31,	
2012……………………………………………	$1,640,000
2013……………………………………………	1,801,000
2014……………………………………………	1,801,000
2015……………………………………………	1,801,000
2016……………………………………………	1,801,000
2017—2021……………………………………	9,989,000
Total	$18,833,000

For fiscal year 2011, the Corporation’s rental expense amounted to $ 2,124,000.

(ii.) HDC's practice is to close loans only when all the funds committed to be advanced have been made available through bond proceeds or a reservation of corporate funds. Funds are invested prior to being advanced as described in Note 3: "Investments and Deposits" and are reported as restricted assets.

(iii.) The portion of closed construction loans that had not yet been advanced as of October 31, 2011 is as follows:

Programs:	
Multi-Family Bond Programs	
Housing Revenue	$338,963,000
Liberty Bond	34,159,000
New Housing Opportunity Program (NEW HOP)	55,491,000
Loans Secured by 80/20 Certificates	20,658,000
Low-Income Affordable	10,282,000
Section 8	415,000
Corporate Services Fund Loans	167,849,000
421-A Housing Trust Fund	16,166,000
Unadvanced Construction Loans (closed loans)	$643,983,000

As of October 31, 2011 the Corporation had executed commitment letters for several loans that had not yet closed in the amount totaling $125,480,000.

(iv.) The Corporation has made a programmatic funding commitment in support of the City's housing initiatives. HDC has reserved funds to fulfill these commitments, but the timing and amount of remaining loan closings cannot be determined. The programmatic commitment is as follows:

- The Corporation entered into a Memorandum of Understanding ("MOU") with HPD dated as of May 5, 2004 that outlines the Corporation's obligations to purchase participations totaling up to $55,632,000 in affordable housing loans for various HPD programs during fiscal years 2004 to 2006, and HPD's commitment to purchase these loans extend back to that period with accrued interest in 2007 and 2008. As of October 31, 2011, loans totaling $27,208,000 had been closed and $27,208,000 had been advanced. The Corporation's commitment to purchase loans under the MOU has expired. Out of the total loans advanced through FY 2011, $9,992,000 in loans were assigned back to HPD after repayment to HDC of the same amount.

(B) New York City Residential Mortgage Insurance Corporation

As of October 31, 2011, REMIC insured loans with coverage totaling $128,785,000 and had outstanding commitments to insure loans with a maximum insurance coverage of $112,551,000.

Note 16: Contingencies

In the normal conduct of the Corporation's business, it is involved in litigation matters. In the opinion of management and the Corporation's legal counsel, the ultimate disposition of such litigation should not have a material adverse effect on the combined financial position of the Corporation.

Note 17: Net Assets

The Corporation's Net Assets represent the excess of assets over liabilities and consist largely of mortgage loans and investments. HDC's net assets are categorized as follows:

- Restricted Net Assets are net assets that have been restricted in use in accordance with the terms of an award, agreement or by State law. This includes net assets restricted by bond resolutions, contractual obligations with HPD and HUD, and REMIC reserves that are required by statute, among other items (See chart below).

- Unrestricted Net Assets are the remaining net assets, which can be further categorized as Designated or Undesignated. Designated Assets are not governed by statute or contract but are committed for specific purposes pursuant to HDC policy and/or Board directives. Designated Assets include funds and assets committed to various housing initiatives, reserves to maintain HDC's credit ratings, and working capital.

Changes in Net Assets

The changes in Net Assets are as follows:

	Restricted	Unrestricted	Total
Net assets at October 31, 2009	$522,469,000	644,088,000	1,166,557,000
Income	50,526,000	8,800,000	59,326,000
Transfers	(47,623,000)	47,623,000	—
Net assets at October 31, 2010	$525,372,000	700,511,000	1,225,883,000
Income	138,512,000	4,724,000	143,236,000
Transfers	(71,367,000)	71,367,000	—
Net assets at October 31, 2011	$592,517,000	776,602,000	1,369,119,000

Summary of Restricted Net Assets	2011	2010
Multi-Family Bond Programs	$508,728,000	$515,693,000
421-A Housing Trust Fund	75,582,000	—
Corporate Debt Service Reserve 2006 Series A Purchase Bonds	5,860,000	7,335,000
Claim Payment Fund for 223(f) Program	2,347,000	2,344,000
Total Restricted Net Assets	$592,517,000	$525,372,000

Of the total Unrestricted Net Assets listed below, $671,051,000 is existing mortgages and other loans. An additional $9,841,000 has been designated by the Members of the Corporation for future mortgage advances pursuant to housing programs established by the Corporation. The Corporation also has $1,321,000 in capital assets.

Summary of Unrestricted Net Assets	2011	2010
Designated Assets:		
Housing Programs	9,841,000	$54,322,000
Existing Mortgages	671,051,000	558,455,000
Working Capital	19,037,000	18,418,000
Rating Agency Reserve Requirement	72,500,000	65,000,000
Total Designated Net Assets	772,429,000	696,195,000
Undesignated Assets:		
Loan spread purchased from New York City	2,852,000	2,953,000
Capital Assets	1,321,000	1,363,000
Total Undesignated Net Assets	4,173,000	4,316,000
Total Unrestricted Net Assets	$ 776,602,000	$700,511,000

Note 18: Subsequent Events

Subsequent to October 31, 2011, a total of $361,055,000 of bonds were issued in the course of the Corporation's normal business activities. Additionally, on December 22, 2011, the remaining amount of bonds allocated to the Corporation under HERA and issued under NIBP I and NIBP II, $190,730,000 and $42,290,000, respectively, were rolled out and converted to tax exempt bonds.

New York City Housing Development Corporation
Required Supplementary Information

October 31, 2011

Schedule 1:

The following schedule is being presented to provide information on the funding progress of the OPEB Plan.

Schedule of Funding Progress
For the Retiree Healthcare Plan ($ in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10-31-2010	0	$16,374	$16,374	0%	$12,484	131.2%
10-31-2008	0	$17,050	$17,050	0%	$11,260	151.0%
10-31-2006	0	$13,779	$13,779	0%	$9,097	151.0%

New York City Housing Development Corporation
Other Information
October 31, 2011

Schedule 2:
The following schedule is being presented to provide detail information on a program basis for the owners of the Housing Revenue Bond program's obligations

Housing Revenue Bond Program
Balance Sheet
October 31, 2011 and 2010 (in thousands)

		2011		2010
Assets				
Current Assets:				
Cash and cash equivalents	$	308,301	$	255,466
Investments		175,131		29,139
Receivables:				
Mortgage loans		138,838		51,090
Accrued interest		14,071		12,105
Other		314		505
Total Receivables		153,223		63,700
Other assets		34		33
Total Current Assets		**636,689**		**348,338**
Noncurrent Assets:				
Restricted cash and cash equivalents		507,215		669,608
Restricted investments		307,750		666,112
Purpose investment (note 2C)		186,644		190,631
Restricted receivables:				
Mortgage loans		3,069,651		2,485,705
Loan participation receivable - The City of NY (note 6)		656,707		609,581
Accrued interest		292		-
Other		258		-
Total restricted receivables		3,726,908		3,095,286
Unamortized issuance costs		23,212		20,881
Primary government/component unit receivable (payable)		(12,598)		(167)
Other assets		12,765		3,104
Total Noncurrent Assets		**4,751,896**		**4,645,455**
Total Assets	**$**	**5,388,585**	**$**	**4,993,793**

New York City Housing Development Corporation
Other Information
October 31, 2011

Schedule 2 (cont'd):

Housing Revenue Bond Program
Balance Sheet
October 31, 2011 and 2010 (in thousands)

		2011		2010
Liabilities and Net Assets				
Current Liabilities:				
Bonds payable (net)	$	448,915	$	388,165
Accrued interest payable		57,933		52,298
Payable to mortgagors		-		468
Restricted earnings on investments		(558)		453
Accounts and other payables		69,733		23,892
Total Current Liabilities		**576,023**		**465,276**
Noncurrent Liabilities:				
Bonds payable (net) (note 9)		3,512,778		3,340,783
Payable to The City of New York:				
Loan participation due to The City of New York (note 11)		656,707		609,581
Others due to The City of New York		22,439		-
Payable to mortgagors		68,700		32,186
Deferred fee and mortgage income and other liabilities		67,247		62,160
Due to the United States Government		670		2,843
Total Noncurrent Liabilities		**4,328,541**		**4,047,553**
Total Liabilities		**4,904,564**		**4,512,829**
Net Assets:				
Restricted for bond obligations		484,021		480,964
Total Net Assets		**484,021**		**480,964**
Total Liabilities and Net Assets	**$**	**5,388,585**	**$**	**4,993,793**

New York City Housing Development Corporation
Other Information
October 31, 2011

Schedule 2 (cont'd):

Housing Revenue Bond Program
Schedule of Revenues, Expenses and Changes in Fund Net Assets
Fiscal Years ended October 31, 2011 and 2010 (in thousands)

		2011		2010
Operating Revenues				
Interest on loans	$	144,056	$	123,715
Fees and charges		18,760		14,256
Income on loan participation interests		4,468		4,858
Other		10		-
Total Operating Revenues		**167,294**		**142,829**
Operating Expenses				
Interest and amortization of bond premium and discount		116,425		106,932
Trustees' and other fees		1,788		576
Amortization of debt issuance costs		3,224		2,135
Corporate operating expenses		-		13
Total Operating Expenses		**121,437**		**109,656**
Operating Income (Loss)		**45,857**		**33,173**
Non-operating Revenues (Expenses)				
Earnings on investments		21,950		19,832
Other non-operating revenues (expenses), net		3,174		6,326
Total Non-operating Revenues		**25,124**		**26,158**
Income (Loss)		**70,981**		**59,331**
Operating transfers to Corporate Services Fund		(8,904)		(8,776)
Capital transfers		(59,020)		(47,473)
Change in Net Assets		**3,057**		**3,082**
Total net assets - beginning of year		480,964		477,882
Total Net Assets - End of Year	**$**	**484,021**	**$**	**480,964**