



REPORT ON COMPLIANCE WITH MINIMUM
SERVICING STANDARDS

New York City Housing Development Corporation
October 31, 2008
With Report of Independent Auditors

Ernst & Young LLP

 **ERNST & YOUNG**

Report of Independent Accountants
on Management's Assertion on Compliance with
Minimum Servicing Standards Set Forth in the
*Uniform Single Attestation Program for
Mortgage Bankers*

The Members of the
New York City Housing Development Corporation

We have examined management's assertion, included in the accompanying report titled *Report of Management* that New York City Housing Development Corporation (the Corporation) complied with the minimum servicing standards set forth in the Mortgage Bankers Association of America's *Uniform Single Attestation Program for Mortgage Bankers* (USAP) for the year ended October 31, 2008. Management is responsible for the Corporation's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the Corporation's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

In our opinion, management's assertion that the Corporation complied with the aforementioned requirements for the year ended October 31, 2008 is fairly stated in all material respects.

This report is intended solely for the information and use of management, the Members of the Corporation, and the Office of the State Comptroller of the State of New York and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

February 16, 2009



NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

Management's Assertion on Compliance with
Minimum Servicing Standards Set Forth in the
*Uniform Single Attestation Program for
Mortgage Bankers*

Report of Management

We, as members of management of the New York City Housing Development Corporation (the Corporation), are responsible for complying with the minimum servicing standards as set forth in the Mortgage Bankers Association of America's *Uniform Single Attestation Program for Mortgage Bankers* (USAP). We are also responsible for establishing and maintaining effective internal control over compliance with these standards. We have performed an evaluation of the Corporation's compliance with the minimum servicing standards as set forth in the USAP as of October 31, 2008 and for the year then ended. Based on this evaluation, we assert that during the year ended October 31, 2008, the Corporation complied, in all material respects, with the minimum servicing standards set forth in the USAP.

As of and for this same period, the Corporation had in effect fidelity bonds for \$3 million and is self-insured for errors and omissions.



Eileen O'Reilly
Chief Financial Officer