



## MEMORANDUM

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To: Members of the Audit Committee

From: Mary Hom  
Chief Risk Officer

Date: May 21, 2020

Re: Counterparty Credit Risk Exposure

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Please find attached an unaudited report detailing the Corporation's counterparty exposure as of April 30, 2020. The previous report to the Audit Committee was dated December 31, 2019.

There were no new additions to the list of counterparties, and there were two rating agency actions of note:

- On February 18, 2020, Moody's assigned a A2/P-1 rating to Signature Bank.
- On May 13, 2020, S&P downgraded HSBC Bank USA to A+/A-1 from AA+/A-1+ based on concerns regarding the holding company's restructuring plan announced in February 2020, as well as weaker earnings expectations. S&P maintains a stable outlook at this new rating level.

HDC's counterparty exposure remains diversified with the largest exposures continuing to be with FHLMC and FNMA.

Investments rated double-A or higher were 49% of total investments, versus 48% at the last report. Investments rated triple-B or not rated were 32% of total investments, versus 50% at the last report, and are fully collateralized by high quality U.S. Treasury/Agency securities and/or FHLB letters-of-credit. The reduction in this exposure is due to the rating assignment to Signature Bank by Moody's in February; Signature Bank had previously been not rated.

HDC exposure to liquidity providers remains unchanged since the last report.

***FOR INTERNAL USE ONLY***

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
**Counterparty Credit Risk Exposure Report as of April 30, 2020**  
**(UNAUDITED)**

<b>Counterparty</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Construction LOC</b>	<b>Permanent Enhancement</b>	<b>Investment</b>	<b>Liquidity Providers</b>	<b>TOTAL COUNTERPARTY EXPOSURE</b>	<b>% Total Counterparty Exposure</b>
Bank of America NA	Aa2	A+	\$555,730,000	\$26,455,000			\$582,185,000	3.76%
Bank of New York Mellon NA	Aa1	AA-	\$292,635,000				\$292,635,000	1.89%
Bank OZK	NR	NR			\$4,902,960		\$4,902,960	0.03%
Bayerische Landesbank	Aa3	NR			\$9,689,482		\$9,689,482	0.06%
Bridgehampton National Bank	NR	NR			\$104,096,824		\$104,096,824	0.67%
Capital One Bank	A1	BBB+		\$22,700,000			\$22,700,000	0.15%
Citibank NA	Aa3	A+	\$912,605,000	\$265,794,094	\$29,824,394		\$1,208,223,488	7.81%
Customers Bank	NR	NR			\$441,632,701		\$441,632,701	2.86%
Daiwa Securities	A3	A-			\$74,803,000		\$74,803,000	0.48%
Deutsche Bank	A3	BBB+		\$55,000,000			\$55,000,000	0.36%
Dormitory Authority of the State of NY (DASNY)	Aa1	AAA			\$13,895,000		\$13,895,000	0.09%
Empire National Bank	NR	NR			\$74,766,483		\$74,766,483	0.48%
Empire State Development Corp	Aa1	AA+			\$10,000,000		\$10,000,000	0.06%
Flushing Bank	NR	NR			\$3,179,407		\$3,179,407	0.02%
Goldman Sachs Bank	A1	A+	\$191,000,000				\$191,000,000	1.23%
Guggenheim Securities	NR	NR			\$73,764,000		\$73,764,000	0.48%
HDC	Aa2	AA	\$286,279,513				\$286,279,513	1.85%
JPMorgan Chase Bank NA	Aa1	A+	\$537,160,000	\$9,310,000			\$546,470,000	3.53%
Lakeland Bank	NR	NR			\$11,963,542		\$11,963,542	0.08%
Landesbank Baden-Wuerttemberg	Aa3	NR		\$70,000,000			\$70,000,000	0.45%
NYC GO	Aa2	AA			\$19,800,000		\$19,800,000	0.13%
NYC Transitional Finance Authority	Aa1	AAA			\$145,127,541		\$145,127,541	0.94%
NY Community Bank	A3	BBB-			\$715,076,854		\$715,076,854	4.62%
NYS HFA	NR	A			\$85,395,000		\$85,395,000	0.55%
People's United Bank	A2	A-			\$20,873,436		\$20,873,436	0.13%
Promontory (FDIC-insured)	Aaa	AA+			\$88,454,035		\$88,454,035	0.57%
Rabobank	Aa3	A+			\$4,475,359		\$4,475,359	0.03%
REMIC	NR	AA		\$316,662,162			\$316,662,162	2.05%
Royal Bank of Canada	Aa2	AA-			\$72,057,785	\$75,000,000	\$147,057,785	0.95%
Santander Bank NA	A2	A-			\$172,307		\$172,307	0.00%
Signature Bank	A2	NR			\$874,523,703		\$874,523,703	5.65%
Societe Generale	A1	A			\$1,013,085		\$1,013,085	0.01%
SONYMA	Aaa/Aa1	NR		\$474,750,488	\$275,000		\$475,025,488	3.07%
Sterling National Bank	NR	NR			\$399,309,396		\$399,309,396	2.58%
TD Bank NA	Aa2	AA-	\$170,800,000		\$591,980,568		\$762,780,568	4.93%
US Bank	Aa1	AA-			\$99,382,988		\$99,382,988	0.64%
<b>US Agency:</b>	<b>Aaa</b>	<b>AA+</b>	<b>\$203,025,000</b>	<b>\$3,901,334,714</b>	<b>\$1,758,908,994</b>		<b>\$5,863,268,708</b>	<b>37.91%</b>
FFCB					\$612,655,000		\$612,655,000	3.96%
FHA/HUD				\$454,786,514			\$454,786,514	2.94%
FHLB			\$203,025,000		\$726,737,000		\$929,762,000	6.01%
<b>FHLMC</b>				<b>\$1,457,321,072</b>	<b>\$391,402,418</b>		<b>\$1,848,723,490</b>	<b>11.95%</b>
<b>FNMA</b>				<b>\$1,989,227,128</b>			<b>\$1,989,227,128</b>	<b>12.86%</b>
GNMA					\$28,114,576		\$28,114,576	0.18%
US Treasury	Aaa	AA+			\$7,170,000		\$7,170,000	0.05%
Wells Fargo Bank NA	Aa1	A+	\$1,221,350,007			\$143,780,000	\$1,365,130,007	8.83%
<b>TOTAL</b>			<b>\$4,370,584,520</b>	<b>\$5,142,006,458</b>	<b>\$5,736,513,844</b>	<b>\$218,780,000</b>	<b>\$15,467,884,822</b>	<b>100.00%</b>
<i>*Counterparty Exposures Above 10% Are Highlighted</i>								

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
**Counterparty Credit Risk Exposure Report as of April 30, 2020**  
**(UNAUDITED)**

<b>Municipal Investments:</b>			
<b>Issuer</b>		<b>Amount</b>	
Dormitory Authority of the State of NY		\$13,895,000	
Empire State Development Corp		\$10,000,000	
NYC GO		\$19,800,000	
NYC TFA		\$145,127,541	
NYS HFA		\$85,395,000	
SONYMA		\$275,000	
<b>Total Municipal Investments</b>		<b>\$274,492,541</b>	
<b>Exposure to Counterparties Rated A-Minus and Below, or Not-Rated:</b>			
<b>Counterparty</b>	<b>Type of Exposure</b>	<b>Amount</b>	<b>% Total Counterparty Exposure</b>
Bank OZK*	Money Market	\$4,902,960	0.03%
Bridgehampton National Bank*	Money Market	\$104,096,824	0.67%
Capital One Bank	Permanent Enhancement	\$22,700,000	0.15%
Customers Bank*	Money Market	\$441,632,701	2.86%
Daiwa Securities*	Repo	\$74,803,000	0.48%
Deutsche Bank*	Repo/Perm Enhancement	\$55,000,000	0.36%
Empire National Bank*	Money Market	\$74,766,483	0.48%
Flushing Bank*	Money Market	\$3,179,407	0.02%
Guggenheim Securities*	Repo	\$73,764,000	0.48%
Lakeland Bank*	Money Market	\$11,963,542	0.08%
NY Community Bank*	Money Market	\$715,076,854	4.62%
People's United Bank*	Money Market	\$20,873,436	0.13%
Santander Bank*	Money Market	\$172,307	0.00%
Sterling National Bank*	Money Market	\$399,309,396	2.58%
<b>TOTAL</b>		<b>\$2,002,240,910</b>	<b>12.94%</b>
<i>*Fully- or over-collateralized by FHLB LOC and/or US Treasury/Agency securities</i>			
<b>Country Exposure (Ex-U.S.):</b>			
<b>Country</b>	<b>Type</b>	<b>\$ Amount</b>	<b>% Total Counterparty Exposure</b>
Canada (TD Bank/Royal Bank of Canada)	LOC/GIC/Liq	\$909,838,353	5.88%
France (Societe Generale)	GIC	\$1,013,085	0.01%
Germany (Bayerische Landesbank/Deutsche/LBW)	GIC/LOC	\$134,689,482	0.87%
Japan (Daiwa)	RP	\$74,803,000	0.48%
Netherlands (Rabobank Nederland)	GIC	\$4,475,359	0.03%
Spain (Santander)	MM	\$172,307	0.00%
<b>TOTAL</b>		<b>\$1,124,991,586</b>	<b>7.27%</b>

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
*Credit Enhancement Diversification as of April 30, 2020*  
**(UNAUDITED)**

**CONSTRUCTION PROJECTS**

Provider	Moody's	S&P	Enhancement During Construction:			Expected Permanent Enhancement:		
			Number of Projects	LOC Amount	% of Total During Construction	Number of Projects	Expected Permanent	
							Enhanced or Insured Amount	% of Total During Permanent
Bank of America	Aa2	A+	13	\$555,730,000	12.72%	0	\$0	0.00%
Bank of New York Mellon	Aa1	AA-	7	\$292,635,000	6.70%	0	\$0	0.00%
Citibank	Aa3	A+	21	\$912,605,000	20.88%	1	\$83,240,000	5.25%
FHA	Aaa	AA+	0	\$0	0.00%	24	\$769,859,500	48.56%
FHLB	Aaa	AA+	6	\$203,025,000	4.65%	0	\$0	0.00%
FHLMC*	Aaa	AA+	0	\$0	0.00%	3	\$338,685,000	21.36%
Goldman Sachs Bank	A1	A+	1	\$191,000,000	4.37%	0	\$0	0.00%
HDC	Aa2	AA	14	\$286,279,513	6.55%	0	\$0	0.00%
JPMorgan Chase	Aa1	A+	15	\$537,160,000	12.29%	0	\$0	0.00%
NONE	NR	NR	2	\$0	0.00%	1	\$0	0.00%
REMIC	NR	AA	0	\$0	0.00%	59	\$191,232,503	12.06%
SONYMA	Aa1	NR	0	\$0	0.00%	13	\$202,337,500	12.76%
TD Bank NA	Aa2	AA-	3	\$170,800,000	3.91%	0	\$0	0.00%
Wells Fargo	Aa1	A+	16	\$1,221,350,007	27.94%	0	\$0	0.00%
<b>TOTAL</b>			<b>98</b>	<b>\$4,370,584,520</b>	<b>100.00%</b>	<b>101</b>	<b>\$1,585,354,503</b>	<b>100.00%</b>

**In Construction:**

Rating	% of Total
AAA	0.00%
AA	21.80%
A	78.20%
<b>TOTAL</b>	<b>100.00%</b>

\*Two projects with FHLMC are risk share with HDC

**PERMANENT LOANS WITH ENHANCEMENT**

Provider	Moody's	S&P	Number of Projects	Enhanced Amount	% of Total	In Permanent:	
					Permanent Enhanced Amount	Rating	% of Total
Bank of America	Aa2	A+	2	\$26,455,000	0.51%	AAA	0.00%
Capital One	A1	BBB+	1	\$22,700,000	0.44%	AA	92.62%
Citibank	Aa3	A+	30	\$265,794,094	5.17%	A	5.86%
Deutsche Bank	A3	BBB+	1	\$55,000,000	1.07%	BBB	1.51%
FHA	Aaa	AA+	32	\$454,786,514	8.84%	<b>TOTAL</b>	<b>100.00%</b>
FHLMC	Aaa	AA+	35	\$1,457,321,072	28.34%		
FNMA	Aaa	AA+	46	\$1,989,227,128	38.69%		
JPMorgan Chase	Aa1	A+	2	\$9,310,000	0.18%		
Landesbank Baden Wuerttemberg	Aa3	NR	1	\$70,000,000	1.36%		
REMIC*	NR	AA	236	\$316,662,162	6.16%		
SONYMA	Aa1	NR	74	\$474,750,488	9.23%		
<b>TOTAL</b>			<b>460</b>	<b>\$5,142,006,458</b>	<b>100.00%</b>		

\*Unenhanced portion totals approximately \$1.2 billion

**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
*Investment Summary as of April 30, 2020*  
 (UNAUDITED)

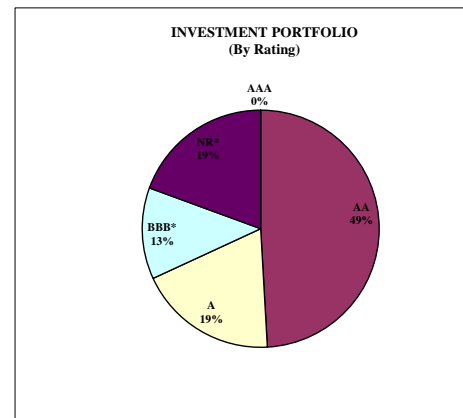
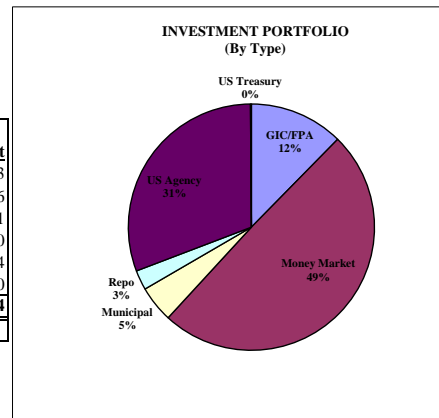
**Investment Securities & Repo-By Rating:**

Counterparty	Type	Amount	NRSRO Rating-April 30, 2020:				
			AAA	AA	A	BBB*	NR*
Bank OZK	MM	\$4,902,960					\$4,902,960
Bayerische Landesbank	GIC	\$9,689,482		\$9,689,482			
Bridgehampton National Bank	MM	\$104,096,824					\$104,096,824
Citibank NA	FPA	\$29,824,394			\$29,824,394		
Customers Bank	MM	\$441,632,701					\$441,632,701
Daiwa Securities	REPO	\$74,803,000			\$74,803,000		
Dormitory Authority of the State of NY	MUNI	\$13,895,000		\$13,895,000			
Empire National Bank	MM	\$74,766,483					\$74,766,483
Empire State Development Corp	MUNI	\$10,000,000		\$10,000,000			
Flushing Bank	MM	\$3,179,407					\$3,179,407
Guggenheim Securities	REPO	\$73,764,000					\$73,764,000
Lakeland Bank	MM	\$11,963,542					\$11,963,542
NYC GO	MUNI	\$19,800,000		\$19,800,000			
NYC TFA	MUNI	\$145,127,541		\$145,127,541			
NY Community Bank	MM	\$715,076,854				\$715,076,854	
NYS HFA	MUNI	\$85,395,000			\$85,395,000		
People's United Bank	MM	\$20,873,436			\$20,873,436		
Promontory	MM	\$88,454,035		\$88,454,035			
Rabobank	GIC	\$4,475,359			\$4,475,359		
Royal Bank of Canada	GIC	\$72,057,785		\$72,057,785			
Santander Bank NA	MM	\$172,307			\$172,307		
Signature Bank	MM	\$874,523,703			\$874,523,703		
Societe Generale	GIC	\$1,013,085			\$1,013,085		
SONYMA	MUNI	\$275,000	\$275,000				
Sterling National Bank	MM	\$399,309,396					\$399,309,396
TD Bank	GIC	\$591,980,568		\$591,980,568			
US Bank	MM	\$99,382,988		\$99,382,988			
US Agency	US Agency	\$1,758,908,994		\$1,758,908,994			
US Treasury	US Treasury	\$7,170,000		\$7,170,000			
		<b>\$5,736,513,844</b>	<b>\$275,000</b>	<b>\$2,816,466,393</b>	<b>\$1,091,080,284</b>	<b>\$715,076,854</b>	<b>\$1,113,615,313</b>
<i>% of Total</i>		<i>100.00%</i>	<i>0.00%</i>	<i>49.10%</i>	<i>19.02%</i>	<i>12.47%</i>	<i>19.41%</i>

\*BBB and NR exposures are fully-collateralized

Weighted Average Maturity (Years): 2.75

Investment Portfolio-By Type of Investment:		
	% Total	Amount
GIC/FPA	12.36%	\$709,040,673
Money Market	49.48%	\$2,838,334,636
Municipal	4.79%	\$274,492,541
Repo	2.59%	\$148,567,000
US Agency	30.66%	\$1,758,908,994
US Treasury	0.12%	\$7,170,000
<b>Total</b>	<b>100.00%</b>	<b>\$5,736,513,844</b>



**NEW YORK CITY HOUSING DEVELOPMENT CORPORATION**  
*Liquidity Providers as of April 30, 2020*  
**(UNAUDITED)**

**ROYAL BANK OF CANADA**

<u>Issue</u>	<u>Amount</u>
2019 A-4	\$30,000,000
2019 E-3	\$45,000,000

\$75,000,000

**WELLS FARGO BANK**

<u>Issue</u>	<u>Amount</u>
2017 C-4	\$57,830,000
2017 G-3	\$85,950,000

\$143,780,000

<u>Diversification:</u>	<u>Amount</u>	<u>% Total</u>
Royal Bank of Canada	\$75,000,000	34.28%
Wells Fargo Bank	\$143,780,000	65.72%
<b>TOTAL</b>	<u><u>\$218,780,000</u></u>	<u><u>100.00%</u></u>