

NEW ISSUE—BOOK-ENTRY ONLY[____]; “__”
(see “RATING” herein)

This cover page contains information for quick reference only. It is not a summary of the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

\$ _____ *

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Housing Impact Bonds

\$ _____ * 2019 Series A
(Sustainable Development Bonds)

\$ _____ * 2019 Series B
(Federally Taxable)
(Sustainable Development Bonds)

Dated: Date of delivery**Due: as shown on the inside cover pages***Purpose*

The Corporation will use the proceeds of the Housing Impact Bonds, 2019 Series A (the “2019 Series A Bonds”) and the Housing Impact Bonds, 2019 Series B (the “2019 Series B Bonds”) and, collectively with the 2019 Series A Bonds, the “2019 Bonds”) to finance two mortgage loans (the “2019 Mortgage Loans”) to Williamsburg Housing Preservation L.P. and Brooklyn Housing Preservation L.P. (collectively, the “2019 Mortgagor”), to enable the 2019 Mortgagor to pay a portion of the cost of acquiring, rehabilitating and equipping, and converting 2,625 units in 39 tenant-occupied public housing buildings to Section 8 supported multi-family residential facilities located in the Borough of Brooklyn, New York (the “2019 Developments”), and to pay certain other costs related thereto. The Developments will be converted from public housing pursuant to the Rental Assistance Development, Section 18 and Part 200 programs of the United States Department of Housing and Urban Development. See “PLAN OF FINANCING.”

Tax Exemption

In the opinion of Bond Counsel to the Corporation, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2019 Series A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any 2019 Series A Bond for any period during which such 2019 Series A Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities financed with the proceeds of the 2019 Series A Bonds, or a “related person,” and (ii) interest on the 2019 Series A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the 2019 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). In the opinion of Bond Counsel to the Corporation, interest on the 2019 Series B Bonds is included in gross income for Federal income tax purposes pursuant to the Code. See “TAX MATTERS.”

Redemption

The 2019 Bonds are subject to redemption prior to maturity as described herein.

Interest

Interest on the 2019 Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2020.

Security

The 2019 Bonds are special revenue obligations of the Corporation and will be payable solely from and secured by the Revenues, including Section 8 subsidy payments and payments received under Supplemental Security, and assets pledged therefor pursuant to the Resolution, as described herein. The 2019 Bonds are the first two series of Bonds being issued under the General Resolution and will be secured on a parity with and will be entitled to the same benefit and security as other Bonds (other than Subordinate Bonds) issued and to be issued in the future under the General Resolution, except as described herein. The 2019 Mortgage Loans will be secured by Supplemental Security in the form of a standby credit enhancement agreement issued by Freddie Mac and a funding agreement provided by the Corporation.

The 2019 Bonds are not a debt of the State of New York or The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the 2019 Bonds be payable out of any funds other than those of the Corporation pledged therefor. The Corporation has no taxing power.

Denominations

\$5,000 or integral multiples thereof.

Bond Counsel

Hawkins Delafield & Wood LLP.

Underwriters' Counsel

Katten Muchin Rosenman LLP.

Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP.

Trustee

U.S. Bank National Association.

Book-Entry System

The Depository Trust Company. See “BOOK-ENTRY ONLY SYSTEM” herein.

Delivery

The 2019 Bonds are offered when, as and if issued and received by the Underwriters, subject to certain conditions. The 2019 Bonds are expected to be delivered on or about _____, 2019.

* Preliminary, subject to change.

Corporation Website

Information about the Corporation is available at www.nychdc.com.

**Jefferies
Academy Securities
Citigroup
Raymond James**

**Morgan Stanley
Barclays
J.P. Morgan
Roosevelt & Cross Incorporated**

**Ramirez & Co., Inc.
Bof A Securities
RBC Capital Markets
Siebert Williams Shank & Co.,
L.L.C.
UBS**

Stern Brothers & Co.

**TD Securities
Wells Fargo Securities**

Dated: _____, 2019

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES

\$ _____ * 2019 Series A Bonds

\$ _____ * 2019 Series A Fixed Rate Serial Bonds

Due* Amount* Interest Rate Price CUSIP No.†

\$ _____ * ____% 2019 Series A Fixed Rate Term Bonds due _____ *—Price ____% CUSIP No.†

\$ _____ * ____% 2019 Series A Fixed Rate Term Bonds due _____ *—Price ____% CUSIP No.†

\$ _____ * ____% 2019 Series A Fixed Rate Term Bonds due _____ *—Price ____% CUSIP No.†

Interest Payment Dates: Interest on the 2019 Series A Bonds is payable on February 1 and August 1, commencing August 1, 2020, and on any redemption or tender date.

Authorized Denominations: \$5,000 or any integral multiple thereof.

Senior Managing Underwriter: Jefferies LLC.

Co-Senior Managing Underwriters: Morgan Stanley & Co. LLC and Samuel A. Ramirez & Co., Inc.

Co-Managing Underwriters:

* Preliminary, subject to change.

† CUSIP numbers have been assigned by an independent company not affiliated with the Corporation and are included solely for the convenience of the owners of the 2019 Bonds. The Corporation is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the 2019 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity, tender and remarketing, or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2019 Bonds.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES

\$ _____ * **2019 Series B Bonds (Federally Taxable)**

\$ _____ * **2019 Series B Fixed Rate Serial Bonds**

Due* Amount* Interest Rate Price CUSIP No.†

\$ _____ * ____% **2019 Series B Fixed Rate Term Bonds due** _____ *—**Price** ____% **CUSIP No.**†

\$ _____ * ____% **2019 Series B Fixed Rate Term Bonds due** _____ *—**Price** ____% **CUSIP No.**†

\$ _____ * ____% **2019 Series B Fixed Rate Term Bonds due** _____ *—**Price** ____% **CUSIP No.**†

Interest Payment Dates: Interest on the 2019 Series B Bonds is payable on February 1 and August 1, commencing August 1, 2020, and on any redemption date.

Authorized Denominations: \$5,000 or any integral multiple thereof.

Senior Managing Underwriter: Jefferies LLC.

Co-Senior Managing Underwriters: Morgan Stanley & Co. LLC and Samuel A. Ramirez & Co., Inc.

Co-Managing Underwriters:

* Preliminary, subject to change.

† CUSIP numbers have been assigned by an independent company not affiliated with the Corporation and are included solely for the convenience of the owners of the 2019 Bonds. The Corporation is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the 2019 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity, tender and remarketing, or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2019 Bonds.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2019 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the New York City Housing Development Corporation or any of the Underwriters named on the inside cover pages (collectively, the “Underwriters”) to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the New York City Housing Development Corporation and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters or by any of such sources as to information from any other source. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the New York City Housing Development Corporation or the other matters described herein since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

THE 2019 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE 2019 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGES AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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OFFICIAL STATEMENT

\$ _____ *

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

Housing Impact Bonds,

\$ _____ * 2019 Series A
(Sustainable Development Bonds)

\$ _____ * 2019 Series B
(Federally Taxable)
(Sustainable Development Bonds)

INTRODUCTION

Purpose of this Official Statement

This Official Statement, which includes the cover page, inside cover pages and the appendices, provides certain information concerning the New York City Housing Development Corporation (the “Corporation”) in connection with the sale of \$ _____ * principal amount of its Housing Impact Bonds, 2019 Series A (the “2019 Series A Bonds”) and \$ _____ * principal amount of its Housing Impact Bonds, 2019 Series B (the “2019 Series B Bonds”) and, collectively with the 2019 Series A Bonds, the “2019 Bonds”).

The following is a description of certain information concerning the Corporation, its program to finance mortgage loans for the rehabilitation and conversion of public housing developments to Section 8 supported multi-family residential buildings, the 2019 Bonds and all other bonds issued or to be issued under the General Resolution (defined below) and security therefor. A more complete description of such information and additional information that may affect decisions to invest in the 2019 Bonds is contained through this Official Statement, which should be read in its entirety together with the exhibits attached hereto. Certain terms used in this Official Statement are defined in APPENDIX A hereto.

Authorization of Issuance

The 2019 Bonds are to be issued in accordance with the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law, constituting Chapter 44-b of the Consolidated Laws of the State of New York, as amended (the “Act”), and pursuant to a resolution entitled “Housing Impact Bonds Bond Resolution” adopted by the Members of the Corporation on _____ (as the same may be amended and supplemented from time to time, the “General Resolution”), a supplemental resolution for the 2019 Series A Bonds entitled “First Supplemental Resolution Authorizing the Issuance of Housing Impact Bonds, 2019 Series A” (the “2019 Series A Supplemental Resolution”) adopted by the Members of the Corporation on _____, and a supplemental resolution for the 2019 Series B Bonds entitled “Second Supplemental Resolution Authorizing the Issuance of Housing Impact Bonds, 2019 Series B” (the “2019 Series B Supplemental Resolution” and, collectively with the 2019 Series A Supplemental Resolution, the “2019 Supplemental Resolutions”) adopted by the Members of the Corporation on _____. The General Resolution and the 2019 Supplemental Resolutions are referred to herein, collectively, as the “Resolutions.” Certain defined terms used in this Official Statement are set forth in Appendix A hereto.

The Corporation

The Corporation 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 was created

* Preliminary, subject to change.

by the Act for the purpose of providing and encouraging the investment of private capital in safe and sanitary dwelling accommodations in the City of New York (the “City”) within the financial reach of families and persons of low income, which include families and persons whose need for housing accommodations cannot be provided by the ordinary operations of private enterprise, through the provision of low interest mortgage loans.

Use of Proceeds

The proceeds of the 2019 Bonds are expected to be used by the Corporation to finance two (2) mortgage loans (the “2019 Mortgage Loans”) to Williamsburg Housing Preservation L.P. and Brooklyn Housing Preservation L.P. (collectively, the “2019 Mortgagor”), to enable the 2019 Mortgagor to pay a portion of the cost of acquiring, rehabilitating and equipping, and converting 2,625 units in 39 tenant-occupied public housing buildings to Section 8 supported multi-family residential facilities located in the Borough of Brooklyn, New York (the “2019 Developments”) and to pay certain other costs related thereto. The 2019 Developments are collectively referred to herein as the “2019 Project.” See “PLAN OF FINANCING.”

The financing of the 2019 Mortgage Loans for the 2019 Project is part of the City’s “Permanent Affordability Commitment Together” program (the “PACT Program”) to rehabilitate and preserve public housing developments owned by the New York City Housing Authority (“NYCHA”) by converting the developments into Section 8 assistance through various programs of the United States Department of Housing and Urban Development (“HUD”), including the Rental Assistance Demonstration (“RAD”), the Section 18 disposition (“Section 18”) and the Part 200 conversion (“Part 200”) programs (collectively, the “HUD Programs”). See “PLAN OF FINANCING,” “THE PROGRAM” and “THE PACT PROGRAM.” For further information regarding the Section 8 program, see “THE PROGRAM—Supplemental Security and Subsidy Programs—Section 8 Program.”

Security for the Bonds

The 2019 Bonds are special revenue obligations of the Corporation, and payment of the principal or Redemption Price of and interest on the 2019 Bonds will be secured by the Revenues, including Section 8 subsidy payments and payments received under Supplemental Security, and assets pledged to such payment including, without limitation, certain payments to be made under or with respect to the Mortgage Loans, and monies and/or Cash Equivalents held under the Debt Service Reserve Account. The 2019 Bonds are the first two series of Bonds issued under the General Resolution, are being issued on a parity with, and shall be entitled to the same benefit and security of the General Resolution as, all other Bonds Outstanding (other than Subordinate Bonds) issued and to be issued thereunder. Pursuant to the General Resolution (except as otherwise expressly provided therein or in a Supplemental Resolution authorizing a series of bonds), all bonds issued thereunder are equally and ratably secured by the Revenues and assets pledged thereunder. All bonds issued or to be issued under the General Resolution, including the 2019 Bonds, are herein referred to as the “Bonds.” See “SECURITY FOR THE BONDS.”

The 2019 Mortgage Loans will be evidenced by two Mortgage Notes payable to the Corporation. One 2019 Mortgage Loan (the “HDC Enhanced Mortgage Loan”), in a principal amount of \$ _____*, will be secured by Supplemental Security in the form of a funding agreement (the “HDC Loan Funding Agreement”) to be provided by the Corporation. The other 2019 Mortgage Loan (the “Freddie Mac Enhanced Mortgage Loan”), in a principal amount of \$ _____*, will be secured by Supplemental Security in the form of a standby credit enhancement agreement issued by Freddie Mac (the “Freddie Mac Standby Credit Enhancement”). In the event the 2019 Mortgagor makes a payment on the 2019 Mortgage

* Preliminary, subject to change.

Loans that is less than the amount then due, such payment will be allocated first to satisfy the amount then due on the Freddie Mac Enhanced Mortgage Loan and then to the amount due on the HDC Enhanced Mortgage Loan.

The HDC Loan Funding Agreement will provide that if a payment default occurs under the HDC Enhanced Mortgage Loan, the Corporation will advance the unpaid amount of principal and/or interest due on the HDC Enhanced Mortgage Loan to the Trustee. Said payment obligation will be a general obligation of the Corporation. Pursuant to the Freddie Mac Standby Credit Enhancement, if a payment default occurs under the Freddie Mac Enhanced Mortgage Loan and subject to certain requirements set forth therein, Freddie Mac will advance the unpaid amount of principal and/or interest due on the Freddie Mac Enhanced Mortgage Loan to the Trustee. Repayments of principal and interest made on the 2019 Mortgage Loans will be allocated first to reimburse Freddie Mac in full and second to reimburse the Corporation in full. See “PLAN OF FINANCING” and “SECURITY FOR THE BONDS.”

The 2019 Mortgage Loans are the first Mortgage Loans to be made with proceeds of Bonds and pledged to secure the Bonds under the General Resolution. The Corporation expects that it will be issuing additional Bonds to finance additional Mortgage Loans in furtherance of the Program.

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

Descriptions of the Corporation, the 2019 Bonds, the 2019 Mortgage Loans, the 2019 Developments, sources of payment therefor, the Program and the Resolutions are included in this Official Statement. All summaries or descriptions herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the 2019 Bonds are qualified in their entirety by reference to the Resolutions and the provisions with respect thereto included in the aforesaid documents and agreements. The Corporation also has committed to provide certain information on an ongoing basis to the Municipal Securities Rulemaking Board. For a description of the Corporation’s undertaking with respect to ongoing disclosure, see “CONTINUING DISCLOSURE.” Summaries of the Supplemental Security and Subsidy Programs are qualified in their entirety by reference to any statutes, regulations or agreements mentioned in such summaries.

SUSTAINABLE DEVELOPMENT BONDS

The 2019 Bonds are designated as “Sustainable Development Bonds” which allow investors to invest directly in bonds that finance socially beneficial projects. The Corporation’s Sustainable Development Bonds designation reflects the use of the proceeds of the 2019 Bonds in a manner that is consistent with the “Social Bond Principles” as promulgated by the International Capital Markets Association (“ICMA”), and updated most recently in June 2018. The Corporation has also determined that its Sustainable Development Bonds designation reflects the use of the proceeds of the 2019 Bonds in a manner that is consistent with “Goal 1: No Poverty” and “Goal 11: Sustainable Cities and Communities” of the United Nations 17 Sustainable Development Goals (referred to as “UNSDGs” generally and “SDG 1” and “SDG 11” specifically). According to the United Nations, the UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. According to the United Nations, SDG 1 is focused on ending poverty in all its forms everywhere, and SDG 11 is focused on making cities and human settlements inclusive, safe, resilient and sustainable.

Use of Proceeds. The proceeds of the 2019 Bonds are expected to be used to finance a portion of the cost of acquiring, rehabilitating and equipping, and converting 2,625 units in 39 tenant-occupied public housing buildings on scattered sites in the Borough of Brooklyn, Kings County, New York. The 2019

Developments expected to receive subsidy payments under the federal Section 8 program, and all of the units in the 2019 Developments will be set aside for households with incomes at or below 60% of AMI.

Project Evaluation and Selection. [The Corporation’s mission is to provide financing for the purpose of increasing the City’s supply of multi-family housing, stimulating economic growth and revitalizing neighborhoods through the creation and preservation of affordable housing for low-, moderate- and middle-income City residents. In furtherance of such purpose, the Corporation seeks to foster thriving, diverse and sustainable neighborhoods; finance new construction for residents of a mix of incomes; preserve affordability within existing housing stock; and protect the City’s most vulnerable residents through supportive housing developments. The Corporation promotes these goals by providing subsidized financing for multi-family housing developments through a variety of subsidy programs.]

Management of Proceeds. The proceeds of the 2019 Bonds will be advanced to fund the 2019 Mortgage Loans. Such disbursements will be tracked by the Corporation.

Post-Issuance Reporting. The Corporation will provide annual updates regarding the disbursement of the proceeds of the 2019 Bonds for the financing of the 2019 Mortgage Loans. The Corporation will cease to update such information when the 2019 Mortgage Loans has been fully funded. This reporting is separate from the Corporation’s obligations described under “CONTINUING DISCLOSURE” and will be provided on the Corporation’s website (www.nychdc.com). Failure by the Corporation to provide such updates shall not be a default or an event of default under the General Resolution or the Disclosure Agreement. In limited instances, small portions of the proceeds of a Series of Bonds designated as Sustainable Development Bonds will be used at the discretion of the Corporation for other purposes permitted under the Act.

The term “Sustainable Development Bonds” is neither defined in nor related to provisions in the Resolutions. The use of such term herein is for identification purposes only and is not intended to provide or imply that an owner of Sustainable Development Bonds is entitled to any additional security beyond that provided therefor in the Resolutions. Holders of Sustainable Development Bonds do not assume any specific risk with respect to any of the funded Developments by reason of a Series of Bonds being designated as Sustainable Development Bonds and such Bonds are secured on a parity with all other Bonds issued and to be issued under the General Resolution (other than Subordinate Bonds).

SOURCES AND USES

The proceeds of the 2019 Bonds received by the Corporation upon the sale of the 2019 Bonds, together with other available monies of the Corporation, are expected to be applied approximately as follows:

| | <u>2019 Series A</u> | <u>2019 Series B</u> | <u>Total</u> |
|--|----------------------|----------------------|--------------|
| <u>SOURCES</u> | | | |
| Proceeds of Bonds | \$ | \$ | \$ |
| Other Available Monies..... | | | |
| TOTAL SOURCES | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| <u>USES</u> | | | |
| Deposit to Bond Proceeds Account | \$ | \$ | \$ |
| Deposit to Debt Service Reserve Account..... | | | |
| Capitalized Interest | | | |
| Cost of Issuance [†] | | | |
| TOTAL USES..... | <u>\$</u> | <u>\$</u> | <u>\$</u> |

[†] Includes compensation to the Underwriters of the 2019 Bonds. See “UNDERWRITING.”

PLAN OF FINANCING

General

Upon the issuance of the 2019 Bonds, the proceeds of the 2019 Bonds are expected to be used by the Corporation to finance two mortgage loans (the “2019 Mortgage Loans”) to Williamsburg Housing Preservation L.P. and Brooklyn Housing Preservation L.P. (collectively, the “2019 Mortgagor”), for the acquisition and rehabilitation of 2,625 units in 39 tenant-occupied public housing buildings to Section 8 supported multi-family residential facilities located in the Borough of Brooklyn, New York (the “2019 Developments”), and to pay certain other costs related thereto. The 2019 Developments are collectively referred to herein as the “2019 Project.”

The 2019 Mortgage Loans will be evidenced by two Mortgage Notes payable to the Corporation. One 2019 Mortgage Loan (the “HDC Enhanced Mortgage Loan”), in a principal amount of \$ _____*, and the other 2019 Mortgage Loan (the “Freddie Mac Enhanced Mortgage Loan”), in a principal amount of \$ _____*. The interest rate (inclusive of servicing and credit enhancement fees) for the HDC Enhanced Mortgage Loan is anticipated to be [__]%. The interest rate (inclusive of servicing and credit enhancement fees) for the Freddie Mac Enhanced Mortgage Loan is anticipated to be [__]%. The Mortgagor will be required to make payments of interest only during the first two years of each 2019 Mortgage Loan. The term to maturity for each 2019 Mortgage Loan is anticipated to be [thirty (30)] years after the closing of the 2019 Mortgage Loans, and each 2019 Mortgage Loan is expected to amortize over a period of forty (40) years.

Each 2019 Mortgage Loan is expected to contain provisions prohibiting the Mortgagor from making any prepayment prior to approximately ten (10) years after the completion of rehabilitation of the 2019 Project; however, the Corporation may waive a prohibition on prepayments contained in the 2019 Mortgage Loans. It is expected that Merchants Capital Corp. will service the Freddie Mac Enhanced Mortgage Loan and the HDC Enhanced Mortgage Loan.

The 2019 Project is expected to receive an additional mortgage loan from the Corporation in a principal amount of \$[_____] (the “Open Mortgage Loan”) from the proceeds of the Corporation’s Multi-Family Housing Revenue Bonds, 2019 Series K issued under the Multi-Family Housing Revenue

* Preliminary, subject to change.

Bonds Bond Resolution adopted by the Members of the Corporation on July 27, 1993, as amended from time to time (the “Open Resolution”), which will be secured by a first mortgage lien.

The Open Mortgage Loan will be evidenced by a series of mortgage notes, each of which will mature in a fixed amount in each year over a period of [forty (40)*] years (each, an “Open Mortgage Loan Note” and, collectively, the “Open Mortgage Loan Notes”). The lien of the Open Mortgage Loan will be senior to the 2019 Mortgage Loans. An event of default under any Open Mortgage Loan Note will not result in an acceleration of the entire Open Mortgage Loan, but rather will result in the unpaid balance of such Open Mortgage Loan Note becoming due and payable. Each Open Mortgage Loan Note will be secured by a mortgage in the inverse order of priority (i.e., the mortgage note maturing after the first year will be secured by the mortgage that is in last position), in order to ensure that any foreclosure of an Open Mortgage Loan Note will be subject to the remaining, more senior mortgages. The only default that can occur under an Open Mortgage Loan Note is the failure to pay amounts due under such Open Mortgage Loan Note on the maturity date thereof.

[Pursuant to intercreditor documents between the Corporation and Freddie Mac, (i) the exercise of any remedies in the event of a payment default under an Open Mortgage Loan Note will not adversely affect any outstanding Open Mortgage Loan Notes that are not in default or the 2019 Mortgage Loans, and (ii) the exercise of foreclosure remedies against any 2019 Mortgage Loan would be subject to the payment of all unpaid amounts due and to become due on the unpaid balance of the currently due Open Mortgage Loan Note.]

Supplemental Security

HDC Loan Funding Agreement

In the event the 2019 Mortgagor makes a payment on the 2019 Mortgage Loans that is less than the amount then due, such payment will be allocated first to satisfy the amount then due on the Freddie Mac Enhanced Mortgage Loan and then to the amount due on the HDC Enhanced Mortgage Loan.

The HDC Enhanced Mortgage Loan will be secured by Supplemental Security in the form of a funding agreement (the “HDC Loan Funding Agreement”) to be provided by the Corporation. The HDC Loan Funding Agreement will provide that if a payment default occurs under the HDC Enhanced Mortgage Loan, the Corporation will advance an amount equal to the unpaid amount of principal and/or interest due on the HDC Enhanced Mortgage Loan to the Trustee. Said payment obligation will be a general obligation of the Corporation. See “SECURITY FOR THE BONDS – Supplemental Security – HDC Loan Funding Agreement” and “THE CORPORATION – Certain Financial Information of the Corporation.”

Freddie Mac Standby Credit Enhancement Agreement

The Freddie Mac Enhanced Mortgage Loan will be secured by Supplemental Security in the form of a standby credit enhancement agreement issued by Freddie Mac pursuant to which, if a payment default occurs under the Freddie Mac Enhanced Mortgage Loan and subject to certain requirements set forth therein, Freddie Mac will advance an amount equal to the unpaid amount of principal and/or interest due on the Freddie Mac Enhanced Mortgage Loan to the Trustee. See “SECURITY FOR THE BONDS – Supplemental Security – Freddie Mac Standby Credit Enhancement Agreement.”

Repayments of principal and interest made on the 2019 Mortgage Loans will be allocated first to reimburse Freddie Mac in full and second to reimburse the Corporation in full.

[The Mortgagor has entered into the Reimbursement Agreement with Freddie Mac pursuant to which the Mortgagor has agreed to reimburse Freddie Mac for any payments made by Freddie Mac under the Credit Enhancement Agreement. The Mortgagor's reimbursement obligations to Freddie Mac are secured by a mortgage lien on the Project (the "Freddie Mac Reimbursement Mortgage"), which is subordinate to the Freddie Mac Enhanced Mortgage Loan and senior to the HDC Enhanced Mortgage Loan. Pursuant to the Reimbursement Agreement, a default by the Mortgagor under the Freddie Enhanced Mortgage Loan or HDC Enhanced Mortgage Loan constitutes a default under the Reimbursement Agreement. Upon an event of default under the Reimbursement Agreement, Freddie Mac, at its option, may either i) elect to draw in full on the Credit Enhancement Agreement, causing an assignment of the Freddie Mac Enhanced Mortgage Loan and redemption of the allocable Bonds, or ii) pursue remedies under the Reimbursement Mortgage, including foreclosure, with the consent of the Corporation.]

2019 Developments

The following information concerning the Developments has been provided by representatives of the 2019 Mortgagor and has not been independently confirmed or verified by the Corporation or the Underwriters. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The 2019 Developments, known as Brooklyn Bundle II, are located in the Borough of Brooklyn, Kings County, New York, on nine sites. The 2019 Developments contain a total of 2,625 apartment units located in 39 residential buildings. Rehabilitation of the 2019 Developments is anticipated to commence in [December 2019] and be completed approximately 24 months later. NYCHA is the current owner of the 2019 Developments. NYCHA will enter into a long-term lease (the "Lease") of the 2019 Developments to the Mortgagor.

Unit and common area improvements and amenities will include: a wide range of energy efficiency upgrades, building system repairs, new apartment windows, new bathrooms and kitchens, new simulated wood flooring, modern security system implementation, and renovations to exterior components of the buildings. There are approximately 291 parking spaces for resident use only.

The Section 8 rental subsidy on two of the 2019 Developments (Armstrong I and 572 Warren Street) will be 100% Project-Based Voucher Contracts ("PBV HAPs") as a result of Section 18 disposition approvals. The Section 8 rental subsidy on five of the 2019 Developments (Armstrong II, Berry Street, Marcy-Green Site A, Marcy-Green Site B, and Weeksville Gardens) will be split between approximately 25% PBV HAPs and approximately 75% RAD HAP contracts. The existing Section 8 rental subsidy on two of the 2019 Developments (Independence Towers and Williams Plaza) will be assigned to Williamsburg Housing Preservation L.P. with additional units added to the HAP contracts. [split between approximately 85% Project Based Section 8 vouchers and approximately 15% non-Project Based Section 8 vouchers]. For more information on Section 8, RAD and TPV programs and requirements see "[____]."

Ground Lease

The 2019 Developments will be owned in fee by NYCHA and leased by NYCHA, as landlord, via multiple long-term leases to the Mortgagor, as tenant. A total of nine leases, one for each former public housing site, will contain substantially similar terms. Each lease will have a term of 99 years and each lease will have a memorandum of lease recorded in the land records to memorialize its terms.

2019 Mortgagor

Pursuant to that certain Declaration and Nominee Agreement by and between WILLIAMSBURG PACT HOUSING DEVELOPMENT FUND CORPORATION, a New York not-for-profit corporation organized pursuant to Article XI of the Private Housing Finance Law and the Not-for-Profit Corporation Law of the State of New York (“Williamsburg Housing Nominee”) and WILLIAMSBURG HOUSING PRESERVATION L.P., a New York limited partnership (“Williamsburg Housing Borrower”), Williamsburg Housing Borrower will be the leasehold beneficial owner of, and Williamsburg Housing Nominee will be the leasehold nominal owner of Block: 2145, Lots 18 and 8; Block 2156, Lot 7; Block 2157, Lot 6; Block 2172 Lot: 1; Block 2176, Lot 1; Block 2140, Lot 26; and Block 2141, Lot 19 (the “Williamsburg Housing Mortgaged Property”).

Pursuant to that certain Declaration and Nominee Agreement by and between BROOKLYN PACT II HOUSING DEVELOPMENT FUND CORPORATION, a New York not-for-profit corporation organized pursuant to Article XI of the Private Housing Finance Law and the Not-for-Profit Corporation Law of the State of New York (“Brooklyn Housing Nominee”; and together with Williamsburg Housing Nominee, collectively, “Nominee”) and BROOKLYN HOUSING PRESERVATION L.P., a New York limited partnership (“Brooklyn Housing Borrower”; and together with Williamsburg Housing Borrower, collectively, “Borrower”; and Borrower, together with Nominee, collectively, “Mortgagor”), Brooklyn Housing Borrower will be the leasehold beneficial owner of, and Brooklyn Housing Borrower Nominee will be the leasehold nominal owner of Block 1794, Lots 11, 54, 112-120, 121, 139; Block 1803, Lots 11, 27, 42 and 112-124; Block 1808, Lots 59, 160-173 and 174; Block 1802, Lots 43, 44 and 51; Block 1799, Lot 44; Block 1804, Lot 10; Block 1809, Lots 1 and 62; Block 401, Lot 1; Block 1798, Lots 20 and 77; and Block 1341, Lots 1 and 12 (the “Brooklyn Housing Mortgaged Property”; and together with the Williamsburg Housing Mortgaged Property, collectively, the “Mortgaged Property”).

Each of the Williamsburg Housing Nominee and the Brooklyn Housing Nominee has a sole member that is an affiliate of NYCHA. Each of the Borrowers has a managing member that consists of a joint venture between affiliates of Omni New York LLC, The Arkers Companies, Dabar Development Partners, LLC and Bedford Stuyvesant Restoration Corp.

DESCRIPTION OF THE 2019 SERIES A BONDS

General

The 2019 Series A Bonds will bear interest at fixed rates to maturity or to the date, if any, on which the 2019 Series A Bonds are purchased upon mandatory tender at the option of the Corporation. The 2019 Series A Bonds will mature on the dates and in the amounts set forth on the inside cover pages of this Official Statement. U.S. Bank National Association is the Trustee for the Bonds, including the 2019 Series A Bonds.

The 2019 Series A Bonds will be dated the date of delivery thereof and will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the 2019 Series A Bonds will accrue from their dated date and be payable on February 1 and August 1 in each year, commencing August 1, 2020, and on any redemption date or mandatory tender date, at the rates per annum set forth on the inside cover pages of this Official Statement. Interest on the 2019 Series A Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The 2019 Series A Bonds are subject to optional redemption or mandatory tender at the option of the Corporation, special optional redemption or special mandatory tender at the option of the Corporation and sinking fund redemption prior to maturity, as described below.

This Official Statement in general describes the 2019 Series A Bonds only prior to the date, if any, on which the 2019 Series A Bonds are purchased upon mandatory tender at the option of the Corporation.

Optional Redemption or Mandatory Tender at the Option of the Corporation of 2019 Series A Bonds

The 2019 Series A Bonds are subject to redemption or mandatory tender for purchase, at the option of the Corporation, in whole or in part, from any source, at any time prior to maturity on or after [_____], at a Redemption Price or Purchase Price, as applicable, equal to one hundred percent (100%) of the principal amount of the 2019 Series A Bonds or portions thereof to be so redeemed or purchased, plus accrued interest to the Redemption Date or purchase date.

Special Optional Redemption or Special Mandatory Tender at the Option of the Corporation of 2019 Series A Bonds

The 2019 Series A Bonds are subject to special redemption or special mandatory tender for purchase, at the option of the Corporation, in whole or in part, at any time prior to maturity, at a Redemption Price or Purchase Price, as applicable, equal to one hundred percent (100%) of the principal amount of the 2019 Series A Bonds or portions thereof to be so redeemed or purchased, plus accrued interest to the Redemption Date or purchase date, from any source other than: (i) Voluntary Sale Proceeds*; (ii) proceeds of bonds issued, or caused to be issued, by the Corporation for the purpose of refunding all or a portion of the 2019 Series A Bonds or refinancing all or a portion of any Mortgage Loan (“Refunding Bonds”), except that the proceeds of Refunding Bonds described in the succeeding paragraph may be applied to the special redemption or special mandatory tender for purchase of the 2019 Series A Bonds; or (iii) any other unencumbered funds of the Corporation not subject to the lien of the Resolutions.

The 2019 Series A Bonds are subject to the foregoing special redemption or special mandatory tender for purchase from the proceeds of Refunding Bonds issued in an amount not greater than any prepayment of a Mortgage Loan (including the 2019 Mortgage Loan) received by the Corporation, which prepayment is not used to redeem Bonds.

Amounts that may be applied to the foregoing special redemption or special mandatory tender for purchase include, but are not limited to: any prepayment of the 2019 Mortgage Loan by the Mortgagor thereof; upon the filing of a Cash Flow Statement, any prepayment of any other Mortgage Loans (except any Mortgage Loan financed under a Supplemental Resolution that prohibits such use); unexpended proceeds of the 2019 Series A Bonds; and, upon the filing of a Cash Flow Statement, amounts held in the Revenue Account that are not required to be used for other purposes.

Sinking Fund Redemption of 2019 Series A Bonds

The 2019 Series A Bonds maturing on [_____] are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption thereof, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 1 and November 1 of each year the principal amount of such 2019 Series A Bonds specified for each of the Redemption Dates shown below:

2019 SERIES A BONDS
MATURING ON [_____]

| <u>Redemption Date</u> | Principal | <u>Redemption Date</u> | Principal |
|------------------------|-----------|------------------------|-----------|
|------------------------|-----------|------------------------|-----------|

* “Voluntary Sale Proceeds” means the proceeds of the sale, assignment, endorsement or other disposition of any Mortgage Loan (including any 2019 Series G Mortgage Loan), except a sale, assignment, endorsement or other disposition required pursuant to the General Resolution in the event of a default under the General Resolution or made when, in the sole judgment of the Corporation, such Mortgage Loan is in default.

Amount
\$

Amount
\$

†

† Stated maturity

The 2019 Series A Bonds maturing on [_____] are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption thereof, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 1 and November 1 of each year the principal amount of such 2019 Series A Bonds specified for each of the Redemption Dates shown below:

2019 SERIES A BONDS
MATURING ON [_____]

| <u>Redemption Date</u> | <u>Principal Amount</u> | <u>Redemption Date</u> | <u>Principal Amount</u> |
|------------------------|-------------------------|------------------------|-------------------------|
| | \$ | | \$ |

†

† Stated maturity

The 2019 Series A Bonds maturing on [_____] are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption thereof, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 1 and November 1 of each year the principal amount of such 2019 Series A Bonds specified for each of the Redemption Dates shown below:

2019 SERIES A BONDS
MATURING ON [_____]

| <u>Redemption Date</u> | <u>Principal Amount</u> | <u>Redemption Date</u> | <u>Principal Amount</u> |
|------------------------|-------------------------|------------------------|-------------------------|
| | \$ | | \$ |

†

† Stated maturity

The 2019 Series A Bonds maturing on [_____] are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption thereof, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 1 and November 1 of each year the principal amount of such 2019 Series A Bonds specified for each of the Redemption Dates shown below:

2019 SERIES A BONDS
MATURING ON [_____]

| <u>Redemption Date</u> | <u>Principal Amount</u> | <u>Redemption Date</u> | <u>Principal Amount</u> |
|------------------------|-------------------------|------------------------|-------------------------|
| | \$ | | \$ |

† Stated maturity

The amounts accumulated for each Sinking Fund Payment may be applied by the Trustee, at the direction of the Corporation, prior to the forty-fifth (45th) day preceding the due date of such Sinking Fund Payment, to the purchase of the 2019 Series A Bonds to be redeemed from such Sinking Fund Payments, at prices (including any brokerage and other charges) not exceeding the applicable Redemption Price, plus accrued interest to the date of purchase; provided, however, that the purchase of such 2019 Series A Bonds may, to the extent permitted by law, be at prices exceeding the applicable Redemption Price if the Corporation files a Cash Flow Statement with the Trustee as provided in the General Resolution.

Upon the purchase or redemption of any 2019 Series A Bonds for which Sinking Fund Payments shall have been established, other than by application of Sinking Fund Payments, an amount equal to the principal amount of the 2019 Series A Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Payment thereafter to become due with respect to the 2019 Series A Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment shall be credited by the Trustee against future Sinking Fund Payments in direct chronological order, unless otherwise instructed in writing by an Authorized Officer at the time of such purchase or redemption.

Provisions with Respect to Redemption of 2019 Series A Bonds

Selection of 2019 Series A Bonds to be Redeemed

Subject to the redemption requirements set forth in the applicable 2019 Supplemental Resolution, in the event of a redemption of 2019 Series A Bonds in connection with Recoveries of Principal, maturity or maturities, CUSIP Numbers and the amount thereof to be so redeemed shall be selected as directed by the Corporation in written instructions filed with the Trustee accompanied by a Cash Flow Statement. In the absence of such direction, (i) 2019 Series A Bonds subject to redemption shall be redeemed in connection with Recoveries of Principal derived from or with respect to the Mortgage Loans financed from or allocated to such 2019 Series A Bonds and (ii) 2019 Series A Bonds of each maturity subject to redemption shall be redeemed in the proportion that the amount Outstanding of each such maturity bears to the total amount of all Outstanding 2019 Series A Bonds. The maturities of 2019 Series A Bonds to be redeemed at the option of the Corporation shall be selected as directed by the Corporation. In the event of a redemption of less than all of the 2019 Series A Bonds of the same maturity and CUSIP Number, the Trustee shall select the 2019 Series A Bonds to be redeemed by lot, using such method of selection as it shall deem proper in its sole discretion. Notwithstanding anything to the contrary contained in the General Resolution or the applicable 2019 Supplemental Resolution, no 2019 Series A Bond shall be selected for redemption if the portion of such 2019 Series A Bond remaining after such redemption would not be in a denomination authorized by the General Resolution or the applicable 2019 Supplemental Resolution.

Corporation's Right to Purchase 2019 Series A Bonds

The Corporation retains the right to purchase any 2019 Series A Bonds, at such times, in such amounts and at such prices as the Corporation shall determine, subject to the provisions of the General Resolution, and, thereby, reduce its obligations, including Sinking Fund Payments, if any, for such 2019 Series A Bonds. See "SECURITY FOR THE BONDS—Cash Flow Statements and Cash Flow Certificates."

Notice of Redemption

When the Trustee receives notice from the Corporation of its election or direction to redeem 2019 Series A Bonds, or is otherwise required to redeem 2019 Series A Bonds, the Trustee will give notice, in the name of the Corporation, of the redemption of such 2019 Series A Bonds or portions thereof. Such notice will specify the maturities of the 2019 Series A Bonds to be redeemed, the Redemption Date, any conditions precedent to such redemption and the place or places where amounts due upon such redemption will be payable. Not less than twenty (20) days before the Redemption Date for the 2019 Series A Bonds (other than a Redemption Date that is also a mandatory tender date), the Trustee is to mail a copy of such notice to the registered owners of any 2019 Series A Bonds or portions thereof which are to be redeemed, at their last addresses appearing upon the registry books. Interest will not be payable on any 2019 Series A Bonds or portions thereof after the Redemption Date if notice has been given and if sufficient monies have been deposited with the Trustee to pay the principal or applicable Redemption Price of and interest on such 2019 Series A Bonds on such date and all conditions precedent, if any, to such redemption shall have been satisfied.

Provisions with Respect to Tender of 2019 Series A Bonds

No liquidity facility has been obtained to pay the Purchase Price of any 2019 Series A Bonds that are tendered and not remarketed or redeemed, and the Corporation will be obligated to pay the Purchase Price of those 2019 Series A Bonds only from monies available from and held under the General Resolution. Failure to pay the Purchase Price of the 2019 Series A Bonds constitutes a 2019 Series A Event of Default under the 2019 Series A Supplemental Resolution but does not, in and of itself, constitute an Event of Default under the General Resolution. The 2019 Series A Supplemental Resolution provides that upon such 2019 Series A Event of Default the Trustee shall proceed to bring suit on behalf of the owners of the 2019 Series A Bonds for such Purchase Price, with recovery limited to moneys available under the General Resolution. Failure to pay the unpaid principal amount and accrued interest on the 2019 Series A Bonds upon their maturity constitutes an Event of Default under the General Resolution.

The Trustee is required to deliver, or mail by first class mail, postage prepaid, to the owner of each 2019 Series A Bond subject to mandatory tender for purchase, at its address shown on the registration books of the Corporation held by the Trustee, a notice not later than twenty (20) days prior to the mandatory tender date. Any notice given in such manner shall be conclusively presumed to have been duly given, whether or not the owner receives such notice. Such notice shall set forth, in substance, that such owners shall be deemed to have tendered their affected 2019 Series A Bonds for purchase on such mandatory tender date, and the Purchase Price for such 2019 Series A Bonds.

Owners of affected 2019 Series A Bonds shall be required to tender their affected 2019 Series A Bonds to the Tender Agent for purchase at the applicable Purchase Price on the mandatory tender date with an appropriate endorsement for transfer to the Tender Agent, or accompanied by a bond power endorsed in blank. Any 2019 Series A Bonds not so delivered to the Tender Agent on or prior to the purchase date (the "Undelivered 2019 Series A Bonds") for which there has been irrevocably deposited in trust with the Trustee or Tender Agent an amount of moneys sufficient to pay the applicable Purchase Price of such Undelivered 2019 Series A Bonds shall be deemed to have been purchased at the applicable Purchase Price on the mandatory tender date. **IN THE EVENT OF A FAILURE BY AN OWNER OF AFFECTED 2019 SERIES A BONDS TO DELIVER ITS AFFECTED 2019 SERIES A BONDS ON OR PRIOR TO THE MANDATORY TENDER DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO THE MANDATORY TENDER DATE) OTHER THAN THE APPLICABLE PURCHASE PRICE FOR SUCH UNDELIVERED 2019 SERIES A BONDS, AND ANY UNDELIVERED 2019 SERIES A BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE RESOLUTIONS, EXCEPT FOR THE PAYMENT OF THE APPLICABLE PURCHASE PRICE THEREFOR.**

If, following the provision of notice of mandatory tender for purchase of the 2019 Series A Bonds, the Trustee receives notice from the Corporation that such purchase cannot be effected or is canceled, the mandatory tender shall be canceled. The Trustee shall promptly deliver or mail by first class mail, postage prepaid, a notice to the owners of the 2019 Series A Bonds stating that such mandatory tender shall not occur (and the reasons therefor) and shall be canceled.

The maturities of 2019 Series A Bonds to be subject to mandatory tender at the option of the Corporation shall be selected as directed by the Corporation. If only a portion of the 2019 Series A Bonds of the same maturity and CUSIP Number are to be subject to mandatory tender for purchase, such 2019 Series A Bonds to be tendered (which shall be in authorized denominations) shall be selected by the Trustee by lot, using such method as it shall determine in its sole discretion except that the Trustee shall not select any 2019 Series A Bond for tender which would result in any remaining 2019 Series A Bond not being in an authorized denomination as provided in the Resolutions.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2019 Series A Bonds. The 2019 Series A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2019 Series A Bond Certificate will be issued for all 2019 Series A Bonds of like maturity, interest rate and initial CUSIP number, totaling in the aggregate the principal amount of such 2019 Series A Bonds, and will be deposited with DTC. See “APPENDIX F—Book-Entry Only System” for a discussion of DTC and the book-entry only system. So long as Cede & Co. is the registered owner of the 2019 Series A Bonds, as nominee for DTC, references herein to Holders or registered owners of the 2019 Series A Bonds (other than under the captions “Tax Matters” and “Continuing Disclosure”) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined in “APPENDIX F—Book-Entry Only System”) of the 2019 Series A Bonds.

DESCRIPTION OF THE 2019 SERIES B BONDS

General

The 2019 Series B Bonds will bear interest at fixed rates to maturity. The 2019 Series B Bonds will mature on the dates and in the amounts set forth on the inside cover pages of this Official Statement. U.S. Bank National Association is the Trustee for the Bonds, including the 2019 Series B Bonds.

The 2019 Series B Bonds will be dated the date of delivery thereof and will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the 2019 Series B Bonds will accrue from their dated date and be payable on February 1 and August 1 in each year, commencing August 1, 2020, and on any redemption date, at the rates per annum set forth on the inside cover pages of this Official Statement. Interest on the 2019 Series B Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The 2019 Series B Bonds are subject to optional redemption at the option of the Corporation, special optional redemption at the option of the Corporation and sinking fund redemption prior to maturity, as described below.

Optional Redemption at the Option of the Corporation of 2019 Series B Bonds

The 2019 Series B Bonds are subject to redemption, at the option of the Corporation, in whole or in part, from any source, at any time prior to maturity on or after [_____], at a Redemption Price

equal to one hundred percent (100%) of the principal amount of the 2019 Series B Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date.

Special Optional Redemption at the Option of the Corporation of 2019 Series B Bonds

The 2019 Series B Bonds are subject to special redemption, at the option of the Corporation, in whole or in part, at any time prior to maturity, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the 2019 Series B Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, from any source other than: (i) Voluntary Sale Proceeds*; (ii) proceeds of bonds issued, or caused to be issued, by the Corporation for the purpose of refunding all or a portion of the 2019 Series B Bonds or refinancing all or a portion of any Mortgage Loan (“Refunding Bonds”), except that the proceeds of Refunding Bonds described in the succeeding paragraph may be applied to the special redemption of the 2019 Series B Bonds; or (iii) any other unencumbered funds of the Corporation not subject to the lien of the Resolutions.

The 2019 Series B Bonds are subject to the foregoing special redemption from the proceeds of Refunding Bonds issued in an amount not greater than any prepayment of a Mortgage Loan (including the 2019 Mortgage Loan) received by the Corporation, which prepayment is not used to redeem Bonds.

Amounts that may be applied to the foregoing special redemption include, but are not limited to: any prepayment of the 2019 Mortgage Loan by the Mortgagor thereof; upon the filing of a Cash Flow Statement, any prepayment of any other Mortgage Loans (except any Mortgage Loan financed under a Supplemental Resolution that prohibits such use); unexpended proceeds of the 2019 Series B Bonds; and, upon the filing of a Cash Flow Statement, amounts held in the Revenue Account that are not required to be used for other purposes.

Sinking Fund Redemption of 2019 Series B Bonds

The 2019 Series B Bonds maturing on [_____] are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption thereof, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 1 and November 1 of each year the principal amount of such 2019 Series B Bonds specified for each of the Redemption Dates shown below:

| 2019 SERIES B BONDS MATURING ON [_____] | | | |
|--|-------------------------------|------------------------|-------------------------------|
| <u>Redemption Date</u> | <u>Principal Amount</u> \$ | <u>Redemption Date</u> | <u>Principal Amount</u> \$ |
| _____ | | † | |
| † Stated maturity | | | |

The 2019 Series B Bonds maturing on [_____] are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption thereof, from mandatory Sinking Fund Payments which are required to be made in amounts

* “Voluntary Sale Proceeds” means the proceeds of the sale, assignment, endorsement or other disposition of any Mortgage Loan (including any 2019 Series G Mortgage Loan), except a sale, assignment, endorsement or other disposition required pursuant to the General Resolution in the event of a default under the General Resolution or made when, in the sole judgment of the Corporation, such Mortgage Loan is in default.

sufficient to redeem on May 1 and November 1 of each year the principal amount of such 2019 Series B Bonds specified for each of the Redemption Dates shown below:

2019 SERIES B BONDS
MATURING ON [_____]

| <u>Redemption Date</u> | <u>Principal Amount</u> | <u>Redemption Date</u> | <u>Principal Amount</u> |
|------------------------|-------------------------|------------------------|-------------------------|
| | \$ | | \$ |

†

† Stated maturity

The 2019 Series B Bonds maturing on [_____] are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption thereof, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 1 and November 1 of each year the principal amount of such 2019 Series B Bonds specified for each of the Redemption Dates shown below:

2019 SERIES B BONDS
MATURING ON [_____]

| <u>Redemption Date</u> | <u>Principal Amount</u> | <u>Redemption Date</u> | <u>Principal Amount</u> |
|------------------------|-------------------------|------------------------|-------------------------|
| | \$ | | \$ |

†

† Stated maturity

The 2019 Series B Bonds maturing on [_____] are subject to redemption at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption thereof, from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem on May 1 and November 1 of each year the principal amount of such 2019 Series B Bonds specified for each of the Redemption Dates shown below:

2019 SERIES B BONDS
MATURING ON [_____]

| <u>Redemption Date</u> | <u>Principal Amount</u> | <u>Redemption Date</u> | <u>Principal Amount</u> |
|------------------------|-------------------------|------------------------|-------------------------|
| | \$ | | \$ |

†

† Stated maturity

The amounts accumulated for each Sinking Fund Payment may be applied by the Trustee, at the direction of the Corporation, prior to the forty-fifth (45th) day preceding the due date of such Sinking Fund Payment, to the purchase of the 2019 Series B Bonds to be redeemed from such Sinking Fund Payments, at prices (including any brokerage and other charges) not exceeding the applicable Redemption Price, plus accrued interest to the date of purchase; provided, however, that the purchase of such 2019 Series B Bonds

may, to the extent permitted by law, be at prices exceeding the applicable Redemption Price if the Corporation files a Cash Flow Statement with the Trustee as provided in the General Resolution.

Upon the purchase or redemption of any 2019 Series B Bonds for which Sinking Fund Payments shall have been established, other than by application of Sinking Fund Payments, an amount equal to the principal amount of the 2019 Series B Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Payment thereafter to become due with respect to the 2019 Series B Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment shall be credited by the Trustee against future Sinking Fund Payments in direct chronological order, unless otherwise instructed in writing by an Authorized Officer at the time of such purchase or redemption.

Provisions with Respect to Redemption of 2019 Series B Bonds

Selection of 2019 Series B Bonds to be Redeemed

Subject to the redemption requirements set forth in the applicable 2019 Supplemental Resolution, in the event of a redemption of 2019 Series B Bonds in connection with Recoveries of Principal, maturity or maturities, CUSIP Numbers and the amount thereof to be so redeemed shall be selected as directed by the Corporation in written instructions filed with the Trustee accompanied by a Cash Flow Statement. In the absence of such direction, (i) 2019 Series B Bonds subject to redemption shall be redeemed in connection with Recoveries of Principal derived from or with respect to the Mortgage Loans financed from or allocated to such 2019 Series B Bonds and (ii) 2019 Series B Bonds of each maturity subject to redemption shall be redeemed in the proportion that the amount Outstanding of each such maturity bears to the total amount of all Outstanding 2019 Series B Bonds. The maturities of 2019 Series B Bonds to be redeemed at the option of the Corporation shall be selected as directed by the Corporation. In the event of a redemption of less than all of the 2019 Series B Bonds of the same maturity and CUSIP Number, the Trustee shall select the 2019 Series B Bonds to be redeemed by lot, using such method of selection as it shall deem proper in its sole discretion. Notwithstanding anything to the contrary contained in the General Resolution or the applicable 2019 Supplemental Resolution, no 2019 Series B Bond shall be selected for redemption if the portion of such 2019 Series B Bond remaining after such redemption would not be in a denomination authorized by the General Resolution or the applicable 2019 Supplemental Resolution.

Corporation's Right to Purchase 2019 Series B Bonds

The Corporation retains the right to purchase any 2019 Series B Bonds, at such times, in such amounts and at such prices as the Corporation shall determine, subject to the provisions of the General Resolution, and, thereby, reduce its obligations, including Sinking Fund Payments, if any, for such 2019 Series B Bonds. See "SECURITY FOR THE BONDS—Cash Flow Statements and Cash Flow Certificates."

Notice of Redemption

When the Trustee receives notice from the Corporation of its election or direction to redeem 2019 Series B Bonds, or is otherwise required to redeem 2019 Series B Bonds, the Trustee will give notice, in the name of the Corporation, of the redemption of such 2019 Series B Bonds or portions thereof. Such notice will specify the maturities of the 2019 Series B Bonds to be redeemed, the Redemption Date, any conditions precedent to such redemption and the place or places where amounts due upon such redemption will be payable. Not less than twenty (20) days before the Redemption Date for the 2019 Series B Bonds, the Trustee is to mail a copy of such notice to the registered owners of any 2019 Series B Bonds or portions thereof which are to be redeemed, at their last addresses appearing upon the registry books. Interest will not be payable on any 2019 Series B Bonds or portions thereof after the Redemption Date if notice has been

given and if sufficient monies have been deposited with the Trustee to pay the principal or applicable Redemption Price of and interest on such 2019 Series B Bonds on such date and all conditions precedent, if any, to such redemption shall have been satisfied.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2019 Series B Bonds. The 2019 Series B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2019 Series B Bond Certificate will be issued for all 2019 Series B Bonds of like maturity, interest rate and initial CUSIP number, totaling in the aggregate the principal amount of such 2019 Series B Bonds, and will be deposited with DTC. See “APPENDIX F—Book-Entry Only System” for a discussion of DTC and the book-entry only system. So long as Cede & Co. is the registered owner of the 2019 Series B Bonds, as nominee for DTC, references herein to Holders or registered owners of the 2019 Series B Bonds (other than under the captions “Tax Matters” and “Continuing Disclosure”) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined in “APPENDIX F—Book-Entry Only System”) of the 2019 Series B Bonds.

SECURITY FOR THE BONDS

Pledge of the General Resolution

The General Resolution constitutes a contract among the Corporation, the Trustee and the owners of the Bonds issued thereunder and, except as otherwise provided under the General Resolution or in a Supplemental Resolution authorizing a Series of Bonds, its provisions are for the equal benefit, protection and security of the owners of all such Bonds, each of which, regardless of maturity, is to be of equal rank without preference, priority or distinction. The General Resolution authorizes the issuance of Bonds having a charge and lien on the Revenues and other assets pledged under the General Resolution subordinate to the charge and lien of the Bonds (the “Subordinate Bonds”). Prior to the issuance of any Bonds, the General Resolution requires that the Trustee be provided with a Cash Flow Statement. See “—Additional Bonds” below.

The Bonds are special revenue obligations of the Corporation payable solely from the Revenues and Accounts described below.

Payment of the principal or Redemption Price of and interest on all Bonds is secured by a pledge of Revenues, which consist of, among other things, unless otherwise provided in a Supplemental Resolution authorizing a Series of Bonds, all payments received by the Corporation from or on account of the Mortgage Loans, including scheduled, delinquent and advance payments of principal of and interest on the Mortgage Loans, proceeds from the sale, assignment, endorsement or other disposition of the Mortgage Loans, amounts received on account of the acceleration of payments due under the Mortgage Loans or other remedial proceedings taken in the event of a default thereon, proceeds of any mortgage insurance or credit enhancement with respect to defaulted Mortgage Loans, proceeds of any hazard insurance or condemnation award, Hedge Receipts, Termination Receipts, and income derived from the investment of funds held by the Trustee in Accounts established under or pursuant to the General Resolution. Revenues do not, however, include amounts required to be deposited in the Rebate Fund, Escrow Payments, late charges or administrative, credit enhancement, financing, extension, servicing or settlement fees on account of any Mortgage Loan. Payment of the Bonds is also secured by a pledge by the Corporation of its right, title and interest in and to the Mortgage Loans and, except as otherwise provided in any Supplemental Resolution authorizing a particular Series of Bonds, of all Accounts established pursuant to the General Resolution (including the investments thereof, if any). Under the General Resolution, the Corporation is not required to subject to the pledge and lien of the General Resolution assets, including mortgage loans, financed by Bonds issued thereunder. In addition, under the General Resolution the Corporation may pledge Accounts created pursuant to a Supplemental Resolution authorizing a particular Series of Bonds solely to the Bonds of such Series or exclude such Accounts from the pledge of the General Resolution. See “Appendix B—Summary of Certain Provisions of the General Resolution.”

The foregoing pledges are also subject to the terms and provisions of the General Resolution requiring transfers of amounts to the Rebate Fund and permitting the application of the Revenues and amounts in such Accounts for certain purposes, including financing Mortgage Loans, funding the Debt Service Reserve Account in order to maintain such Account at its required level, paying certain amounts to the Trustee, the Corporation and Credit Facility Providers, if any, and paying certain investment fees, if any. The Corporation is also authorized under the General Resolution to withdraw surplus revenues and any Mortgage Loans, free and clear of the pledge and lien of the General Resolution, upon filing a Cash Flow Statement with the Trustee. See “—Cash Flow Statements and Cash Flow Certificates” below and “Appendix B—Summary of Certain Provisions of the General Resolution—Revenue Account.”

Mortgage Loans

Under the General Resolution, the Corporation is authorized to issue Bonds to finance any of its corporate purposes for which the Corporation may issue bonds under the Act, or any other applicable law now or hereafter enacted. Such corporate purposes include, but are not limited to, financing one or more Mortgage Loans. The term Mortgage Loan is defined under the General Resolution as a loan for a Project, evidenced by a note, secured by a Mortgage (but such Mortgage need not create a first mortgage lien on such Project) and specified in a Supplemental Resolution as being subject to the lien of the General Resolution. The General Resolution does not require Mortgage Loans to be secured by first mortgage liens on their respective Developments. The term Mortgage Loan also includes a participation by the Corporation with another party or parties, public or private, in a loan made to a Mortgagor with respect to a Project, or pool of such loans, and any instrument evidencing an ownership in any such loan or the cash flow therefrom, including, but not limited to, guaranteed mortgage-backed securities. The Corporation may withdraw Mortgage Loans and surplus revenues from the pledge and lien of the General Resolution upon the filing with the Trustee of a Cash Flow Statement or Cash Flow Certificate or, with respect to certain fees and Mortgage Loans, without the filing of a Cash Flow Statement or a Cash Flow Certificate. See “—Cash Flow Statements and Cash Flow Certificates” below. In addition to Mortgage Loans, the Corporation may finance mortgage loans and other assets that are not subject to the pledge of the General Resolution.

If Mortgage Loans are financed under the General Resolution, such Mortgage Loans may, but are not required to, be subject to Supplemental Security insuring or securing against Mortgage Loan default losses. Such Supplemental Security, if any, may be in the form of, among other things, (a) mortgage insurance provided by (i) the Federal Housing Administration (“FHA”), including insurance through the FHA Risk-Sharing Insurance Program, (ii) the New York City Residential Mortgage Insurance Corporation, a subsidiary corporation of the Corporation (“REMIC”) and (iii) the State of New York Mortgage Agency (“SONYMA”), (b) mortgage-backed securities guaranteed by the Government National Mortgage Association (“GNMA”), (c) a credit enhancement instrument provided by the Federal National Mortgage Association (“Fannie Mae”) or Freddie Mac, (d) a risk share credit enhancement instrument provided by Freddie Mac and (e) bank letters of credit or other forms of supplemental security, any or all of which may be obtained pursuant to one or more programs of the Federal, State or local government. See “—Supplemental Security” below.

In the case of most of its programs, the Corporation has not assumed sole responsibility for the underwriting of mortgage loans financed thereunder. For certain Mortgage Loans in the Program, the Corporation expects to rely on the underwriting criteria and expertise of other parties, including HUD, FHA, Fannie Mae, Freddie Mac, REMIC, SONYMA, credit facility providers and/or The City of New York Department of Housing Preservation and Development (“HPD”). For certain other Mortgage Loans in the Program, the Corporation, in conjunction with conventional lenders, credit facility providers and/or HPD, may underwrite such Mortgage Loans. For certain Mortgage Loans in the Program, the Corporation may determine to undertake such underwriting responsibility by itself. In the General Resolution, the Corporation has covenanted to retain and employ competent personnel for the purposes of carrying out its powers thereunder.

The 2019 Mortgage Loans are the first Mortgage Loans to be made with proceeds of Bonds and pledged to secure the Bonds under the General Resolution. The Corporation expects that it will be issuing additional Bonds to finance additional Mortgage Loans in furtherance of the Program. It is expected that Merchants Capital Corp. will service the Freddie Mac Enhanced Mortgage Loan and the HDC Enhanced Mortgage Loan.

Except as otherwise provided in a Supplemental Resolution authorizing Bonds, the Corporation shall do all acts and things necessary to receive and collect Revenues (including diligent enforcement of

the prompt collection of all arrears on Mortgage Loans) and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Corporation to protect its rights with respect to or to maintain any Supplemental Security on Mortgage Loans or any Subsidy Programs in connection with the Projects securing the Mortgage Loans or the occupancy thereof and to enforce all terms, covenants and conditions of the Mortgage Loans, including the collection, custody and prompt application of all Escrow Payments for the purposes for which they were made. See “Appendix B—Summary of Certain Provisions of the General Resolution—Covenants with Respect to Mortgage Loans.” In the event of a default on the Mortgage Loans that are not secured by Supplemental Security, the related mortgage liens would likely be the sole security for repayment (see “THE PROGRAM—Certain Factors Affecting the Mortgage Loans—New York Foreclosure Procedures and Bankruptcy—New York Foreclosure Procedures.”).

Supplemental Security

HDC Loan Funding Agreement

In the event the 2019 Mortgagor makes a payment on the 2019 Mortgage Loans that is less than the amount then due, such payment will be allocated first to satisfy the amount then due on the Freddie Mac Enhanced Mortgage Loan and then to the amount due on the HDC Enhanced Mortgage Loan.

Solely following a default with respect to payment of principal and/or interest due under the HDC Enhanced Mortgage Loan, and no later than the earlier of (a) [eight] days following the date on which such a default has occurred and (b) the next Interest Payment Date with respect to the 2019 Bonds, the Corporation will pay to the Trustee an amount equal to 100% of the unpaid amount of principal and/or interest due on the HDC Enhanced Mortgage Loan.

The Corporation will be under no obligation to pay to the Trustee any amount that exceeds an amount equal the unpaid amount of principal and/or interest due on the HDC Enhanced Mortgage Loans. Once the Corporation pays an amount to the Trustee on account of any unpaid principal and/or interest that has theretofore come due under the HDC-Enhanced Mortgage Loan in accordance with the HDC Loan Funding Agreement, the Corporation will be under no obligation to pay any further amount on account of such unpaid principal and/or interest that has theretofore come due under the HDC-Enhanced Mortgage Loan. The Corporation’s obligations to the Trustee under the HDC Loan Funding Agreement at any time shall not exceed the sum of (i) the original principal balance of the HDC-Enhanced Mortgage Loan, reduced by (A) the amount of any payment made by the Corporation described in the immediately preceding paragraph on account of unpaid principal and (B) any payment of principal of the HDC-Enhanced Mortgage Loan (other than principal on account of which the Corporation has made a payment described in the immediately preceding paragraph), and (ii) 30 days’ interest on the amount described in clause (i) of this sentence at the rate of [four and sixty-eight hundredths percent (4.68%)] per annum computed on the basis of a 360-day year and a thirty (30) day month, which amount shall not be reduced by any payment made by the Corporation described in the immediately preceding paragraph on account of unpaid interest.

The Corporation’s payment obligations pursuant to the HDC Loan Funding Agreement will terminate upon the earliest of (a) the Trustee’s receipt of a Rating Confirmation reflecting termination of the HDC Loan Funding Agreement; (b) the maturity or prepayment in full of the HDC-Enhanced Mortgage Loan or withdrawal of the HDC-Enhanced Mortgage Loan from the lien of the General Resolution pursuant to the General Resolution; or (c) the date on which no Bonds remain Outstanding.

The obligation of the Corporation to make payments to the Trustee in accordance with the HDC Loan Funding Agreement is a general obligation of the Corporation payable out of any revenues or assets of the Corporation, subject only to any agreements pledging any particular revenues or assets. The payment

obligations of the Corporation under the HDC Loan Funding Agreement will not be a debt of either the State of New York or The City of New York and neither the State nor the City will be liable on the payment obligations of the Corporation thereunder, nor shall the amounts required to be paid by the Corporation thereunder be payable out of any funds other than those of the Corporation. Neither the members, officers or employees of the Corporation nor any other person executing the HDC Loan Funding Agreement will be subject to any personal liability or accountability by reason of the payment obligations of the Corporation pursuant to the HDC Loan Funding Agreement.

See “THE CORPORATION – Certain Financial Information of the Corporation.”

Freddie Mac Standby Credit Enhancement Agreement

It is expected that the portion of the 2019 Mortgage Loan evidenced by the Freddie Mac Mortgage Note will be secured by Supplemental Security in the form of a standby credit enhancement agreement issued by Freddie Mac pursuant to which, if a payment default occurs under the 2019 Mortgage Loan and subject to certain requirements set forth therein, Freddie Mac will advance an amount equal to 90% of the unpaid amount of principal and/or interest due on the 2019 Mortgage Loan to the Trustee. Repayments of principal and interest made on the 2019 Mortgage Loans will be allocated, first, to reimburse Freddie Mac in full and, second, to reimburse the Corporation in full.

[The Mortgagor has entered into the Reimbursement Agreement with Freddie Mac pursuant to which the Mortgagor has agreed to reimburse Freddie Mac for any payments made by Freddie Mac under the Credit Enhancement Agreement. The Mortgagor’s reimbursement obligations to Freddie Mac are secured by a [subordinate priority] mortgage lien on the Project (the “Freddie Mac Reimbursement Mortgage”), which is subordinate to the Freddie Mac Enhanced Mortgage Loan and senior to the HDC Enhanced Mortgage Loan. Pursuant to the Reimbursement Agreement, a default by the Mortgagor under the Freddie Enhanced Mortgage Loan or HDC Enhanced Mortgage Loan constitutes a default under the Reimbursement Agreement. Upon an event of default under the Reimbursement Agreement, Freddie Mac, at its option, may either i) elect to draw in full on the Credit Enhancement Agreement, causing an assignment of the Freddie Mac Enhanced Mortgage Loan and redemption of the allocable Bonds, or ii) pursue remedies under the Reimbursement Mortgage, including foreclosure, with the consent of the Corporation.]

Freddie Mac

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

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

mortgage purchase or financing activities of Freddie Mac or to guarantee Freddie Mac's securities or obligations.

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

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

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

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

You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>.

Freddie Mac makes no representations as to the contents of this Official Statement, the suitability of the 2019 Bonds for any investor, the feasibility of performance of any project, or compliance with any

securities, tax or other laws or regulations. Freddie Mac's role is limited to discharging its obligations under the Freddie Mac Standby Credit Enhancement Agreement.

THE OBLIGATIONS OF FREDDIE MAC UNDER THE FREDDIE MAC STANDBY CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE 2019 BONDS. THE 2019 BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

Cash Flow Statements and Cash Flow Certificates

The General Resolution provides that the Corporation shall file with the Trustee a current Cash Flow Statement: (i) whenever any Series of Bonds is issued, or any change in a term of an Outstanding Bond requiring Bondholder consent is made; (ii) upon purchase or redemption of Bonds of a Series from Recoveries of Principal, or the crediting of Sinking Fund Payments established for any Bond to be so purchased or redeemed, in a manner other than (a) as contemplated in the last Cash Flow Statement filed by the Corporation with the Trustee or (b) on a basis whereby the Bonds of each maturity of such Series are purchased or redeemed in the proportion that the amount Outstanding of such maturity bears to the total amount of all Bonds Outstanding of such Series and each Sinking Fund Payment established for any Bond to be so purchased or redeemed is credited in the proportion that the amount of such Sinking Fund Payment bears to the total amount of all Sinking Fund Payments established for such Bond; (iii) prior to withdrawing monies for payment to the Corporation, pursuant to the General Resolution, free and clear of the pledge and lien of the General Resolution, in an amount in excess of the amounts determined to be available for such purpose in the last Cash Flow Statement filed with the Trustee; (iv) prior to selling Mortgage Loans not in default; (v) prior to the financing of or amending Mortgage Loans to contain terms that would adversely affect the cash flow projections contained in the last Cash Flow Statement filed with the Trustee; (vi) prior to the releasing of any Mortgage Loan from the pledge and lien of the General Resolution; (vii) prior to the application of Recoveries of Principal to any use other than the purchase or redemption of Bonds; (viii) prior to the purchase of Bonds pursuant to certain provisions of the General Resolution at prices in excess of those specified in the General Resolution; (ix) prior to the application of monies in the Redemption Account resulting from Recoveries of Principal derived from or with respect to any Mortgage Loans to the purchase or redemption of Bonds of a Series other than the Series issued to finance such Mortgage Loans; and (x) prior to entering into or amending a Qualified Hedge.

A Cash Flow Statement consists of a statement of an Authorized Officer giving effect to actions proposed to be taken and demonstrating in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding that amounts then expected to be on deposit in the Accounts in each such Bond Year will be at least equal to all amounts required by the General Resolution to be on deposit in the Accounts for the payment of the principal and Redemption Price of and interest on the Bonds and Qualified Hedge Payments, if any, and for the funding of the Debt Service Reserve Account to the Debt Service Reserve Account Requirement. However, a Supplemental Resolution may provide that an Account established in such Supplemental Resolution not be taken into account when preparing the Cash Flow Statement. The Cash Flow Statement shall set forth the assumptions upon which the estimates therein are based, which assumptions are to be based upon the Corporation's reasonable expectations and must not adversely affect any of the Rating Agencies' ratings on the Rated Bonds. In calculating the amount of interest due in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding on Bonds bearing interest at a variable rate, the interest rate used shall be assumed to be the fixed rate, which in the judgment of the remarketing agents for such Bonds, or such other financial consultant selected by the Corporation

and experienced in the sale of municipal securities (having due regard to the prevailing market conditions), would be necessary to enable such Bonds to be sold at par in the secondary market on the date of such calculation or such higher or lower rate which does not adversely affect any of the Rating Agencies' ratings on the Rated Bonds. Upon filing a Cash Flow Statement with the Trustee, the Corporation is to perform its obligations under the General Resolution in accordance, in all material respects, with the assumptions set forth in such Cash Flow Statement. Except with respect to actions being taken contemporaneously with the delivery of a Cash Flow Statement, facts reflected in a Cash Flow Statement may be as of a date or reasonably adjusted to a date not more than 180 days prior to the date of delivery of such statement.

In lieu of filing a Cash Flow Statement, a Cash Flow Certificate may be filed in order to take the actions described in (1) clause (iii) of the first paragraph of this subsection or (2) clause (v) of the first paragraph of this subsection relating to amending Mortgage Loans but only if, in the judgment of the Corporation, such amendments do not materially adversely affect the cash flow projections contained in the last Cash Flow Statement. A Cash Flow Certificate shall consist of a statement of an Authorized Officer to the effect of one of the following:

(a) The proposed action is consistent with the assumptions set forth in the latest Cash Flow Statement; or

(b) After giving effect to the proposed action, in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding, amounts expected to be on deposit in the Accounts in each such Bond Year will be at least equal to all amounts required by the General Resolution to be on deposit in such Accounts for the payment of the principal and Redemption Price of and interest on the Bonds and Qualified Hedge Payments, if any, and for the funding of the Debt Service Reserve Account to the Debt Service Reserve Account Requirement, except that to the extent specified in a Supplemental Resolution an Account established in said Supplemental Resolution shall not be taken into account in connection with such Cash Flow Certificate; or

(c) The proposed action will not in and of itself adversely affect the amounts expected to be on deposit in the Accounts in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding, except that the Cash Flow Certificate shall not consider any Accounts which a Supplemental Resolution specifies shall not be taken into account in connection with the delivery of a Cash Flow Certificate.

Bond Proceeds Account

Pursuant to the General Resolution, the Corporation has established a Bond Proceeds Account. Proceeds of the sale of Bonds are deposited in the Bond Proceeds Account. The General Resolution provides that amounts in the Bond Proceeds Account may only be expended to (i) finance Corporation Corporate Purposes, including, but not limited to, the financing of Mortgage Loans; (ii) pay costs of issuance; (iii) pay principal and interest on Bonds when due and Qualified Hedge Payments, if any, when due to the extent amounts in the Revenue Fund are insufficient; (iv) purchase or redeem Bonds; (v) pay, purchase or redeem bonds, notes or other obligations of the Corporation or any other entity; and (vi) reimburse a Credit Facility Provider for amounts obtained under a Credit Facility for the purposes described in clauses (iii), (iv) or (v).

Debt Service Reserve Account

Pursuant to the General Resolution, the Corporation has established a Debt Service Reserve Account. If on any Interest Payment Date or Redemption Date the amount available in the Revenue Account and Redemption Account, as applicable, is insufficient to pay Principal Installments and interest

due on any Bonds, the Trustee must apply amounts from the Debt Service Reserve Account, if any, to the extent necessary to make good the deficiency.

Under the General Resolution, the Debt Service Reserve Account Requirement is the aggregate of the amounts specified as the Debt Service Reserve Account Requirement for each Series of Bonds in a Supplemental Resolution authorizing the issuance of such Series of Bonds. There is no minimum Debt Service Reserve Account Requirement under the General Resolution. The General Resolution further provides that the Debt Service Reserve Account Requirement for any Series of Bonds may be funded, in whole or in part, through Cash Equivalents if so provided in a Supplemental Resolution authorizing such Series. See “Appendix B—Summary of Certain Provisions of the General Resolution—Debt Service Reserve Account.”

No amounts will be required to be deposited into the Debt Service Reserve Account in connection with the issuance of the 2019 Bonds.

Additional Bonds

Additional Bonds, subordinate to or on parity with the Bonds then Outstanding, may be issued by the Corporation pursuant to the General Resolution. Prior to the issuance of any such additional Bonds (other than the Subordinate Bonds), the General Resolution requires that the Trustee be provided with, among other things, a Cash Flow Statement. See “Appendix B—Summary of Certain Provisions of the General Resolution—Provisions for Issuance of Bonds” for a description of the requirements that must be met under the General Resolution prior to the issuance of additional Bonds.

Qualified Hedges

Bonds Not a Debt of the State or the City

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

Certain Investments

The Corporation at times may invest amounts held in the Accounts under the General Resolution in Investment Securities, including: repurchase agreements and bank deposit agreements (both of which are at least 102% collateralized and held by a third party or secured by a FHLB letter of credit), guaranteed investment contracts (GICs), municipal securities, and U.S. Treasury and agency securities in accordance with the Corporation’s investment guidelines. Notwithstanding anything to the contrary contained in the General Resolution, any Investment Securities purchased by the Trustee with funds that are pledged pursuant to the General Resolution must, as of the date of such purchase, be rated by each of the Rating Agencies in a category at least equal to the rating category of the Bonds (other than Subordinate Bonds) (or “A-1+” or “P-1,” as applicable, if the Investment Security has a remaining term at the time it is provided not exceeding one (1) year); provided, however, that the Trustee may purchase Investment Securities that are rated lower than that set forth above, so long as the purchase of such Investment Securities does not, as of the date of such purchase, in and of itself, result in a reduction or withdrawal of the then existing rating assigned to the Bonds (other than Subordinate Bonds) by any of the Rating Agencies. A change in the rating of any Investment Securities purchased by the Trustee, subsequent to the date of purchase, would not require the Trustee to sell such Investment Securities. If a Rating Agency were to downgrade or withdraw

the rating on any Investment Securities previously purchased by the Trustee, the rating on the Bonds could be negatively affected. See “RATING.” Investment earnings on Accounts are to be transferred to the Revenue Account except as otherwise provided by the General Resolution. See “Appendix B—Summary of Certain Provisions of the General Resolution—Deposits and Investments” and “—Revenue Account.”

THE PROGRAM

The activities of the Corporation undertaken pursuant to the General Resolution, including activities in furtherance of the PACT Program, are hereinafter referred to as the “Program.”

Under the Program, the Corporation may issue Bonds to finance any corporate purpose for which bonds may be issued under the Act or any other applicable law now or hereafter enacted. The Bonds may be issued to, among other things, finance Mortgage Loans and/or finance the acquisition of Mortgage Loans, for certain newly constructed or rehabilitated Developments.

The General Resolution provides for the issuance of additional Bonds to be used for financing any corporate purpose including the financing of Mortgage Loans and Developments which are neither secured by Supplemental Security nor subsidized pursuant to a Subsidy Program. The General Resolution does not require Mortgage Loans to be secured by first mortgage liens on their respective Developments. A Mortgage Loan also may represent the Corporation’s participation interest in a mortgage loan or the cash flow therefrom. Moreover, the Corporation may withdraw Mortgage Loans and surplus revenues from the pledge and lien of the General Resolution upon the filing with the Trustee of a Cash Flow Statement or Cash Flow Certificate or, with respect to certain fees and Mortgage Loans, without the filing of a Cash Flow Statement or a Cash Flow Certificate. See “SECURITY FOR THE BONDS—Cash Flow Statements and Cash Flow Certificates.”

The PACT Program

The City’s “Permanent Affordability Commitment Together” (the “PACT Program”) strategy outlined in December 2018 in a 10-year comprehensive plan to rehabilitate and preserve at least 62,000 units of public housing in developments owned by the New York City Housing Authority (“NYCHA”) through various programs of the United States Department of Housing and Urban Development (“HUD”), including the Rental Assistance Demonstration (“RAD”), the Section 18 disposition (“Section 18”) and the Part 200 conversion (“Part 200”) programs (collectively, the “HUD Programs”).

Under the PACT Program, NYCHA seeks to identify resources and opportunities to make major improvements to its public housing developments while preserving long-term affordability and maintaining strong resident rights in line with public housing protections. The goal of the PACT Program is to convert at least 62,000 public housing units to Section 8 by the end of 2028, thus addressing roughly \$12.8 billion of NYCHA’s capital needs. The conversion to Section 8 assistance will stabilize the properties by placing them on a more secure and solid financial footing, facilitate the raising of capital to rehabilitate the properties, streamline property management, and continue or enhance social services provision, thus ensuring the developments’ continued use as long-term affordable housing with no displacement of existing residents as a result of the conversion.

The Developments receiving financing through the PACT Program are currently owned by NYCHA and will be converted from public housing pursuant to the RAD, Section 18 or Part 200 programs of HUD so that they may be preserved, rehabilitated and improved. NYCHA will lease the Developments to for-profit and/or not-for-profit Mortgagors, which will be formed in order to provide for the ownership, financing, rehabilitation and construction of the Developments. NYCHA will retain ownership of the land

on which a Development is located (the “Land”) and will lease the Land pursuant to a long-term lease between NYCHA, as landlord, and the Mortgagor, as tenant.

To date, NYCHA has leveraged these HUD tools to convert approximately 5,168 units across 21 developments.

Section 8 Program

The following is a brief description of certain aspects of the housing assistance payments authorized by Section 8 of the 1937 Housing Act, which is qualified in its entirety by references to the applicable provisions of said Act and the regulations thereunder (the “Regulations”).

The Section 8 program is administered by HUD and authorizes subsidy payments (“Housing Assistance Payments”) pursuant to Housing Assistance Payments Contracts (“HAP Contracts”) to the owners of qualified housing for the benefit of lower income families (defined generally as families whose income does not exceed 80% of the median income for the area as determined by HUD) and very-low income families (defined generally as families whose income does not exceed 50% of the median income for the area as defined by HUD).

Section 8(o) of the 1937 Housing Act authorizes a variant of the Section 8 program, referred to as the “Section 8 Housing Choice Voucher Program”, pursuant to which HUD enters into annual contributions contracts (“ACCs”) with participating public housing agencies (“PHAs”), such as NYCHA, for the purpose of providing funds to the PHA to make monthly Housing Assistance Payments pursuant to HAP Contracts between the PHA and owners of qualified housing in the PHA’s jurisdiction. Funds appropriated by Congress in any federal fiscal year for the Section 8 Housing Choice Voucher Program are allocated by HUD according to a formula among participating PHAs for use under such ACCs. PHAs may use such funds to make payments under HAP Contracts with respect to dwelling units that eligible families who have been granted a voucher by the PHA have chosen to lease (“Tenant-Based Voucher HAP Contracts”). (Accordingly, appropriations for the Section 8 Housing Choice Voucher Program historically have been referred to as appropriations for “tenant-based rental assistance”.) However, PHAs also are permitted to use such funds to make payments under HAP Contracts with respect to specified dwelling units in particular buildings selected by the PHA (“Project-Based Voucher HAP Contracts”).

The amount of the monthly Housing Assistance Payment to an owner provided in a Project-Based Voucher HAP Contract generally is, for each occupied dwelling unit, the difference between the “contract rent” applicable to the unit and the tenant’s contribution, which generally is 30% of such tenant’s income, as adjusted for family size, income and expenses, with certain adjustments, although a PHA may choose to require each assisted family to pay a minimum rent of up to \$50 per month.

In the case of a Project-Based Voucher HAP Contract for former public housing units converted under RAD (and not pursuant to Section 18), the contract rent for each dwelling unit generally is based initially on a month’s share of total annual federal public housing operating fund and public housing capital fund appropriations allocable to the unit in a specified year prior to conversion. Such contracts provide that the contract rent is adjusted annually thereafter during the contract term by multiplying the portion of the contract rent not used for loan debt service by an Operating Cost Adjustment Factor (OCAF), which is determined periodically by HUD and intended to reflect increases in the cost of operating comparable rental properties, subject to the limitation that increases from the initial contract rent cannot cause the contract rent to exceed a rent established by the PHA as reasonable in relation to rents for comparable units in the area that are not assisted under Section 8.

In the case of any other Project-Based Voucher HAP Contract, including contracts resulting from dispositions or conversions of former public housing units pursuant to Section 18 or Part 200, the contract rent for each dwelling unit is initially based on the “fair market rent” (“FMR”) periodically determined by HUD for units of the applicable size (number of bedrooms) in each locality, multiplied by a percentage determined by the PHA, referred to as a “payment standard”, of between 90% and 110% (or higher or lower with HUD approval). Such contracts provide that the contract rent will be adjusted annually thereafter during the contract term, if requested by the owner (or in certain cases upon a specified percentage decrease in FMRs), to the current FMR multiplied by the PHA’s current payment standard percentage or, if lower, a rent established by the PHA as reasonable in relation to rents for comparable units in the area that are not assisted under Section 8, except that a PHA is permitted to provide in such a contract that contract rents for units will not be adjusted to below their initial contract rents.

Generally, Housing Assistance Payments are payable with respect to a dwelling unit only for months during which it is occupied by an eligible tenant, but a PHA has the option to provide in a Project-Based Voucher HAP Contract that an amount of subsidy determined by the PHA up to the full contract rent is payable for a period determined by the PHA of up to two additional months after the month in which a unit is vacated, subject to compliance by the owner with certain conditions relating primarily to a diligent effort to re-rent the unit.

HAP Contracts contain numerous agreements on the part of the owner concerning, among other things, maintenance of the dwelling units as decent, safe and sanitary housing and compliance with a number of requirements typical of Federal contracts (such as non-discrimination, equal employment opportunity and labor standards) as to which non-compliance could result in reduction or suspension of Housing Assistance Payments or termination of the contract.

A PHA is permitted to enter into Project-Based Voucher HAP Contracts with an initial contract term of as long as 20 years, and is permitted to renew such a contract upon expiration for renewal terms, of as long as 20 years each, determined by the PHA to be appropriate to continue providing affordable housing for lower income families.

Although Project-Based Voucher HAP Contracts have stated terms of multiple years, a PHA’s obligations to make Housing Assistance Payments pursuant to a Project-Based Voucher HAP Contract are subject to the annual appropriation by Congress of funds for the Housing Choice Voucher Program in amounts sufficient to fund Housing Assistance Payments under all participating PHAs’ Project-Based Voucher HAP Contracts and Tenant-Based Voucher HAP Contracts. No assurance can be given that Congress will timely appropriate sufficient funds each year for the Housing Choice Voucher Program to enable PHAs, such as NYCHA, to make Housing Assistance Payments pursuant to such HAP Contracts

Mortgage Loan Servicing

All of the Mortgage Loans will be serviced by the Corporation or a designated servicer. Servicing by the Corporation includes the collection of mortgage payments from the Mortgagors of the applicable Developments.

With respect to each Mortgage Loan, an escrow account for the payment of taxes, hazard insurance and mortgage insurance, if any, will be maintained for each Development and will be funded from the monthly revenues of each such Development. Each Mortgagor will be required to maintain a reserve fund for replacements. These reserve funds for replacements will be funded from the monthly revenues of their respective Development. The Corporation will require financial statements for each Development to be furnished to the Corporation annually.

The Corporation will conduct an annual site review of each Development to monitor its physical condition. During this review, the Corporation will undertake various procedures to monitor the exterior and interior physical condition of the Developments.

Any Development which receives a score under 60 according to HUD's inspection ratings may be subject to foreclosure by HUD. Any Development which receives an unsatisfactory physical condition rating may have its subsidy payments reduced, suspended or terminated. See “—Supplemental Security and Subsidy Programs—Section 8 Program” above.

The Corporation's inspection reviews will include recommendations for curing deficiencies. The Corporation will monitor those Developments which receive below average and unsatisfactory ratings in order to determine whether (i) required reports have been made and/or (ii) curative work has been undertaken and completed within a prescribed time frame. In order to cure deficiencies and thus improve the ratings of such Developments, the Corporation may advise the Mortgagor to request a drawdown on its respective reserve fund for replacements. If the reserves are not sufficient to cover the work required to improve a Development's rating or if the Corporation has determined that the low rating is due to Mortgagor neglect, the Corporation will meet with the Mortgagor to discuss corrective actions in all review reporting areas which include management practices, financial operations and vouchering procedures, as well as physical condition. In addition, the Corporation will conduct an annual review of the Developments to monitor their financial condition and financial management controls.

In addition to any insurance coverage required by the applicable Supplemental Security provider, the Corporation will require property, liability, boiler and machinery, and fidelity insurance for the Mortgage Loans. Property insurance must cover at least the outstanding Mortgage Loan amount and lost rental value of at least one year's rental income at the Development.

Certain Factors Affecting the Mortgage Loans

Scheduled Payments of Principal and Interest

The ability of the Corporation to pay the principal or Redemption Price of and interest on the Bonds, including the 2019 Bonds, is dependent on the Revenues derived from the assets pledged to secure the Bonds, including the Mortgage Loans (including the 2019 Mortgage Loans), and with respect to such Mortgage Loans, the proceeds under the applicable Supplemental Security program, if any, in the event of a default on a Mortgage Loan, and the full and timely receipt of subsidy payments under the applicable Subsidy Program, if any. The ability of each Mortgagor to make the required payments under its Mortgage Loan is and will be affected by a variety of factors, including the maintenance of a sufficient level of occupancy, the maintenance of the physical condition of its Development, the level of operating expenses, sound management of its Development, timely receipt of subsidy payments, as applicable, the ability to achieve and maintain rents or collect maintenance sufficient to cover payments under such Mortgage Loan and operating expenses (including taxes, utility rates and maintenance costs), any changes in the amount of subsidy payments, if any, changes in applicable laws and governmental regulations, and the financial condition of the Mortgagor. In addition, the continued feasibility of a Development may depend in part upon general economic conditions and other factors in the surrounding area of a Development. Accordingly, in the event of the occurrence of substantial increases in operating costs without corresponding increases in rent levels on a timely basis, substantial reductions in occupancy or a reduction, loss or termination of subsidy payments, there may be a default with regard to one or more of the Mortgage Loans. In the event of any such default, the Corporation is required to apply for payment of proceeds under the applicable Supplemental Security program, if any, due with regard to any such Mortgage Loan. In the event of any such default where such Mortgage Loan is not secured by Supplemental Security, such mortgage lien would likely be the sole security for repayment of such Mortgage Loan (see “—New York

Foreclosure Procedures and Bankruptcy—New York Foreclosure Procedures” below and “Appendix B—Summary of Certain Provisions of the General Resolution—Covenants with Respect to Mortgage Loans”). Such proceeds, when received, together with other monies available under or pursuant to the General Resolution may be applied to redeem an allocable portion of certain Bonds.

Prepayments of Principal

General. The Corporation may receive amounts relating to the principal of the Mortgage Loans financed with the proceeds of the Bonds prior to the scheduled due date of such principal. Prepayments of principal may be subject to the payment of certain fees and expenses and other terms and conditions, including the payment of penalties and premiums. Any prepayment premium or penalty does not constitute a Pledged Receipt or Recovery of Principal unless otherwise specified in a Supplemental Resolution. There may be certain other restrictions outside the Mortgage Loan documents that limit the ability of the applicable Mortgagor to prepay. It is expected that prior written notice of any optional prepayment to the Corporation will be required. Any such prepayment could result in the special redemption from Recoveries of Principal of certain Bonds at any time.

Under the General Resolution, advance payments of amounts to become due pursuant to a Mortgage Loan, including those made at the option of a Mortgagor, shall be deposited in the Redemption Account. Unless specifically directed otherwise by written instructions of an Authorized Officer and accompanied by a Cash Flow Statement, any monies in the Redemption Account resulting from such Recoveries of Principal shall be applied to the purchase or redemption of Bonds of the Series issued to finance the Mortgage Loans which gave rise to the Recoveries of Principal.

Notwithstanding the preceding paragraph, if the Corporation files a Cash Flow Statement with the Trustee, it may deposit such Recoveries of Principal in the Bond Proceeds Account or the Revenue Account in lieu of applying such monies to purchase or redeem Bonds. See “Appendix B—Summary of Certain Provisions of the General Resolution—Bond Proceeds Account,” “—Revenue Account” and “—Disposition of Recoveries of Principal” with respect to the right of the Corporation to apply prepayments of the Mortgage Loans for purposes other than the purchase or redemption of Bonds, and the right of the Corporation to withdraw surplus revenues in the Revenue Account from the pledge and lien of the General Resolution.

New York Foreclosure Procedures and Bankruptcy

Below are descriptions of current foreclosure procedures in New York State and current bankruptcy provisions for mortgage loans generally. Such descriptions are relevant for Mortgage Loans under the Program not fully secured by Supplemental Security.

New York Foreclosure Procedures. In order to recover the debt due on a defaulted mortgage loan, the holder of the mortgage loan may either commence an action on the mortgage debt or commence an action to foreclose the mortgage. New York law restricts the ability of the holder of a mortgage loan to simultaneously bring an action to recover the mortgage debt and foreclose the mortgage. For purposes of these restrictions, actions to recover the mortgage debt include actions against the party primarily liable on the mortgage debt, actions against any guarantor of the mortgage debt and actions on insurance policies insuring the mortgaged premises. If an election is made to commence an action to foreclose the mortgage, no other action on the mortgage debt may be commenced to recover any part of the mortgage debt without leave of court. If an election is made to commence an action on the mortgage debt, where final judgment has been rendered in such an action, an action may not be commenced to foreclose the mortgage unless the sheriff has been issued an execution against the property of the defendant, which has been returned wholly or partially unsatisfied. In addition, there is New York case law indicating that if an action is commenced

on the mortgage debt where final judgment has not been rendered and a subsequent action is commenced to foreclose the mortgage, then the action on the mortgage debt must be stayed or discontinued to prevent the mortgagee from pursuing both actions simultaneously.

Where a foreclosure action is brought, every person having an estate or interest in possession or otherwise in the property whose interest is claimed to be subject and subordinate to the mortgage must be made a party defendant to the action in order to have its interest in the property extinguished. At least twenty (20) days before a final judgment directing a sale is rendered, the mortgagee must file, in the clerk's office for the county where the mortgaged property is located, a notice of the pendency of the action. Judicial foreclosure in New York is a lengthy process, as judicial intervention is required at all stages, including but not limited to (1) the appointment of a referee to compute the amount due, (2) the appointment of a receiver to operate the property during the pendency of the action, (3) the confirmation of the referee's oath and report, (4) the issuance of the judgment of foreclosure and sale, (5) the confirmation of the sale, and (6) the issuance of a deficiency judgment and/or rights to surplus monies. If during the pendency of the action the mortgagor pays into court the amount due for principal and interest and the costs of the action together with the expenses of the proceedings to sell, if any, the court will (i) dismiss the complaint without costs against the mortgagee if the payment is made before judgment directing the sale or (ii) stay all proceedings upon judgment if the payment is made after judgment directing sale but before sale.

Where the mortgage debt remains partly unsatisfied after the sale of the property, the court, upon application, may award the mortgagee a deficiency judgment for the unsatisfied portion of the mortgage debt, or as much thereof as the court may deem just and equitable, against a mortgagor who has appeared or has been personally served in the action. Prior to entering a deficiency judgment, the court determines the fair and reasonable market value of the mortgaged premises as of the date such premises were bid in at auction or such nearest earlier date as there shall have been any market value thereof. In calculating the deficiency judgment, the court will reduce the amount to which the mortgagee is entitled by the higher of the sale price of the mortgaged property and the fair market value of the mortgaged property as determined by the court.

The mortgagee may also, at its discretion, negotiate with the delinquent mortgagor to offer a deed in lieu of foreclosure to the mortgagee, where appropriate. In some situations this would allow the mortgagee to reduce the cost of, and the time involved in, acquiring the property.

Most of the Mortgage Loans under the Program are non-recourse to the Mortgagor. Therefore, the Corporation may only have limited rights to pursue the enforcement of an action on the debt or seek a deficiency judgment post-foreclosure. Consequently, with respect to such Mortgage Loans, the above provisions relating to an action on the mortgage debt or seeking a deficiency judgement are not applicable.

For a description of provisions regarding enforcement and foreclosure of the Mortgage Loans under the General Resolution, see "Appendix B—Summary of Certain Provisions of the General Resolution—Covenants with Respect to Mortgage Loans."

Bankruptcy. If a petition for relief under Federal bankruptcy law were filed voluntarily by a mortgagor, or involuntarily against a mortgagor by its creditors, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceedings, including, without limitation, foreclosure proceedings, against such mortgagor and its property. If a bankruptcy court so ordered, the mortgagor's property, including its revenues, could be used for the benefit of the mortgagor, despite the rights granted the mortgagee or a trustee. Certain provisions of the mortgage that make the initiation of bankruptcy and related proceedings by or against the mortgagor an event of default thereunder are not enforceable in the mortgagor's bankruptcy proceeding.

In addition, if a bankruptcy court concludes that a mortgagee is “adequately protected,” it might (A) substitute other security for the property presently pledged and (B) subordinate the lien of the mortgagee or a trustee to (i) claims by persons supplying goods and services to the mortgagor after commencement of such bankruptcy proceedings, (ii) the administrative expenses of the bankruptcy proceedings and (iii) a lien granted a lender providing funds to the mortgagor during the pendency of the bankruptcy case.

In bankruptcy proceedings initiated by the filing of a petition under Chapter 11 of the United States Bankruptcy Code, a mortgagor or another party-in-interest could elect to file a plan of reorganization that seeks to modify the rights of creditors generally, or any class of creditors, including secured creditors. In the event a mortgagor files under Chapter 11, the mortgagor may seek to modify the terms of the mortgage note and the mortgage in a plan of reorganization. In a reorganization case, a mortgagee holds a secured claim equal to the lesser of the value of the mortgaged premises or the debt. If the adjusted value is less than the pre-petition debt, then the mortgagee is not entitled to post-petition interest and the deficiency will be treated as an unsecured claim. With respect to the mortgagee’s secured claim, if the debtor intends to retain the premises, the debtor will generally propose to treat the mortgage as unimpaired by curing any monetary defaults and reinstating the terms of the mortgage. Alternatively, the debtor may seek to alter the terms, however, the mortgagee is entitled to retain its lien under a plan and must receive deferred cash payments totaling the amount of the claim with a present value not less than the value of the mortgaged premises. If the premises are to be sold by the debtor, the mortgagee can bid at the bankruptcy court sale and offset its claim against the selling price at such sale.

HUD Assisted Developments with Low Inspection Ratings

Any Development subsidized through the Section 8 Program which receives an unsatisfactory physical condition rating may have its subsidy payments reduced, suspended or terminated. In the event such payments were reduced, suspended or terminated in respect of a Mortgage Loan subsidized by a HAP Contract, such reduced, suspended or terminated payments would not be available to pay debt service on such Mortgage Loan, which could result in a default on such Mortgage Loan. See “—Supplemental Security and Subsidy Programs—Section 8 Program” above.

THE CORPORATION

Purposes and Powers

The Corporation, which commenced operations in 1972, is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State, created for the purposes of providing, and encouraging the investment of private capital in, safe and sanitary dwelling accommodations in the City of New York (the “City”) for families and persons of low income, which include families and persons whose need for housing accommodations cannot be provided by the ordinary operations of private enterprise, or in areas designated as blighted through the provision of low interest mortgage loans. Powers granted the Corporation under the Act include the power to issue bonds, notes and other obligations to obtain funds to carry out its corporate purposes, and to refund the same; to acquire, hold and dispose of real and personal property; to make mortgage loans to specified private entities; to purchase loans from lending institutions; to make loans insured or co-insured by the Federal government for new construction and rehabilitation of multiple dwellings; to make and to contract for the making of loans for the purpose of financing the acquisition, construction or rehabilitation of multi-family housing accommodations; to acquire and to contract to acquire any Federally-guaranteed security evidencing indebtedness on a mortgage securing a loan; to acquire mortgages from the City, obtain Federal insurance thereon and either sell such insured mortgages or issue its obligations secured by said insured mortgages and to pay the net proceeds of such sale of mortgages or issuance of obligations to the City; and to do any

and all things necessary or convenient to carry out its purposes. The Act further provides that the Corporation and its corporate existence shall continue at least so long as its bonds, including the Bonds, notes, or other obligations are outstanding.

The sale of the Bonds and the terms of such sale are subject to the approval of the Comptroller of the City. The Corporation is a “covered organization” as such term is defined in the New York State Financial Emergency Act for The City of New York, as amended, and the issuance of the Bonds is subject to the review of the New York State Financial Control Board for The City of New York.

Organization and Membership

The Corporation, pursuant to the Act, consists of the Commissioner of The City of New York Department of Housing Preservation and Development (“HPD”) (who is designated as Chairperson of the Corporation pursuant to the Act), the Commissioner of Finance of the City and the Director of Management and Budget of the City (such officials to serve ex-officio), and four (4) public members, two (2) appointed by the Mayor of the City (the “Mayor”) and two (2) appointed by the Governor of the State. The Act provides that the powers of the Corporation shall be vested in and exercised by not less than four (4) members. The Corporation may delegate to one or more of its members, officers, agents or employees such powers and duties as it deems proper.

Members

LOUISE CARROLL, Chairperson and Member ex-officio. Ms. Carroll, an attorney and member of the New York State Bar, was appointed Commissioner of HPD by Mayor Bill de Blasio, effective May 6, 2019. Prior to her appointment as Commissioner of HPD, Ms. Carroll was appointed Senior Vice President & General Counsel for the Corporation on September 26, 2018, effective October 29, 2018. Prior to joining the Corporation, Ms. Carroll held senior positions at HPD including Associate General Counsel, Assistant Commissioner and, most recently, Associate Commissioner for Housing Incentives. Prior to her work at HPD, Ms. Carroll served as an Associate Counsel at the New York City Conflicts of Interest Board and as a transactions attorney for the New York City Administration for Children’s Services. Prior to her public service career, Ms. Carroll was Chief Financial Officer for an international ship-owning and brokerage company. Ms. Carroll received a B.S. in Political Science and History from the University of Wales, an M.B.A. from the University of Leicester in the United Kingdom and a J.D. from Tulane Law School in New Orleans.

HARRY E. GOULD, JR., Vice Chairperson and Member, serving pursuant to law. From 1969 to May 2015, Mr. Gould served as Chairman, President and Chief Executive Officer of Gould Paper Corporation. He was Chairman and President of Cinema Group, Inc., a major independent film financing and production company, from 1982 to May 1986, and is currently Chairman and President of Signature Communications Ltd., a new company that is active in the same field as well as providing consulting services in M&A, “turnarounds,” manufacturing and distribution. Signature, through a wholly-owned subsidiary, acquired a majority shareholding on May 1, 2019 in Denmaur PaperMedia, the fourth largest paper distributor in the United Kingdom. Mr. Gould began his career in 1962 in the Corporate Finance Department of Goldman Sachs. From 1964-1969, he held senior operating positions at Universal American Corporation, an industrial conglomerate that merged with Gulf + Western Industries at the beginning of 1968. At the time of the merger, Universal American was ranked 354th on the Fortune 500 List, while Gulf + Western ranked in the top 75. He is a Life Member of the Executive Branch of the Academy of Motion Picture

Arts and Sciences. He is a member of the Board of Directors of the Roundabout Theatre Organization and a member of the Board of Overseers at the Columbia Business School. He was a member of the Board of Directors of Domtar, Inc., North America's largest and second largest global manufacturer of uncoated free sheet papers from 1995 to 2004. He was a member of the Board of Directors of the USO of Metropolitan New York from 1973 to 2004. He was a member of the Board of Trustees of the American Management Association from 1996 to 1999. Mr. Gould served as Special Counsel to the New York State Assembly, Committee on Cities from 1970 to 1976. He was a member of Colgate University's Board of Trustees from 1976 to 1982. He was appointed Trustee Emeritus of Colgate University in 2012. He was appointed by President Johnson to serve on the Peace Corps Advisory Council from 1964 to 1968 and to serve as the U.S. representative to the U.N. East-West Trade Development Commission from 1967 to 1968. He was appointed by President Carter to serve as Vice Chairman of the U.S. President's Export Council and was a member of the Executive Committee and Chairman of the Export Expansion Subcommittee from 1977 to 1980. He was a National Trustee of the National Symphony Orchestra, Washington, D.C., also serving as a member of its Executive Committee from 1977 to 1999. He was a member of the Board of United Cerebral Palsy Research and Educational Foundation, and the National Multiple Sclerosis Society of New York from 1972 to 1999. He was a Trustee of the Riverdale Country School from 1990 to 1999. Mr. Gould received his Bachelor of Arts degree from Colgate University with High Honors in English Literature. He began his M.B.A. studies at Harvard University and received his degree from Columbia Business School.

MELANIE HARTZOG, Member ex-officio. Ms. Hartzog was appointed New York City Budget Director in January, 2018. Prior to the appointment, Ms. Hartzog was the deputy director of the New York City Office of the Deputy Mayor for Health and Human Services. Prior to joining the Mayor's Office, she was the Executive Director at the Children's Defense Fund and served as the Deputy Commissioner for early childhood services at New York City's Administration for Children's Services. Hartzog was also Project Director for the Young Men's Initiative, a public/private partnership aimed at reducing disparities between economic and social outcomes of young men of color and other demographic groups in New York City. Hartzog also led a social services unit in the Mayor's Office of Management and Budget, and was Director of Policy and Advocacy for the Human Services Council of New York City, Inc. She has a Master of Science degree from the New School's Milano School of International Affairs, Management and Urban Policy and Bachelor of Arts from Eckerd College.

JACQUES JIHA, Member ex-officio. Mr. Jacques Jiha Ph.D. was appointed Commissioner of New York City's Department of Finance by Mayor Bill de Blasio on April 8, 2014. Prior to becoming Commissioner, Mr. Jiha was the Executive Vice President / Chief Operating Officer & Chief Financial Officer of Earl G. Graves, Ltd., a multi-media company with properties in print, digital media, television, events and the Internet. He has also served on a number of government and not-for-profit boards including the Ronald McDonald House of New York, Public Health Solutions, the Investment Advisory Committee of the New York Common Retirement Fund and as Secretary of the board of the New York State Dormitory Authority. Previous positions include Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller, where he managed the assets of the New York State Common Retirement Fund – then the nation's second-largest pension fund valued at \$120 billion. Prior to his appointment, he worked for the New York City Office of the Comptroller first as Chief Economist and later as Deputy Comptroller for Budget, with oversight responsibilities over the city's operating

budget and four-year capital plan. Mr. Jiha also served as Executive Director of the Legislative Tax Study Commission of New York State and as Principal Economist for the New York State Assembly Committee on Ways and Means. He holds a Ph.D. and a Master's degree in Economics from the New School for Social Research and a Bachelor's degree in Economics from Fordham University.

KYLE KIMBALL, Member, serving pursuant to law. Mr. Kimball is vice president of Government Relations for Consolidated Edison. He joined Con Edison in June 2015. In 2013, Mr. Kimball was appointed president of the New York City Economic Development Corporation (NYCEDC) by Mayor Michael Bloomberg, and was later reappointed by Mayor Bill de Blasio. In that position, he oversaw billions of dollars in capital infrastructure investments and implemented several commercial and housing real estate development projects in the City. Prior to joining NYCEDC, Mr. Kimball worked at Goldman, Sachs & Co. as vice president in the Americas Financing Group, and at J.P. Morgan, also as a vice president, in corporate capital markets. Mr. Kimball received an undergraduate degree from Harvard University 1995. He also received a master's degree in Public Policy from Harvard's John F. Kennedy School of Government in 1998.

CHARLES G. MOERDLER, Member, serving pursuant to law. Mr. Moerdler is a partner in the law firm of Stroock & Stroock & Lavan LLP. Prior to joining his law firm in 1967, Mr. Moerdler was Commissioner of Buildings for The City of New York from 1966 to 1967, and previously worked with the law firm of Cravath, Swaine & Moore. Mr. Moerdler has served as a member of the Committee on Character and Fitness of Applicants to the Bar of the State of New York, Appellate Division, First Department since 1977 and as a member of the Mayor's Committee on Judiciary since 1994. He has also served on the Editorial Board of the New York Law Journal since 1986. Mr. Moerdler held a number of public service positions, including Chairman of The New York State Insurance Fund from 1995 to March 1997, Commissioner and Vice Chairman of The New York State Insurance Fund from 1978 to 1994, Consultant to the Mayor of The City of New York on Housing, Urban Development and Real Estate from 1967 to 1973, Member of the Advisory Board on Fair Campaign Practices, New York State Board of Elections in 1974, Member of the New York City Air Pollution Control Board from 1966 to 1967 and Special Counsel to the New York State Assembly, Committee on Judiciary in 1961 and Committee on The City of New York in 1960. Mr. Moerdler also serves as a Trustee of St. Barnabas Hospital and served on the Board of Overseers of the Jewish Theological Seminary of America. He served as a Trustee of Long Island University from 1985 to 1991 and on the Advisory Board of the School of International Affairs, Columbia University from 1976 to 1979. Mr. Moerdler is a graduate of Long Island University and Fordham Law School, where he was an Associate Editor of the Fordham Law Review.

DENISE SCOTT, Member, serving pursuant to law. Ms. Scott is Managing Director of the Local Initiatives Support Corporation's New York City program (LISC NYC) since 2001. During her tenure, LISC NYC has invested in the development of over 10,000 units of affordable housing. Ms. Scott served as a White House appointee to the United States Department of Housing and Urban Development (HUD) from 1998 to January 2001 responsible for daily operations of HUD's six New York/New Jersey regional offices. She was the Managing Director/Coordinator responsible for launching the Upper Manhattan Empowerment Zone Development Corporation. Ms. Scott served as the Assistant Vice President of the New York City Urban Coalition after serving as Deputy Director of the New York City Mayor's Office of Housing Coordination from 1990-1992. She held several positions at HPD ultimately serving as the Director of its Harlem preservation

office. Ms. Scott serves on the U.S. Department of Treasury's Office of Thrift Supervision Minority Depository Institutions Advisory Committee and also serves on several boards including the National Equity Fund, Supportive Housing Network of New York, Citizens Housing and Planning Council, Neighborhood Restore / Restored Homes and the New York Housing Conference. Ms. Scott has a MS in Urban Planning from Columbia University and has taught at its Graduate School of Architecture, Planning and Preservation as a Visiting Assistant Professor.

Principal Officers

LOUISE CARROLL, Chairperson.

HARRY E. GOULD, JR., Vice Chairperson.

ERIC ENDERLIN, President. Mr. Enderlin was appointed President of the Corporation on September 22, 2016, effective October 12, 2016. Prior to joining the Corporation, he served as Deputy Commissioner for Development and Special Advisor at the New York City Department of Housing Preservation and Development (HPD), overseeing divisions including New Construction Finance, Preservation Finance, Housing Incentives, Property Disposition and Finance, Special Needs Housing, Building and Land Development Services, Storm Recovery, and Credit and Underwriting. Prior to his tenure at HPD, Mr. Enderlin was Assistant Director for Asset Management and Private Market Operations at the New York City Housing Authority (NYCHA), worked as a consultant with the Louis Berger Group in its Economics Department, and served as Principal Planner and land use mediator with the New Jersey Council on Affordable Housing (NJ COAH). Mr. Enderlin holds a Bachelor of Arts in economics and a Master of Science in urban planning and policy, both from Rutgers University.

RICHARD M. FROEHLICH, First Executive Vice President and Chief Operating Officer. Mr. Froehlich, an attorney and member of the New York State Bar, was appointed First Executive Vice President of the Corporation on September 26, 2018. Mr. Froehlich was previously appointed Chief Operating Officer of the Corporation on June 9, 2011, and Executive Vice President for Capital Markets of the Corporation on February 27, 2008. He was originally appointed Senior Vice President and General Counsel of the Corporation effective November 17, 2003. Prior to joining the Corporation, he was Counsel at the law firm of O'Melveny & Myers LLP in its New York City office, where Mr. Froehlich's practice focused on real estate, public finance and affordable housing. From 1993 to 1998, Mr. Froehlich was an Assistant Counsel at the New York State Housing Finance Agency. Upon graduation from law school, he was an associate at Skadden, Arps, Slate, Meagher & Flom. Mr. Froehlich received his B.A. degree from Columbia College and his J.D. from Columbia University School of Law. He is an Adjunct Associate Professor of Urban Planning at Columbia University.

ANTHONY R. RICHARDSON, Executive Vice President for Development. Mr. Richardson was appointed Executive Vice President for Development of the Corporation effective September 26, 2018. Previously, Mr. Richardson was Senior Vice President for Development for the Corporation since 2014. Prior to joining the Corporation, Mr. Richardson was the Director of Multifamily New Construction Programs at HPD. Prior to joining HPD, Mr. Richardson held financial advisory and sales positions at Ernst & Young, M.R. Beal & Company and Cantor Fitzgerald. Mr. Richardson received a Masters in Public Administration and Public Policy from Columbia's School of

International Public Affairs and a Masters in Public Administration and Economic Policy from The London School of Economics & Political Science. Mr. Richardson received a B.A. from Morehouse College.

CATHLEEN A. BAUMANN, Senior Vice President and Treasurer. Ms. Baumann was appointed Senior Vice President of the Corporation on August 8, 2012 and Treasurer of the Corporation by the President on July 20, 2009. Prior to such appointments, she held the position of Deputy CFO since September 2004. Ms. Baumann joined the Corporation in 1988 as an Accountant. She has also held the positions of Senior Accountant and Internal Auditor and Vice President of Internal Audit. Ms. Baumann received her bachelor's degree with majors in Accounting and Economics from Queens College of the City University of New York and her MBA in Finance from Baruch College's Zicklin School of Business of the City University of New York.

ELLEN K. DUFFY, Senior Vice President for Debt Issuance and Finance. Ms. Duffy was appointed Senior Vice President of the Corporation on September 15, 2009, effective September 21, 2009. Prior to joining the Corporation, Ms. Duffy was a principal of the housing finance group at Bank of America Securities ("BAS"). At BAS, Ms. Duffy focused on quantitative structuring of transactions and cash flow analysis for state and local housing issuers. Ms. Duffy previously held positions in the housing areas of the public finance groups at CS First Boston, First Union Securities and Citicorp Investment Bank. Ms. Duffy holds a B.A. in Economics from Providence College.

TERESA GIGLIELLO, Senior Vice President—Portfolio Management. Ms. Gigliello was appointed a Senior Vice President of the Corporation on August 3, 1998. Prior to such appointment, Ms. Gigliello held the position of Director of Audit. She began her career with the Corporation in 1985 as an accountant and served as the Corporation's Internal Auditor from 1986 until her appointment as Director of Audit in 1995. Ms. Gigliello received a Bachelor of Science degree from St. John's University.

SUSANNAH LIPSYTE, Senior Vice President and General Counsel. Ms. Lipsyte, an attorney and member of the New York State Bar, was appointed Senior Vice President and General Counsel on September 26, 2019. Prior to such appointment, Ms. Lipsyte was Deputy General Counsel since August 1, 2015 and Secretary of the Corporation since October 7, 2015. Prior to this, she had been an Assistant Secretary of the Corporation since October 2008 and an Associate General Counsel since July 2009. Ms. Lipsyte joined the Corporation in 2006 as an Assistant General Counsel. Before joining the Corporation, Ms. Lipsyte was a public finance associate at Orrick, Herrington & Sutcliffe LLP. Ms. Lipsyte received her B.A. degree from Yale University and her J.D. from Georgetown University Law Center.

RUTH MOREIRA, Senior Vice President for Development. Ms. Moreira was appointed a Senior Vice President for Development on May 30, 2019. Prior to such appointment, Ms. Moreira held the position of Vice President for Development when she rejoined the Corporation in 2016. Between 2014 and 2016, Ms. Moreira held the position of Vice President of Acquisitions at Hudson Housing Capital LLC, a low income housing tax credit syndicator, underwriting and originating tax credit transactions. Ms. Moreira first joined the Corporation in 2000 as an Investment Analyst and then as Assistant Vice President for Cash Management. In 2008, Ms. Moreira transferred to the Development group, as a project manager underwriting transactions and was then promoted to Assistant Vice President in 2011. Ms. Moreira holds a B.A. in Economics from Uppsala College.

JIM QUINLIVAN, Senior Vice President of Administration. Mr. Quinlivan was appointed Senior Vice President of the Corporation on April 10, 2013, effective April 15, 2013. Prior to such appointment, Mr. Quinlivan held the position of Vice President and Deputy Director of Asset Management. Mr. Quinlivan began his career with the Corporation in 1996 and held several positions before being promoted to Vice President in 2002. Prior to joining the Corporation, Mr. Quinlivan worked at the U.S. Department of Housing & Urban Development. Mr. Quinlivan received a B.A. from New York University.

MOIRA SKEADOS, Deputy General Counsel and Secretary. Ms. Skeados, an attorney and member of the New York State Bar, became Deputy General Counsel and Secretary on September 26, 2019, after serving as Acting Deputy General Counsel pursuant to the Corporation's by-laws and was appointed Assistant Secretary of the Corporation on October 7, 2015. Prior to this, she was an Associate General Counsel. Ms. Skeados joined the Corporation in 2011 as an Assistant General Counsel. Before becoming the Assistant General Counsel, Ms. Skeados was a New York City HPD-HDC Housing Fellow from 2009 to 2011. Ms. Skeados received her B.A. degree from Trinity College and her J.D. from Brooklyn Law School.

Certain Financial Information of the Corporation

The Corporation's audited financial statements for the fiscal year ended October 31, 2018 are contained in Appendix C hereto. Unaudited financial information of the Corporation for the nine-month period ended July 31, 2019 has been prepared by the Corporation, subject to audit, adjustment and reconciliation, solely for general information purposes, in accordance with accounting principles generally accepted in the United States of America, and are included as Appendix D hereto.

Potential Legislative and Regulatory Actions

From time to time, legislation is introduced on the Federal and State levels which, if enacted into law, could affect the Corporation, its operations or its bonds. The Corporation is not able to represent whether such bills will be introduced in the future or become law. In addition, the State undertakes periodic studies of public authorities in the State (including the Corporation) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, could affect the Corporation, its operations and its bonds.

Section 657 of the Act provides that the State pledges to and agrees with the holders of obligations of the Corporation, including owners of the Bonds, that it will not limit or alter the rights vested by the Act in the Corporation to fulfill the terms of any agreements made with the owners of the Bonds, or in any way impair the rights and remedies of such owners until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such owners of the Bonds, are fully met and discharged.

NO LITIGATION

At the time of delivery and payment for the 2019 Bonds, the Corporation will deliver, or cause to be delivered, a Certificate of the Corporation substantially to the effect that there is no litigation or other proceeding of any nature now pending or threatened against or adversely affecting the Corporation of which the Corporation has notice or, to the Corporation's knowledge, any basis therefor, seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2019 Bonds, or in any way contesting or affecting the validity of the 2019 Bonds, the Resolutions, the Disclosure Agreement (as defined below), any investment agreement related to the 2019 Bonds or any proceedings of the Corporation taken with respect to the

issuance or sale of the 2019 Bonds, or the financing of the 2019 Mortgage Loan, or the redemption of any outstanding bonds resulting directly or indirectly from the issuance of the 2019 Bonds, or the pledge, collection or application of any monies or security provided for the payment of the 2019 Bonds, or the existence, powers or operations of the Corporation, or contesting in any material respect the completeness or accuracy of the Official Statement or any supplement or amendment thereto, if any.

TAX MATTERS

Opinion of Bond Counsel to the Corporation

In the opinion of Bond Counsel to the Corporation, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2019 Series A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any 2019 Series A Bond for any period during which such 2019 Series A Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities financed with the proceeds of the 2019 Series A Bonds, or a “related person” and (ii) interest on the 2019 Series A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering such opinion, Bond Counsel to the Corporation has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation, the Mortgagor (as defined in the General Resolution) of the 2019 Mortgage Loan and others in connection with the issuance of the 2019 Series A Bonds, and Bond Counsel to the Corporation has assumed compliance by the Corporation and such Mortgagor to comply with applicable requirements of the Code to assure the exclusion of interest on the 2019 Series A Bonds from gross income under Section 103 of the Code.

In the opinion of Bond Counsel to the Corporation, interest on the 2019 Series B Bonds is included in gross income for Federal income tax purposes pursuant to the Code.

In addition, in the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the 2019 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel to the Corporation expresses no opinion regarding any other Federal or state tax consequences with respect to the 2019 Bonds. Bond Counsel to the Corporation renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel to the Corporation expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the 2019 Series A Bonds or the exemption from personal income taxes of interest on the 2019 Bonds under state and local tax law.

Summary of Certain Federal Tax Requirements

Under applicable provisions of the Code, the exclusion from gross income of interest on the 2019 Series A Bonds (the “Tax-Exempt Bonds”) for purposes of Federal income taxation requires that either (i) at least 20% of the units in a Project financed by the Tax-Exempt Bonds be occupied during the “Qualified Project Period” (defined below) by individuals whose incomes, determined in a manner consistent with Section 8 of the United States Housing Act of 1937, as amended, do not exceed 50% of the median income for the area, as adjusted for family size, or (ii) at least 25% of the units in a Project financed by the Tax-Exempt Bonds be occupied during the “Qualified Project Period” by individuals whose incomes, determined in a manner consistent with Section 8 of the United States Housing Act of 1937, as amended,

do not exceed 60% of the median income for the area, as adjusted for family size, and (iii) all of the units of each such Project be rented or available for rental on a continuous basis during the Qualified Project Period. "Qualified Project Period" for each such Project means a period commencing upon the later of (a) occupancy of 10% of the units in each such Project or (b) the date of issue of the Tax-Exempt Bonds, and running until the later of (i) the date which is 15 years after occupancy of 50% of the units in each such Project, (ii) the first date on which no tax-exempt private activity bonds issued with respect to each such Project are outstanding or (iii) the date on which any assistance provided with respect to such Project under Section 8 of the 1937 Housing Act terminates. Such Project will meet the continuing low income requirement as long as the income of the individuals occupying a low income unit does not increase to more than 140% of the applicable limit. Upon an increase over 140% of the applicable limit, the next available unit of comparable or smaller size in the Project must be rented to an individual having an income that does not exceed the applicable income limitation. An election may be made to treat a Project as a deep rent skewed project which requires that (i) at least 15% of the low income units in the Project be occupied during the Qualified Project Period by individuals whose income is 40% or less of the median income for the area, (ii) the gross rent of each low income unit in the Project not exceed 30% of the applicable income limit which applies to the individuals occupying the unit and (iii) the gross rent with respect to each low income unit in the Project not exceed one-half of the average gross rent with respect to units of comparable size which are not occupied by individuals who meet the applicable income limit. Under the deep rent skewing election, the Project will meet the continuing low income requirement as long as the income of the individuals occupying the unit does not increase to more than 170% of the applicable limit. Upon an increase over 170% of the applicable limit, the next available low income unit must be rented to an individual having an income of 40% or less of the area median income.

In the event of noncompliance with the requirements described in the preceding paragraph arising from events occurring after the issuance of the Tax-Exempt Bonds, the Treasury Regulations provide that the exclusion of interest on the Tax-Exempt Bonds from gross income for Federal income tax purposes will not be impaired if the Corporation takes appropriate corrective action within a reasonable period of time after such noncompliance is first discovered or should have been discovered by the Corporation.

Compliance and Additional Requirements

The Code establishes certain additional requirements which must be met subsequent to the issuance and delivery of the Tax-Exempt Bonds in order for interest on the Tax-Exempt Bonds to be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of the proceeds of the Tax-Exempt Bonds, yield and other limits regarding investments of the proceeds of the Tax-Exempt Bonds and other funds, and rebate of certain investment earnings on such amounts on a periodic basis to the United States.

The Corporation has covenanted in the Resolutions that it shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Tax-Exempt Bonds shall be excluded from gross income for Federal income tax purposes. The Corporation has included provisions in its Tax Regulatory Certificate and has established procedures in order to assure compliance with the requirements which must be met subsequent to the issuance of the Tax-Exempt Bonds. In connection with the issuance of the Tax-Exempt Bonds, the Corporation has entered or will enter into Regulatory Agreements with the Mortgagor of the 2019 Mortgage Loan to assure compliance with the Code. However, no assurance can be given that in the event of a breach of any such covenants, or noncompliance with the provisions, procedures or certifications set forth therein, the remedies available to the Corporation and/or the owners of the Tax-Exempt Bonds can be judicially enforced in such manner as to assure compliance with the above-described requirements and therefore to prevent the loss of the exclusion of interest from gross income for Federal income tax purposes. Any loss of such exclusion of interest from gross income may be retroactive to the date from which interest on the Tax-Exempt Bonds is payable.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Tax-Exempt Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Tax-Exempt Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Tax-Exempt Bonds.

Prospective owners of the Tax-Exempt Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Tax-Exempt Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding

Information reporting requirements will apply to interest paid on tax-exempt obligations, including the Tax-Exempt Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9 “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Tax-Exempt Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax-Exempt Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds under Federal or state law or otherwise prevent beneficial owners of the Tax-Exempt Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Tax-Exempt Bonds.

Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the foregoing matters.

Taxable Bonds; Certain Federal Income Tax Consequences

The following discussion is a brief summary of certain United States Federal income tax consequences of the acquisition, ownership and disposition of the 2019 Series B Bonds (the “Taxable Bonds”) by original purchasers of the Taxable Bonds who are “U.S. Holders”, as defined herein. This summary does not discuss all of the United States Federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules.

Holders of the Taxable Bonds should consult with their own tax advisors concerning the United States Federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Taxable Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Taxable Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption or other disposition (which would include a legal defeasance) of a Taxable Bond, a holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder’s adjusted tax basis in the Taxable Bond. The Corporation may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Bonds to be deemed to be no longer outstanding under the Resolutions (a “defeasance”). (See “Appendix B—Summary of Certain Provisions of the General Resolution”). For Federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Taxable Bonds subsequent to any such defeasance could also be affected.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to non-corporate holders of the Taxable Bonds with respect to payments of principal, payments of interest and the proceeds of the sale of a Taxable Bond before maturity within the United States. Backup withholding may apply to holders of Taxable Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States Federal income tax provided the required information is furnished to the Service.

U.S. Holders

The term “U.S. Holder” means a beneficial owner of a Taxable Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Taxable Bonds under state law and could affect the market price or marketability of the Taxable Bonds.

Prospective purchasers of the Taxable Bonds should consult their own tax advisors regarding the foregoing matters.

AGREEMENT OF THE STATE

Section 657 of the Act provides that the State pledges to and agrees with the holders of obligations of the Corporation, including owners of the Bonds, that it will not limit or alter the rights vested by the Act in the Corporation to fulfill the terms of any agreements made with the owners of the Bonds, or in any way impair the rights and remedies of such owners until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such owners of the Bonds, are fully met and discharged.

LEGALITY OF THE BONDS FOR INVESTMENT AND DEPOSIT

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

UNDERWRITING

Jefferies LLC, as senior manager, and the co-senior managing underwriters and co-managing underwriters listed on the inside cover pages, have jointly and severally agreed, subject to certain conditions, to purchase the 2019 Bonds from the Corporation at an aggregate purchase price of \$_____, and to make a public offering of the 2019 Bonds at prices that are not in excess of the public offering prices stated on the inside cover pages of this Official Statement. Such Underwriters will be obligated to purchase all of the 2019 Bonds if any are purchased. The 2019 Bonds may be offered and sold to certain dealers at prices lower than such public offering price, and such public offering price may be changed, from time to time, by such Underwriters. Such Underwriters will receive an underwriting fee in the amount of \$_____, which amount includes expenses for such underwriting.

This paragraph has been supplied by Jefferies LLC: Jefferies LLC, an Underwriter of the 2019 Bonds, has entered into an agreement (the “Jefferies Agreement”) with E*TRADE Securities LLC (“E*TRADE”) for the retail distribution of municipal securities. Pursuant to the Jefferies Agreement, Jefferies will sell 2019 Bonds to E*TRADE and will share a portion of its selling concession with E*TRADE.

This paragraph has been supplied by Morgan Stanley & Co. LLC: Morgan Stanley & Co. LLC, one of the Underwriters of the 2019 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2019 Bonds.

The following three paragraphs have been provided by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities and mortgage loan servicing. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial services and investment banking services for the Corporation, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Corporation.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RATING

[_____] has assigned the 2019 Bonds a rating of “___”. Such rating reflects only the respective views of such rating agency, and an explanation of the significance of such rating may be obtained from the rating agency furnishing the same. There is no assurance that such rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2019 Bonds.

CERTAIN LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the 2019 Bonds by the Corporation are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Corporation by its General Counsel. Certain legal matters will be passed upon for the Underwriters by their Counsel, Katten Muchin Rosenman LLP, New York, New York. Certain legal matters related to the 2019 Bonds will be passed upon for the Corporation by Orrick, Herrington & Sutcliffe LLP, New York, New York, Disclosure Counsel to the Corporation.

FINANCIAL STATEMENTS

The financial statements of the Corporation for the year ended October 31, 2018, which are included as Appendix C to this Official Statement, have been audited by Ernst & Young LLP, independent

auditors, as stated in their report appearing therein. Ernst & Young LLP, the Corporation's auditor, has not been engaged to perform and has not performed, since the date of such report, any procedures on the financial statements addressed in such report. Ernst & Young LLP also has not performed any procedures relating to this Official Statement.

Unaudited financial information of the Corporation for the nine-month period ended July 31, 2019 has been prepared by the Corporation, subject to audit, adjustment and reconciliation, solely for general information purposes, in accordance with accounting principles generally accepted in the United States of America, and are included as Appendix D to this Official Statement. Such unaudited financial information should be read in conjunction with the financial statements of the Corporation for the year ended October 31, 2018, included as Appendix C to this Official Statement. The results of operations for the nine-month period ended July 31, 2019 set forth in such unaudited financial information are not necessarily indicative of the results of operations for the annual period ending October 31, 2019.

The information contained in these financial statements, which are provided for informational purposes only, should not be used in any way to modify the description of the security for the Bonds contained herein. The assets of the Corporation, other than those pledged pursuant to the General Resolution including certain instruments of the Corporation with respect to the Debt Service Reserve Account, are not pledged to nor are they available to Bond owners.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Corporation and the Trustee will enter into a written agreement for the benefit of the holders of the 2019 Bonds (the "Disclosure Agreement") to provide continuing disclosure.

The Corporation will undertake in the Disclosure Agreement to provide to the Municipal Securities Rulemaking Board ("MSRB"), on an annual basis on or before 150 days after the end of each fiscal year of the Corporation commencing with the fiscal year ended October 31, 2019 certain financial information and operating data, referred to herein as "Corporation Annual Information," including, but not limited to annual financial statements of the Corporation. The Corporation will further undertake to use its best efforts to provide to the MSRB, on an annual basis on or before 150 days after the end of each fiscal year of the 2019 Mortgagor, certain financial information and operating data, referred to herein as "Mortgagor Annual Information," including, but not limited to, annual financial statements of the 2019 Mortgagor, prepared in accordance with generally accepted accounting principles and audited by an independent firm of certified public accountants in accordance with generally accepted auditing standards if so required by the 2019 Mortgage; provided, however, that if audited financial statements are required but not available in accordance with the dates described above, unaudited financial statements shall be provided and such audited financial statements shall be delivered to the MSRB when they become available. In addition, the Corporation will undertake in the Disclosure Agreement, for the benefit of the holders of the 2019 Bonds, to provide to the MSRB, in a timely manner (not in excess of ten (10) Business Days after the occurrence of the event), the notices required to be provided by Rule 15c2-12 and described below. With regard to each Series of Bonds issued under the General Resolution for which an underwriter has an obligation under Rule 15c2-12, the Corporation has entered into agreements substantially identical to the Disclosure Agreement.

The Corporation Annual Information shall consist of the following: (a) financial information and operating data of the Corporation prepared in conformity with accounting principles generally accepted in the United States and audited by an independent firm of certified public accountants in accordance with

auditing standards generally accepted in the United States; provided, however, that if audited financial statements are not available in accordance with the dates described above, unaudited financial statements shall be provided and such audited financial statements shall be delivered to the MSRB when they become available; (b) a statement setting forth the amount on deposit in the Debt Service Reserve Account and the Bond Proceeds Account; (c) financial information and operating data of the type set forth in this Official Statement under the headings or subheadings “[_____],” “[_____]” and “[_____]”; and (d) the information regarding amendments to the Disclosure Agreement required pursuant thereto, together with (e) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning the Corporation and in judging the financial information about the Corporation.

The notices required to be provided by Rule 15c2-12, which the Corporation will undertake to provide as described above, include notices of any of the following events with respect to the 2019 Bonds: (1) principal and interest payment delinquencies; (2) nonpayment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2019 Bonds or other material events affecting the tax status of the 2019 Bonds; (7) modification to the rights of holders of 2019 Bonds, if material; (8) 2019 Bond calls, if material, and tender offers; (9) defeasances of all or a portion of the 2019 Bonds; (10) the release, substitution or sale of property securing repayment of the 2019 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar events of the Corporation or the 2019 Mortgagor; (13) the consummation of a merger, consolidation or acquisition involving the Corporation or the 2019 Mortgagor or the sale of all or substantially all of the assets of the Corporation or the 2019 Mortgagor, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) the incurrence of a Financial Obligation (as defined below) of the Corporation or the 2019 Mortgagor, if material, or agreement as to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation or the 2019 Mortgagor, any of which affect holders of the 2019 Bonds, if material; and (16) a default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Corporation or the 2019 Mortgagor, any of which reflect financial difficulties; and to the MSRB, in a timely manner, notice of a failure by the Corporation to provide the Corporation Annual Information or the Mortgagor Annual Information required by the Disclosure Agreement. “Financial Obligation” (i) means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B), but (ii) shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

If any party to the Disclosure Agreement fails to comply with any provisions thereof, then the other party to the Disclosure Agreement and, as a direct or third party beneficiary, as the case may be, any holder of the 2019 Bonds may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the Disclosure Agreement against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach or default under the Disclosure Agreement to provide the continuing disclosure described above is an action to compel specific performance of the undertakings contained therein, and no person or entity may recover monetary damages thereunder under any circumstances; provided, however, that the rights of any holder of 2019 Bonds to challenge the adequacy of the information provided by the Corporation are

conditioned upon the provisions of the General Resolution with respect to the enforcement of remedies of holders of the 2019 Bonds upon the occurrence of an Event of Default described in the General Resolution. A breach or default under the Disclosure Agreement shall not constitute an Event of Default under the General Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Disclosure Agreement, insofar as the provisions of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided. Beneficial Owners of the 2019 Bonds are third-party beneficiaries of the Disclosure Agreement and, as such, are deemed to be holders of the 2019 Bonds for the purposes of exercising remedies.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data. Where an undertaking calls for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Disclosure Agreement, however, may be amended or modified without the consent of the holders of the 2019 Bonds under certain circumstances set forth in the Disclosure Agreement.

Copies of the Disclosure Agreement, when executed and delivered by the parties thereto on the date of the initial delivery of the 2019 Bonds, will be on file at the office of the Corporation.

Under certain of the Corporation's agreements to provide continuing disclosure with respect to bonds issued under other bond resolutions, during the past five years, the Corporation (i) did not file annual financial statements for up to eight mortgagors when due, and did not file a required notice of such failure, in 2015, 2016 and 2017 (all such financial statements subsequently were filed in 2017), (ii) on five occasions was between one and five days late in filing required mortgagor annual financial statements or Corporation annual financial information, (iii) on occasion has not timely linked to every applicable CUSIP number timely-filed mortgagor annual financial statements or Corporation annual financial information, and (iv) was on one occasion one day late in filing required Corporation annual financial information and on occasion has not timely linked to every applicable CUSIP number timely-filed Corporation annual financial information. In addition, on April 18, 2018, the Corporation was informed by S&P Global Ratings ("S&P") of a downgrade of the short-term rating assigned by S&P to the certain series of bonds, which downgrade occurred on February 20, 2018 as a result of the downgrade by S&P of the short-term issuer rating of the liquidity provider with respect to such bonds. The Corporation failed to timely file notice of such downgrade after the occurrence thereof, but did make such filing promptly upon receiving notice of the downgrade from S&P. Also, the Corporation failed to timely file an annual statement setting forth the valuations of certain mortgage loans for purposes of the resolution pursuant to which the bonds that financed such mortgage loans were issued that was required to be filed in March 2019. The Corporation filed such statement in September 2019.

FURTHER INFORMATION

The information contained in this Official Statement is subject to change without notice and no implication should be derived therefrom or from the sale of the 2019 Bonds that there has been no change in the affairs of the Corporation from the date hereof. Pursuant to the General Resolution, the Corporation has covenanted to keep proper books of record and account in which full, true and correct entries will be made of all its dealings and transactions under the General Resolution, and to cause such books to be audited for each fiscal year. The General Resolution requires that such books be open to inspection by the Trustee and the owners of not less than five percent (5%) of the Bonds then Outstanding issued thereunder during regular business hours of the Corporation.

Additional information, including the annual report of the Corporation, may be obtained from the Corporation at 110 William Street, New York, New York 10038, (212) 227-5500 or through its internet address: www.nychdc.com.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such, and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Corporation and the purchasers or owners of any 2019 Bonds.

This Official Statement is submitted in connection with the sale of the 2019 Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Official Statement and the distribution thereof has been duly authorized and approved by the Corporation, and duly executed and delivered on behalf of the Corporation.

NEW YORK CITY HOUSING DEVELOPMENT
CORPORATION

By: _____
Eric Enderlin
President

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

Set forth below are certain defined terms used in this Official Statement and in the Resolutions. In some instances, the General Resolution permits the modification of certain of its provisions by a Supplemental Resolution relating to a specific Series of Bonds. Certain modifications to the General Resolution, which have been made with respect to the 2019 Bonds by the provisions of the 2019 Supplemental Resolutions, are reflected in the defined terms below. This Appendix A does not purport to be comprehensive or definitive and is qualified by reference to the Resolutions and the Supplemental Resolutions relating to each Series of Bonds, copies of which may be obtained from the Corporation.

The following terms shall have the following meanings in this Official Statement and in the Resolutions unless the context shall clearly indicate otherwise:

“Account” means one of the special accounts (other than the Rebate Fund) created and established pursuant to the General Resolution or a Supplemental Resolution.

“Acquired Project” means a Project financed by a 2019 Mortgage Loan, title to or the right to possession of which has been acquired by the Corporation through protection and enforcement of its rights conferred by law or the Mortgage upon such Project.

“Acquired Project Expenses” means all costs and expenses arising from the acquisition, ownership, possession, operation or maintenance of an Acquired Project, including reasonable operating, repair and replacement reserves therefor.

“Acquired Project Gross Operating Income” means all monies received in connection with the acquisition, ownership, possession, operation or maintenance of an Acquired Project.

“Acquired Project Net Operating Income” means Acquired Project Gross Operating Income less Acquired Project Expenses.

“Act” means the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of the State of New York), as amended.

“Authorized Officer” means the Chairperson, Vice-Chairperson, President, First Executive Vice President or any Executive Vice President or Senior Vice President of the Corporation and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the Corporation then authorized to perform such act or discharge such duty.

“Bond” means one of the bonds to be authenticated and delivered pursuant to the General Resolution.

“Bond Counsel’s Opinion” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Corporation and satisfactory to the Trustee.

“Bond owner” or “owner” or words of similar import, when used with reference to a Bond, means any person who shall be the registered owner of any Outstanding Bond.

“Bond Proceeds Account” means the Bond Proceeds Account established pursuant to the General Resolution.

“Bond Year” means a twelve-month period ending on the first day of November of any year.

“Business Day” means any day other than (a) a Saturday or a Sunday, (b) any day on which banking institutions located in (i) the City of New York, New York or (ii) the city in which the Principal Office of the Trustee is located, (c) a day on which the New York Stock Exchange is closed or (d) so long as any Series of Bonds is held in book-entry form, a day on which DTC is closed.

“Cash Equivalent” means a Letter of Credit, Insurance Policy, Surety, Guaranty or other Security Arrangement (each as defined and provided for in a Supplemental Resolution), provided by an entity which has received a rating of its claims paying ability from at least one nationally recognized rating agency at least equivalent to the then-existing rating on the Rated Bonds (without regard to any Credit Facility securing such Rated Bonds) or whose unsecured long-term debt securities have received a rating from at least one nationally recognized rating agency at least equivalent to the then-existing rating on the Rated Bonds (without regard to any Credit Facility securing such Rated Bonds) (or equivalent to “A-1” or “P- 1,” if the Cash Equivalent has a remaining term at the time of acquisition not exceeding one year); provided, however, that a Cash Equivalent may be provided by an entity which has received a rating of its claims paying ability which is lower than that set forth above or whose unsecured long-term (or short-term) debt securities are rated lower than that set forth above, so long as the providing of such Cash Equivalent does not, as of the date it is provided, in and of itself, result in the reduction or withdrawal of the then existing rating assigned to the Rated Bonds (without regard to any Credit Facility securing such Rated Bonds) by any of the Rating Agencies.

“Cash Flow Certificate” means a Cash Flow Certificate conforming to the requirements of the General Resolution.

“Cash Flow Statement” means a Cash Flow Statement conforming to the requirements of the General Resolution.

“Certificate” means (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the General Resolution or a Supplemental Resolution or (ii) the report of an accountant as to audit or other procedures called for by the General Resolution or a Supplemental Resolution.

“City” means The City of New York, a municipal corporation organized and existing under and pursuant to the laws of the State.

“Code” means the Internal Revenue Code of 1986, as amended.

“Corporation” means the New York City Housing Development Corporation, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of the Corporation.

“Corporation Corporate Purposes” means any purpose for which the Corporation may issue bonds pursuant to the Act or other applicable law.

“Costs of Issuance” means all items of expense, directly or indirectly payable or reimbursable by or to the Corporation and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees

and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, and any other cost, charge or fee in connection with the original issuance of Bonds.

“Credit Facility” means any of the following if designated as a Credit Facility hereunder in a Supplemental Resolution: (i) a letter of credit, (ii) cash, (iii) a certified or bank check, (iv) Investment Securities, (v) a policy of bond insurance or (vi) any other credit facility similar to the above in purpose and effect, including, but not limited to, a guaranty, standby loan or purchase commitment, insurance policy, surety bond or financial security bond or any combination thereof.

“Credit Facility Provider” means the issuer of or obligor under a Credit Facility.

“Debt Service” means, with respect to any particular Bond Year, an amount equal to the sum of (i) all interest payable on Outstanding Bonds during such Bond Year, plus (ii) any Principal Installments of such Bonds during such Bond Year.

“Debt Service Reserve Account” means the Debt Service Reserve Account established pursuant to the General Resolution.

“Debt Service Reserve Account Requirement” means as of any date of calculation, the aggregate of the amounts specified as the Debt Service Reserve Account Requirement for each Series of Bonds in the Supplemental Resolution authorizing the issuance of a Series of Bonds; provided, however, that a Supplemental Resolution may provide that the Debt Service Reserve Account Requirement for the Series of Bonds authorized thereunder may be funded, in whole or in part, through Cash Equivalents and such method of funding shall be deemed to satisfy all provisions of the General Resolution with respect to the Debt Service Reserve Account Requirement and the amounts required to be on deposit in the Debt Service Reserve Account.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors or assigns.

“Escrow Payments” means and includes all amounts whether paid directly to the Corporation or to the servicer of any Mortgage Loan representing payments to obtain or maintain mortgage insurance or any subsidy with respect to a Mortgage Loan or the mortgaged premises or payments in connection with real estate taxes, assessments, water charges, sewer rents, ground rents, fire or other insurance, replacement or operating reserves or other like payments in connection therewith.

“Event of Default” means any of the events specified in the General Resolution as an Event of Default.

“Fannie Mae” means the Federal National Mortgage Association.

“FHA” means the Federal Housing Administration.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation.

“General Resolution” means the Housing Impact Bonds Bond Resolution adopted by the Corporation on _____, and any amendments thereof or supplements thereto made in accordance with its terms.

“GNMA” means the Government National Mortgage Association.

“Government Obligations” means direct obligations of or obligations guaranteed by the United States of America, including, but not limited to, United States Treasury Obligations, Separate Trading of Registered Interest and Principal of Securities (STRIPS) and Coupons Under Book-Entry Safekeeping (CUBES), provided the underlying United States Treasury Obligation is not callable prior to maturity.

“Hedge Receipt” means the net amount required to be paid to the Corporation under a Qualified Hedge, but shall not include any Termination Receipt.

“HPD” means the New York City Department of Housing Preservation and Development.

“HUD” means the United States Department of Housing and Urban Development, or any successor thereof.

“Interest Payment Date” means any date upon which interest on the Bonds is due and payable in accordance with their terms.

“Investment Securities” means and includes any of the following obligations, to the extent the same are at the time legal for investment of funds of the Corporation under the Act, including the amendments thereto hereafter made, or under other applicable law:

- (1) Government Obligations;
- (2) any bond, debenture, note, participation certificate or other similar obligation issued by any one or combination of the following agencies: GNMA, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Farm Credit System Banks Consolidated Obligations, Banks for Cooperatives, Tennessee Valley Authority, Washington Metropolitan Area Transportation Authority, United States Postal Service, Farmers’ Home Administration and Export-Import Bank of the United States;
- (3) any bond, debenture, note, participation certificate or other similar obligation issued by any Federal agency and backed by the full faith and credit of the United States of America;
- (4) any other obligation of the United States of America or any Federal agencies which may then be purchased by New York State savings banks;
- (5) deposits in interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements (i) secured by any of the obligations described above, or (ii) fully insured by the Federal Deposit Insurance Corporation, or (iii) made with banking institutions, or their parents which either (a) have unsecured debt rated in one of the two highest rating categories of a nationally recognized rating service or (b) are deemed by a nationally recognized rating service to be an institution rated in one of the two highest rating categories of such rating service;
- (6) any participation certificate of Freddie Mac and any mortgage-backed securities of Fannie Mae, in each case rated in the highest rating category of a nationally recognized rating service;
- (7) short-term corporate obligations, known as Commercial Paper, with a maturity of up to ninety days which are issued by corporations that are deemed by a nationally recognized rating service to be in the highest short-term rating category of such rating service;

- (8) obligations of the City and State of New York;
- (9) obligations of the New York City Municipal Water Finance Authority;
- (10) obligations, the principal and interest of which, are guaranteed by the City or State of New York;
- (11) obligations in which the Comptroller of the State of New York is authorized to invest in as specified in section ninety-eight of the State Finance Law, as amended from time to time; and
- (12) any other investment permitted under the Corporation's investment guidelines adopted August 14, 1984, as amended from time to time.

“Mortgage” means a mortgage or other instrument securing a Mortgage Loan.

“Mortgage Loan” means a loan, evidenced by a note, for a Project, secured by a Mortgage and specified in a Supplemental Resolution as being subject to the lien of the General Resolution; provided, that Mortgage Loan shall also mean a participation by the Corporation with another party or parties, public or private, in a loan made to a Mortgagor with respect to a Project; provided, further, that Mortgage Loan shall also mean an instrument evidencing an ownership in such loans, including, but not limited to, a mortgage-backed security guaranteed by GNMA, Fannie Mae or Freddie Mac.

“Mortgage Note” means the note evidencing a Mortgage Loan.

“Mortgagor” means a mortgagor with respect to any Mortgage Loan.

“Outstanding,” when used with reference to Bonds, means, as of any date, except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, all Bonds theretofore or thereupon being authenticated and delivered under the General Resolution, except:

- (1) any Bond canceled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;
- (2) any Bond (or portion of a Bond) for the payment or redemption of which there have been separately set aside and held in a Redemption Account under the General Resolution either:
 - (a) monies in an amount sufficient to effect payment of the principal or applicable Redemption Price thereof, together with accrued interest on such Bond to the payment date or Redemption Date, which payment date or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such monies to such payment or redemption on the date so specified; or
 - (b) Government Obligations, as described in the section of the General Resolution entitled “Defeasance,” in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide monies in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment date or Redemption Date, which payment date or Redemption Date shall be specified in irrevocable instructions to the Trustee to apply such monies to such payment or redemption on the date so specified; or

- (c) any combination of (a) and (b) above;
- (3) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the General Resolution; and
- (4) any Bond deemed to have been paid as described in the section of the General Resolution entitled “Defeasance.”

“Permitted Encumbrances” means such liens, encumbrances, declarations, reservations, easements, rights of way and other clouds on title as do not impair the use or value of the premises or such other liens, encumbrances, declarations, reservations, easements, rights of way and other clouds on title as are specified in a Supplemental Resolution with respect to a Mortgage Loan.

“Pledged Receipts” means, except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, (i) the scheduled or other payments required by any Mortgage Loan and paid to or to be paid to the Corporation from any source, including, but not limited to, interest, rent or other subsidy payments, and including both timely and delinquent payments, (ii) Hedge Receipts, (iii) Termination Receipts, (iv) accrued interest received at the sale of Bonds and (v) all income earned or gain realized in excess of losses suffered on any investment or deposit of monies in the Accounts established and maintained pursuant to the General Resolution or a Supplemental Resolution, or monies provided by the Corporation and held in trust for the benefit of the Bond owners pursuant to the General Resolution, but shall not mean or include amounts required to be deposited into the Rebate Fund, Recoveries of Principal, any payments with respect to any Mortgage Loan received prior to the date that Revenues therefrom are pledged under the General Resolution, Escrow Payments, late charges, administrative or credit enhancement fees, if any, of the Corporation or any amount retained by the servicer (which may include the Corporation) of any Mortgage Loan, as financing, servicing, extension or settlement fees.*

“Principal Installment” means, as of any date of calculation, (i) the aggregate principal amount of Outstanding Bonds due on a certain future date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the General Resolution of Sinking Fund Payments payable before such future date plus (ii) the unsatisfied balance, determined as provided in the General Resolution, of any Sinking Fund Payments due on such certain future date, together with the aggregate amount of the premiums, if any, applicable on such future date upon the redemption of such Bonds by application of such Sinking Fund Payments in a principal amount equal to said unsatisfied balance.

“Principal Office”, when used with respect to the Trustee shall mean U.S. Bank National Association, 100 Wall Street, Suite 1600, New York, New York 10005, Attention: Corporate Trust Services, and when used with respect to the Tender Agent shall mean the same address as that of the Trustee or the address of any successor Tender Agent appointed in accordance with the terms of the applicable 2019 Supplemental Resolution, or such other offices designated to the Corporation in writing by the Trustee or the Tender Agent, as the case may be.

* The 2019 Series A Supplemental Resolution and the 2019 Series B Supplemental Resolution each provide that (i) with respect to any Acquired Project, Acquired Project Net Operating Income shall constitute Pledged Receipts, (ii) with respect to the 2019 Mortgage Loans, any prepayment premiums or penalties shall not constitute Pledged Receipts, (iii) with respect to the 2019 Mortgage Loans, amounts obtained under a letter of credit or other credit enhancement securing any such Mortgage Loan or under any agreement entered into by the Corporation and the provider of such letter of credit or other credit enhancement in connection with the providing of such letter of credit or credit enhancement in the event of a default on such Mortgage Loan with respect to scheduled principal and/or interest payments required by such Mortgage Loan shall constitute Pledged Receipts, and (iv) with respect to the 2019 Mortgage Loans and any Federal subsidy payments pursuant to Section 8 of the United States Housing Act of 1937, as amended, with respect thereto, only Federal subsidy payments duly and properly paid and actually received by or on behalf of the Corporation or the Trustee pursuant to Section 8 of the United States Housing Act of 1937, as amended, shall constitute Pledged Receipts.

“Project” means any multi-family housing development or other facility financeable by the Corporation under the Act or other applicable law and approved by the Corporation.

“Purchase Price” means an amount equal to one hundred percent (100%) of the principal amount of any Bond that is subject to mandatory tender for purchase, plus, unless the Purchase Price is to be paid on an Interest Payment Date (in which case interest will be paid in the normal manner), accrued and unpaid interest thereon to the date of purchase.

“Qualified Hedge” shall mean, to the extent from time to time permitted by law, any financial arrangement (i) which is entered into by the Corporation with an entity that is a Qualified Hedge Provider at the time the arrangement initially is entered into; (ii) which is a cap, floor or collar; forward rate; future rate; swap; asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto; or any similar arrangement; and (iii) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Hedge hereunder.

“Qualified Hedge Payment” means the net amount required to be paid by the Corporation under a Qualified Hedge, other than (a) Termination Payments and (b) fees, expenses or similar other charges or obligations thereunder.

“Qualified Hedge Provider” means an entity (a) whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, at the time of initially entering into the related Qualified Hedge, are rated in the three highest rating categories by any nationally recognized rating agency, or whose payment obligations under a Qualified Hedge are guaranteed by an entity whose senior long-term debt obligations, other senior unsecured long-term obligations, financial program rating, counterparty rating, or claims paying ability are rated in the three highest rating categories by any nationally recognized rating agency, or (b) whose payment obligations under the related Qualified Hedge are secured by a collateral agreement that, at the time of initially entering into the collateral agreement, is rated, or the entity’s (or a guarantor of the entity’s) obligations under the collateral agreement are rated, in the three highest rating categories by any nationally recognized rating agency; provided, however, that the definition of Qualified Hedge Provider shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to this Resolution by a Supplemental Resolution, thus permitting hedge providers with different characteristics from those permitted pursuant to (a) and (b) which the Corporation deems from time to time to be in the interests of the Corporation to include as Qualified Hedge Providers if at the time of inclusion there is delivered to the Trustee a Rating Confirmation regarding such inclusion.

“Rated Bond” means a Bond (other than a Subordinate Bond) that has been assigned a rating, without regard to any Credit Facility securing such Bond, by a Rating Agency pursuant to a request for a rating by the Corporation, but excludes any such Bond during any period that commences on a date of remarketing of such Bond if no Rating Agency has at the request of the Corporation assigned such a rating to such Bond during such period.

“Rating Agency” means any nationally recognized rating agency when any Bonds are rated by such agency, pursuant to a request for a rating by the Corporation.

“Rating Confirmation” means, with respect to a proposed action, a statement by at least one Rating Agency that refers to the proposed action and states, with respect to each Rated Bond rated by such Rating Agency, that its then-existing rating is confirmed or that such action will not cause such Rating Agency to lower, suspend or withdraw the rating assigned to such Rated Bond. (For purposes of this definition,

“rating” with respect to a Rated Bond and a Rating Agency means such Rating Agency’s rating of such Rated Bond without regard to any Credit Facility securing such Rated Bond.)

“Rebate Amount” means, with respect to a particular Series of Bonds, the amount, if any, required to be deposited in the Rebate Fund in order to comply with the tax covenants contained in the General Resolution.

“Rebate Fund” means the Rebate Fund established pursuant to the General Resolution.

“Record Date” means the fifteenth (15th) day next preceding an Interest Payment Date.

“Recoveries of Principal” means, except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, all amounts received by the Corporation as a recovery of the principal amount disbursed by the Corporation in connection with any Mortgage Loan, including any premium or penalty with respect thereto, on account of (i) the advance payment of amounts to become due pursuant to such Mortgage Loan, at the option of the Mortgagor, (ii) the sale, assignment, endorsement or other disposition thereof, (iii) the acceleration of payments due thereunder or other remedial proceedings taken in the event of the default thereon, (iv) proceeds of any insurance award resulting from the damage or destruction of a Project which are required to be applied to payment of a Mortgage Note pursuant to a Mortgage, (v) proceeds of any condemnation award resulting from the taking by condemnation (or by agreement of interested parties in lieu of condemnation) by any governmental body or by any person, firm, or corporation acting under governmental authority, of title to or any interest in or the temporary use of, a Project or any portion thereof, which proceeds are required to be applied to payment of a Mortgage Note pursuant to a Mortgage or (vi) proceeds of any mortgage insurance or credit enhancement with respect to a Mortgage Loan which is in default.*

“Redemption Account” means the Redemption Account established pursuant to the General Resolution.

“Redemption Date” means the date or dates upon which Bonds are to be called for redemption pursuant to the General Resolution or the applicable Supplemental Resolution.

“Redemption Price” means, with respect to any Bonds, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof.

“REMIC” means the New York City Residential Mortgage Insurance Corporation, a subsidiary corporation of the Corporation.

“Revenue Account” means the Revenue Account established pursuant to the General Resolution.

“Revenues” means the Pledged Receipts and Recoveries of Principal.

“Series” means any Series of Bonds issued pursuant to the General Resolution.

* The 2019 Series A Supplemental Resolution and the 2019 Series B Supplemental Resolution each provide that (i) with respect to any Acquired Project, the proceeds of sale of such Acquired Project shall constitute Recoveries of Principal, (ii) with respect to the 2019 Mortgage Loans, any prepayment premiums or penalties shall not constitute Recoveries of Principal, and (iii) with respect to the 2019 Mortgage Loans, amounts obtained under a letter of credit or other credit enhancement securing any such Mortgage Loan or under any agreement entered into by the Corporation and the provider of such letter of credit or other credit enhancement in connection with the providing of such letter of credit or credit enhancement, in the event of a default on such Mortgage Loan, other than with respect to scheduled principal and/or interest payments required by such Mortgage Loan, shall constitute Recoveries of Principal.

“Sinking Fund Payment” means, with respect to a particular Series, as of any particular date of calculation, the amount required to be paid in all events by the Corporation on a single future date for the retirement of Outstanding Bonds which mature after said future date, but does not include any amount payable by the Corporation by reason of the maturity of a Bond or by call for redemption at the election of the Corporation.

“SONYMA” means the State of New York Mortgage Agency, a corporate governmental agency of the State of New York constituting a political subdivision and public benefit corporation established under the SONYMA Act.

“State” means the State of New York.

“Subordinate Bonds” means any Bonds which, pursuant to the Supplemental Resolution authorizing such Bonds, are secured by a subordinate charge and lien on the Revenues and assets pledged under the General Resolution.

“Subordinate Obligations” means (i) the Corporation’s obligation to make Termination Payments and (ii) any other payment obligation of the Corporation that arises under a contract, agreement or other obligation of the Corporation and has been designated in writing to the Trustee by an Authorized Officer as a Subordinate Obligation hereunder.

[“Subsidy Programs” means the housing assistance payment program authorized by Section 8 of the United States Housing Act of 1937, as amended.]

“Supplemental Resolution” means any resolution supplemental to or amendatory of the General Resolution, adopted by the Corporation and effective in accordance with the General Resolution.

“Supplemental Security” means (a) mortgage insurance provided by (i) FHA, including FHA Risk-Sharing Insurance, (ii) REMIC and (iii) SONYMA, (b) mortgage-backed securities guaranteed by GNMA, (c) a credit enhancement instrument by Fannie Mae or Freddie Mac securing a Mortgage Loan, (d) a risk share credit enhancement instrument by Freddie Mac securing a Mortgage Loan, (e) bank letters of credit securing Mortgage Loans and (f) a funding agreement provided by the Corporation.

“Tender Agent” means U.S. Bank National Association, a national banking association, and its successors and assigns appointed in accordance with the applicable 2019 Supplemental Resolution.

“Termination Payment” means, with respect to a Qualified Hedge, an amount required to be paid by the Corporation to a Qualified Hedge Provider as a result of the termination in advance of the stated termination date or scheduled reduction of the related Qualified Hedge, or required to be paid by the Corporation into a collateral account as a source of payment of any such payments.

“Termination Receipt” means an amount required to be paid to the Corporation under a Qualified Hedge by the Qualified Hedge Provider as a result of the termination in advance of the stated termination date or scheduled reduction of such a Qualified Hedge.

“Trustee” means the trustee designated as Trustee in the General Resolution and its successor or successors and any other person at any time substituted in its place pursuant to the General Resolution.

“2019 Series A Event of Default” means the event specified in the 2019 Series A Supplemental Resolution as a 2019 Series A Event of Default.

“Voluntary Sale Proceeds” means the proceeds of the sale, assignment, endorsement or other disposition of any Mortgage Loan (including any 2019 Mortgage Loan), except a sale, assignment, endorsement or other disposition required pursuant to the General Resolution in the event of a default under the General Resolution or made when, in the sole judgment of the Corporation, such Mortgage Loan is in default.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

Set forth below are abridged or summarized excerpts of certain sections of the General Resolution. In some instances, the General Resolution permits the modification of certain of its provisions by a Supplemental Resolution relating to a specific Series of Bonds. Certain modifications to the General Resolution, which have been made with respect to the 2019 Bonds by the provisions of the 2019 Supplemental Resolutions, have also been summarized below. The excerpts set forth below do not purport to be complete or to cover all sections of the General Resolution. Reference is made to the General Resolution and the Supplemental Resolutions relating to each Series of Bonds, copies of which are on file with the Corporation and the Trustee, for a complete statement of the rights, duties and obligations of the Corporation, the Trustee and the Bond owners thereunder.

Contract With Bond Owners—Security for Bonds—Limited Obligation

In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time, the provisions of the General Resolution shall be deemed to be and shall constitute a contract among the Corporation, the Trustee and the owners from time to time of such Bonds. The pledges and assignments made in the General Resolution and the provisions, covenants and agreements therein set forth to be performed by or on behalf of the Corporation shall be for the benefit, protection and security of the owners of any and all of such Bonds, each of which, regardless of the time of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the General Resolution or a Supplemental Resolution authorizing a Series of Bonds. The Corporation pledges the Revenues and all amounts held in any Account established under the General Resolution to the payment of the principal or Redemption Price of and interest on the Bonds, subject to provisions permitting the use and application of such amounts for stated purposes, as provided in the General Resolution; provided, however, that notwithstanding anything to the contrary contained in the General Resolution, the Corporation may, pursuant to a Supplemental Resolution authorizing the issuance of a Series of Bonds, also pledge such Revenues and amounts to one or more Credit Facility Providers who have provided Credit Facilities to secure such Series of Bonds and such further pledge may be either on a parity with or subordinate to the pledge set forth in this paragraph to secure the payment of the Bonds, all as set forth in such Supplemental Resolution; and provided further, however, that the Corporation may, pursuant to a Supplemental Resolution, provide that amounts in an Account established pursuant to such Supplemental Resolution be excluded from the pledge set forth in this paragraph to secure the payment of the Bonds or otherwise limit such pledge with respect to such Account. The foregoing pledge does not include amounts on deposit in or required to be deposited in the Rebate Fund. The Bonds shall be special revenue obligations of the Corporation payable solely from the revenues and assets pledged therefor pursuant to the General Resolution.

Provisions for Issuance of Bonds

In order to provide sufficient funds for financing the Corporation Corporate Purposes, Bonds of the Corporation are authorized to be issued without limitation as to amount except as may be provided by law. The Bonds shall be executed by the Corporation for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Corporation or upon its order, but only upon the receipt by the Trustee of, among other things:

- (a) a Bond Counsel's Opinion to the effect that (i) the General Resolution and the Supplemental Resolution have been duly adopted by the Corporation and are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms

(except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and other laws affecting creditors' rights and remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law)); (ii) the General Resolution and such Supplemental Resolution create the valid pledge and lien which they purport to create of and on the Revenues and all the Accounts established under the General Resolution and such Supplemental Resolution and monies and securities on deposit therein, subject to the use and application thereof for or to the purposes and on the terms and conditions permitted by the General Resolution and such Supplemental Resolution; and (iii) upon the execution, authentication and delivery thereof, such Bonds will have been duly and validly authorized and issued in accordance with the laws of the State, including the Act as amended to the date of such Opinion, and in accordance with the General Resolution and such Supplemental Resolution;

- (b) a written order as to the delivery of such Bonds, signed by an Authorized Officer;
- (c) the amount of the proceeds of such Bonds to be deposited with the Trustee pursuant to the General Resolution; and
- (d) a Cash Flow Statement conforming to the requirements of the General Resolution.

Refunding Bonds

Refunding Bonds of the Corporation may be issued under and secured by the General Resolution, subject to the conditions provided in the General Resolution, from time to time, for the purpose of providing funds, with any other available funds, for (i) redeeming (or purchasing in lieu of redemption) prior to their maturity or maturities, or retiring at their maturity or maturities, all or any part of the Outstanding Bonds of any Series, including the payment of any redemption premium thereon (or premium, to the extent permitted by law, included in the purchase price, if purchased in lieu of redemption), (ii) making any required deposits to the Debt Service Reserve Account, (iii) if deemed necessary by the Corporation, paying the interest to accrue on the refunding Bonds or refunded Bonds to the date fixed for their redemption (or purchase) and (iv) paying any expenses in connection with such refunding. Before such Bonds shall be issued, the Corporation shall adopt a Supplemental Resolution authorizing the issuance and sale of such Bonds, fixing the amount and the details thereof, describing the Bonds to be redeemed and setting forth determinations required by the General Resolution.

Except as otherwise provided in the Supplemental Resolution authorizing a Series of refunding Bonds, refunding Bonds shall be on a parity with and shall be entitled to the same benefit and security of the General Resolution as all other Bonds (other than Subordinate Bonds) issued under the General Resolution, provided, however, a Supplemental Resolution may provide for differences in the maturities thereof or the Interest Payment Dates or the rate or rates of interest or the provisions for redemption.

Before any Series of refunding Bonds shall be authenticated and delivered by the Trustee, there shall be on file with the Trustee, among other things, the following:

- (a) the documents specified in subsections (a) through (c) under the heading "Provisions for Issuance of Bonds";
- (b) either (i) a Cash Flow Statement conforming to the requirements of the General Resolution or (ii) a certificate of an Authorized Officer demonstrating that (x) on each date after the issuance of such Series, the aggregate amount of principal and Redemption Price of and interest on the Bonds that will be Outstanding upon such issuance that will be due on such date will be less than or equal to the aggregate amount of principal and Redemption Price of and interest on the

Bonds Outstanding prior to such issuance that would be due on such date, and (y) the issuance of such Series and the refunding of the Bonds to be refunded will not result in a reduction of the Debt Service Reserve Account Requirement as of the date the Bonds to be refunded cease to be Outstanding;

(c) a certificate of an Authorized Officer stating that the proceeds (excluding accrued interest but including any premium) of such refunding Bonds, together with any monies which have been made available to the Trustee for the purpose of paying Debt Service, or the principal of and the interest on the investment of such proceeds or any such monies, will be not less than an amount sufficient to pay the principal of and the redemption premium, if any, on the Bonds to be refunded and the interest which will become due and payable on or prior to the date of their payment or redemption and the expenses in connection with such refunding and to make any required deposits to the Debt Service Reserve Account; and

(d) if all or part of the refunded Bonds are to be redeemed prior to maturity, irrevocable instructions from an Authorized Officer to the Trustee to redeem the applicable Bonds.

The proceeds of such refunding Bonds and the investment income therefrom shall, to the extent practicable, be invested and reinvested by the Trustee, with the approval of the Corporation in Investment Securities, and the monies so invested shall be available for use when required.

Application and Disbursement of Bond Proceeds

Unless otherwise provided in the applicable Supplemental Resolution, the proceeds of sale of a Series of Bonds, shall, as soon as practicable upon the delivery of such Bonds by the Trustee, be applied as follows:

(1) the amount, if any, received at such time as a premium above the aggregate principal amount of such Bonds shall be applied as specified in the Certificate of an Authorized Officer, and such portion of the amount, if any, received as accrued interest shall be deposited in the Revenue Account as shall be directed by an Authorized Officer;

(2) with respect to any Series issued for the purpose of refunding Bonds or any other bonds, notes or other obligations of the Corporation or other entity, the amount, if any, required to pay Costs of Issuance, as designated by an Authorized Officer, shall be deposited in the Bond Proceeds Account;

(3) with respect to any Series issued for the purpose of refunding Bonds or any other bonds, notes or other obligations of the Corporation or other entity, the balance remaining after such deposits have been made as specified in (1) and (2) above shall be applied as specified in the Supplemental Resolution authorizing such Series;

(4) the amount, if any, necessary to cause the amount on deposit in the Debt Service Reserve Account to equal the Debt Service Reserve Account Requirement immediately following the time of such delivery shall be deposited in the Debt Service Reserve Account together with such additional amount, if any, as may be specified in the Supplemental Resolution authorizing such Bonds; and

(5) the balance remaining after such deposits have been made shall be deposited in the Bond Proceeds Account.

Except as otherwise provided in the applicable Supplemental Resolution, amounts in the Bond Proceeds Account shall not be disbursed for financing a Mortgage Loan, including either advances during construction or permanent financing thereof, unless, among other things, (1) the instrument evidencing such Mortgage Loan and the Mortgage and any other document securing such Mortgage Loan shall have been duly executed and delivered and, in the opinion of counsel, who may be counsel to the Mortgagor, constitute valid and binding agreements between the parties thereto enforceable in accordance with their terms, except as such enforcement may be limited by operation of bankruptcy, insolvency or similar laws affecting the rights and remedies of creditors; (2) there shall have been filed with the Trustee, an opinion of counsel, who may be counsel to the Corporation, to the effect that such Mortgage Loan complies with all provisions of the Act or otherwise applicable law and the General Resolution; (3) the Mortgage is the subject of a policy of title insurance, in an amount not less than the amount of the unpaid principal balance of the Mortgage Loan, insuring in favor of the Corporation, a mortgage lien (which need not be a first mortgage lien, if so provided in the applicable Supplemental Resolution), subject only to Permitted Encumbrances, on the real property securing the Mortgage Loan; and (4) the Project is insured against loss by fire and other hazards as required by the Corporation.

Deposits and Investments

Any amounts that are pledged pursuant to the General Resolution and held by the Trustee in any Accounts under or pursuant to the General Resolution may be invested in Investment Securities. In computing the amount in any Account, obligations purchased as an investment of monies therein shall be valued at amortized value or if purchased at par, at par.

Upon receipt of written instructions from an Authorized Officer, the Trustee shall exchange any coin or currency of the United States of America or Investment Securities held by it pursuant to the General Resolution or any Supplemental Resolution for any other coin or currency of the United States of America or Investment Securities of like amount.

Notwithstanding anything to the contrary contained in the General Resolution, any Investment Securities purchased by the Trustee with funds that are pledged pursuant to the General Resolution must, as of the date of such purchase, be rated by at least one nationally recognized rating agency in a category at least equivalent to the rating category of the Rated Bonds (without regard to any Credit Facility securing such Rated Bonds) (or "A-1" or "P-1," as applicable if the Investment Security has a remaining term at the time it is provided not exceeding one year); provided, however, that the Trustee may purchase Investment Securities that are rated lower than that set forth above, so long as the purchase of such Investment Securities does not, as of the date of such purchase, in and of itself, result in a reduction or withdrawal of the then existing rating assigned to the Rated Bonds by any of the Rating Agencies.

Establishment of Accounts

The General Resolution establishes the following special trust accounts to be held and maintained by the Trustee in accordance with the General Resolution:

- (1) Bond Proceeds Account;
- (2) Revenue Account;
- (3) Redemption Account; and
- (4) Debt Service Reserve Account.

Bond Proceeds Account

There shall be deposited from time to time in the Bond Proceeds Account any proceeds of the sale of Bonds representing principal or premium or other amounts required to be deposited therein pursuant to the General Resolution and any Supplemental Resolution and any other amounts determined by the Corporation to be deposited therein from time to time. Upon the issuance, sale and delivery of any Series of Bonds pursuant to the General Resolution, the Corporation shall establish on the books of the Corporation a separate sub-account designated “_____ Series _____ Bond Proceeds Sub-Account” (inserting therein the appropriate series and other necessary designation). Upon payment of any amounts from the Bond Proceeds Account, such payments shall be charged to the appropriate Bond Proceeds Sub-Account on the books of the Corporation.

Amounts in the Bond Proceeds Account shall be expended only (i) to finance one or more of the Corporation Corporate Purposes, including but not limited to, the financing of Mortgage Loans, in accordance with the General Resolution, which may include making Mortgage Loans, acquiring Mortgage Loans or refinancing Mortgage Loans; (ii) to pay Costs of Issuance; (iii) to pay principal of and interest on the Bonds when due and Qualified Hedge Payments, if any, when due, in accordance with the General Resolution, to the extent amounts in the Revenue Account are insufficient for such purpose; (iv) to purchase or redeem Bonds in accordance with the General Resolution; (v) to pay, purchase or redeem bonds, notes or other obligations of the Corporation or any other entity in accordance with the General Resolution; and (vi) if so provided in a Supplemental Resolution, to reimburse a Credit Facility Provider for amounts obtained under a Credit Facility for the purposes described in clauses (iii), (iv) or (v) of this paragraph.

At least one day prior to each Interest Payment Date the Corporation shall deliver to the Trustee a Certificate of an Authorized Officer setting forth the amounts necessary and available to pay the principal of and interest on the Bonds and Qualified Hedge Payments, if any, from the amount on deposit in the Bond Proceeds Account, after giving effect to the actual and expected application of amounts therein to the financing of the Corporation Corporate Purposes as of the date of such Certificate, the amount on deposit for such use in the Revenue Account, and any other amount available for such use pursuant to a Supplemental Resolution. On each Interest Payment Date the Trustee shall transfer the amounts so stated to the Revenue Account.

If so provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, the Corporation may direct the Trustee in writing to transfer amounts in the Bond Proceeds Account to fund the payment, purchase or redemption of bonds, notes or other obligations, which may include interest thereon, theretofore issued by the Corporation or any other entity upon receipt by the Trustee of a written requisition setting forth (i) the issue of bonds, notes or other obligations with respect to which the transfer is to be made, and (ii) the amount of the transfer.

Revenue Account

The Corporation shall cause all Pledged Receipts and Recoveries of Principal to be deposited promptly with the Trustee in the Revenue Account. There shall also be deposited in the Revenue Account any other amounts required to be deposited therein pursuant to the General Resolution and any Supplemental Resolution. Earnings on all Accounts established under the General Resolution not required to be deposited in the Rebate Fund shall be deposited, as realized, in the Revenue Account.

All Recoveries of Principal shall be transferred to the Redemption Account and applied to the redemption of Bonds as soon as practically possible; provided, however, that, except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, in lieu of such transfer, the Corporation may, upon filing a Cash Flow Statement, Section 1.1. direct the Trustee to transfer all

or a portion of any such Recoveries of Principal to the Bond Proceeds Account or retain all or a portion of any such Recoveries of Principal in the Revenue Account.

The Trustee shall pay out of the Revenue Account (i) on or before each Interest Payment Date, the amounts required for the payment of the Principal Installments, if any, and interest due on the Outstanding Bonds on such date and Qualified Hedge Payments, if any, due on such date, and (ii) on or before the Redemption Date or date of purchase, the amounts required for the payment of accrued interest on Outstanding Bonds to be redeemed or purchased on such date unless the payment of such accrued interest shall be otherwise provided for, and in each such case, such amounts shall be applied by the Trustee to such payments; provided, however, that if, pursuant to a Supplemental Resolution, amounts obtained under a Credit Facility are to be used to make the payments referred to in this paragraph, then amounts in the Revenue Account which would have otherwise been used to make such payments may be applied to reimburse the Credit Facility Provider for the amounts so obtained, all in accordance with such Supplemental Resolution.

Any amount accumulated in the Revenue Account up to the unsatisfied balance of each Sinking Fund Payment may, and if so directed in writing by the Corporation shall, be applied (together with amounts accumulated in the Revenue Account with respect to interest on the Bonds for which such Sinking Fund Payment was established) by the Trustee prior to the forty-fifth day preceding the due date of such Sinking Fund Payment (i) to the purchase of Bonds of the maturity for which such Sinking Fund Payment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price plus accrued interest, or (ii) to the redemption of such Bonds, if then redeemable by their terms, at the Redemption Prices referred to above; provided, however, that the purchase of such Bonds may be at prices exceeding that set forth in clause (i) of this paragraph if the Corporation shall have filed with the Trustee a Cash Flow Statement pursuant to the General Resolution, and provided further, however, that if, pursuant to a Supplemental Resolution, amounts obtained under a Credit Facility are to be used to make the purchases referred to in this paragraph, then amounts in the Revenue Account which would have otherwise been used to make such purchases may be applied to reimburse the Credit Facility Provider for the amounts so obtained, all in accordance with such Supplemental Resolution.

Except as otherwise provided in an applicable Supplemental Resolution, upon the purchase or redemption of any Bond for which Sinking Fund Payments have been established from amounts in the Revenue Account, an amount equal to the principal amount of the Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Payment thereafter to become due with respect to the Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment shall be credited by the Trustee against future Sinking Fund Payments in direct chronological order, unless otherwise instructed in writing by an Authorized Officer at the time of such purchase or redemption.

As soon as practicable after the forty-fifth day preceding the due date of any such Sinking Fund Payment, the Trustee shall call for redemption on such due date, Bonds of the maturity for which such Sinking Fund Payment was established in such amount as shall be necessary to complete the retirement of a principal amount of Bonds equal to the unsatisfied balance of such Sinking Fund Payment. The Trustee shall so call such Bonds for redemption whether or not it then has monies in the Revenue Account sufficient to pay the applicable Redemption Price thereof on the Redemption Date.

On each Interest Payment Date, the Trustee shall transfer from the Revenue Account (i) first, to the Debt Service Reserve Account, an amount equal to the amount necessary to be transferred to such Account in order that the amount on deposit therein be equal to the Debt Service Reserve Account Requirement (or such lesser amount as may be available), (ii) second, to the Bond Proceeds Account, such amount as the Corporation determines is required to finance Corporation Corporate Purposes, as evidenced by a

Certificate of an Authorized Officer, (iii) third, if so directed by the Corporation, to the Trustee, an amount equal to the Trustee's unpaid fees and expenses, (iv) fourth, if so directed by the Corporation, to any Credit Facility Providers, an amount equal to any fees due and owing to such Credit Facility Providers, (v) fifth, to the Corporation, an amount equal to the administrative fee, if any, of the Corporation, to the extent unpaid, (vi) sixth, to the entities providing Investment Securities with respect to the Accounts or any arrangements or agreements with respect thereto, amounts equal to the fees due and payable on or before the next succeeding Interest Payment Date to such entities, as designated in a Certificate of an Authorized Officer, and (vii) seventh, to the entities to whom Subordinate Obligations are due, such Subordinate Obligations then due. At any time after the transfers described in (i), (ii), (iii), (iv), (v), (vi) and (vii) above have been made, except as otherwise provided in a Supplemental Resolution, the Corporation may, upon the written request of an Authorized Officer and upon filing with the Trustee of a Cash Flow Statement or a Cash Flow Certificate pursuant to the General Resolution, withdraw free and clear of the lien of the General Resolution any amount remaining in the Revenue Account.

Notwithstanding any other provision under this heading, the Trustee may at any time make transfers from the Revenue Account, upon the written direction of an Authorized Officer, to the Redemption Account for the purposes of such Account. No such transfer shall be made, however, unless there is delivered to the Trustee a Cash Flow Statement or Cash Flow Certificate reflecting such transfer or there is on deposit in the Revenue Account after such transfer an amount equal to the sum of (a) the interest accrued on all Outstanding Bonds as of the date of such transfer, (b) with respect to each Qualified Hedge, the portion of the Qualified Hedge Payment thereunder next due that is accrued as of the date of such transfer, and (c) the product of (i) the aggregate principal amount of Outstanding Bonds and Sinking Fund Payments due on the next succeeding date on which any Outstanding Bond or Sinking Fund Payment is due, and (ii) a fraction, the numerator of which is the number of days from the immediately preceding date on which any Outstanding Bond or Sinking Fund Payment became due to the date of such transfer and the denominator of which is the number of days from such immediately preceding date to such next succeeding date.

Notwithstanding any other provision under this heading, the Corporation in lieu of depositing all or any portion of a Termination Receipt in the Revenue Account may apply such moneys to, and the Trustee upon the written direction of an Authorized Officer may at any time apply moneys in the Revenue Account representing all or a portion of a Termination Receipt to, the payment of the purchase price of a Qualified Hedge.

Notwithstanding any other provision under this heading, no payments shall be required to be made into the Revenue Account so long as the amount on deposit therein shall be sufficient to pay all Outstanding Bonds (including the Sinking Fund Payments for the retirement thereof) and all Qualified Hedge Payments in accordance with their terms, and any Revenues thereafter received by the Corporation may be applied to any corporate purpose of the Corporation free and clear of the pledge and lien of the General Resolution.

Redemption Account

There shall be deposited in the Redemption Account all amounts which are required to be deposited therein pursuant to the General Resolution and any Supplemental Resolution and any other amounts available therefor and determined by the Corporation to be deposited therein. Subject to the provisions of the General Resolution or of any Supplemental Resolution authorizing the issuance of a Series of Bonds, requiring the application thereof to the payment, purchase or redemption of any particular Bonds, the Trustee shall apply any amounts deposited in the Redemption Account to the purchase or redemption of Bonds at the times and in the manner provided in the General Resolution.

Notwithstanding anything to the contrary contained in the General Resolution, if, pursuant to a Supplemental Resolution, amounts obtained under a Credit Facility are to be used to purchase or redeem

Bonds, then amounts in the Redemption Account which would otherwise have been used for such purposes may be applied to reimburse the Credit Facility Provider for the amounts so obtained, all in accordance with such Supplemental Resolution.

Debt Service Reserve Account

There shall be deposited in the Debt Service Reserve Account all amounts required to be deposited therein pursuant to the General Resolution and any Supplemental Resolution and any other amounts received and determined to be deposited therein by the Corporation.

Amounts on deposit in the Debt Service Reserve Account shall be applied, to the extent other funds are not available therefor pursuant to the General Resolution and the applicable Supplemental Resolution, to pay the Principal Installments of and interest on the Outstanding Bonds when due, whether by call for redemption or otherwise, and Qualified Hedge Payments, if any, when due.

Whenever the amount in the Debt Service Reserve Account exceeds the Debt Service Reserve Account Requirement, the amount of such excess, upon the direction of the Corporation, shall be transferred to the Revenue Account.

Monies in the Debt Service Reserve Account may, and at the direction of the Corporation shall, be withdrawn by the Trustee and deposited in the Redemption Account for the purchase or redemption of Bonds at any time, provided that subsequent to such purchase or redemption the amount in the Debt Service Reserve Account will not be less than the Debt Service Reserve Account Requirement.

If on any Interest Payment Date or Redemption Date for the Bonds the amount in the Revenue Account and the Redemption Account, as applicable, shall be less than the amount required for the payment of the Principal Installments and interest due on the Outstanding Bonds on such date and Qualified Hedge Payments, if any, due on such date, the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to make good the deficiency.

Notwithstanding anything to the contrary contained in the General Resolution, if, pursuant to a Supplemental Resolution, amounts obtained under a Credit Facility are to be used to pay the Principal Installments of and interest on Bonds, then amounts in the Debt Service Reserve Account which would otherwise have been used for such purposes may be applied to reimburse the Credit Facility Provider for the amounts so obtained, all in accordance with such Supplemental Resolution.

The applicable 2019 Supplemental Resolution provides that, with respect to the 2019 Series A Bonds and the 2019 Series B Bonds, notwithstanding anything to the contrary contained in the General Resolution, the Corporation may, at any time, provide to the Trustee one or more Cash Equivalents for deposit in the Debt Service Reserve Account with respect to such Series of Bonds. In the event any such Cash Equivalents are so provided (other than in connection with the initial issuance of the applicable Series of Bonds, or to replenish the Debt Service Reserve Account) in replacement of funds on deposit in the Debt Service Reserve Account, the Trustee shall make such deposit and transfer funds in an equivalent amount from the Debt Service Reserve Account to the Revenue Account.

Rebate Fund

The General Resolution also establishes the Rebate Fund as a special trust account to be held and maintained by the Trustee. Except as otherwise provided in a Supplemental Resolution with respect to an Account established thereunder which is not pledged to the payment of the Bonds or to any Credit Facility Provider in connection with a Credit Facility securing one or more Series of Bonds, earnings on all

Accounts required to be deposited into the Rebate Fund shall be deposited, at least as frequently as the end of each fifth Bond Year and at the time that the last Bond that is part of the Series for which a Rebate Amount is required is discharged, into the Rebate Fund.

The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Bond owner or any other person other than as set forth in the General Resolution.

The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Officer, shall deposit in the Rebate Fund at least as frequently as the end of each fifth Bond Year and at the time that the last Bond that is part of the Series for which a Rebate Amount is required is discharged, an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of such time of calculation. The amount deposited in the Rebate Fund pursuant to the previous sentence shall be deposited from amounts withdrawn from the Revenue Account, and to the extent such amounts are not available in the Revenue Account, directly from earnings on the Accounts.

Amounts on deposit in the Rebate Fund shall be invested in the same manner as amounts on deposit in the Accounts, except as otherwise specified by an Authorized Officer to the extent necessary to comply with the tax covenant set forth in the General Resolution, and except that the income or interest earned and gains realized in excess of losses suffered by the Rebate Fund due to the investment thereof shall be deposited in or credited to the Rebate Fund from time to time and reinvested.

In the event that, on any date of calculation of the Rebate Amount, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Officer, shall withdraw such excess amount and deposit it in the Revenue Account.

The Trustee, upon the receipt of written instructions and certification of the Rebate Amount from an Authorized Officer, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the date of original issuance of each Series for which a Rebate Amount is required, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Amount with respect to each Series for which a Rebate Amount is required as of the date of such payment, and (ii) notwithstanding the provisions of the General Resolution, not later than sixty (60) days after the date on which all Bonds of a Series for which a Rebate Amount is required have been paid in full, 100% of the Rebate Amount as of the date of payment.

Payment of Bonds

The Corporation covenants that it will duly and punctually pay or cause to be paid, as provided in the General Resolution, the principal or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof and shall duly and punctually pay or cause to be paid all Sinking Fund Payments, if any, becoming payable with respect to any of the Bonds.

Tax Covenants

The following covenants are made solely for the benefit of the owners of, and shall be applicable solely to, any Bonds as designated in a Supplemental Resolution, to which the Corporation intends that the following covenants shall apply.

The Corporation shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall be excluded from gross income for Federal income tax

purposes, except in the event that the owner of any such Bond is a “substantial user” of the facilities financed by the Bonds or a “related person” within the meaning of the Code.

The Corporation shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Corporation to be used directly or indirectly to acquire any securities or obligations or other investment property, the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in Section 148(a) of the Code.

Except as otherwise permitted in a Supplemental Resolution authorizing the issuance of a Series of Bonds, the Corporation shall not permit any person or “related person” (as defined in the Code) to purchase Bonds in an amount related to the Mortgage Loan to be acquired by the Corporation from such person or “related person.”

Pursuant to the provisions of supplemental resolutions for Bonds the interest on which is included in gross income for Federal income tax purposes, the Corporation has provided that the provisions under this heading do not apply to such Bonds.

Covenants with Respect to the Mortgage Loans

The Corporation pledges for the benefit of the Bond owners all of its right, title and interest in and to the Mortgage Loans, which pledge shall be valid and binding from and after the date of adoption of the General Resolution. Such Mortgage Loans shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Corporation, irrespective of whether such parties have notice thereof. Notwithstanding anything to the contrary contained in the General Resolution, the Corporation may, pursuant to a Supplemental Resolution authorizing a Series of Bonds, (i) also pledge one or more Mortgage Loans for the benefit of one or more Credit Facility Providers who have provided Credit Facilities to secure such Series of Bonds and such further pledge may be either on a parity with or subordinate to the pledge set forth in this paragraph to secure the payment of the Bonds, all as set forth in such Supplemental Resolution or (ii) provide that any or all of the mortgage loans financed by the Series of Bonds authorized pursuant to such Supplemental Resolution be excluded from the pledge set forth in this paragraph to secure the payment of the Bonds or otherwise limit such pledge with respect to such mortgage loans. In addition, notwithstanding the foregoing, any Mortgage Loan pledged under the General Resolution may, at the written direction of the Corporation, be released from such pledge upon the filing with the Trustee of a Cash Flow Statement pursuant to the General Resolution. Upon the happening of an event of default specified under the heading “Events of Default,” the written request of the Trustee or the owners of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds (other than Subordinate Bonds), the Corporation shall effectuate the assignment and deliver the Mortgage Loans to the Trustee. If, however, the Trustee and the Bond owners are restored to their positions in accordance with the General Resolution, the Trustee shall assign such Mortgage Loans with respect thereto back to the Corporation.

In order to pay the Principal Installments of and interest on the Bonds when due, the Corporation shall, except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, any other applicable law, the provisions of the General Resolution and sound banking practices and principles, (i) use and apply the proceeds of the Bonds, to the extent not reasonably or otherwise required for other purposes of the kind permitted by the General Resolution, to finance the Corporation Corporate Purposes pursuant to the Act, any other applicable law and the General Resolution and any applicable Supplemental Resolution, (ii) do all such acts and things as shall be necessary to receive and collect Revenues (including diligent enforcement of the prompt collection of all arrears on Mortgage

Loans), (iii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Corporation to protect its rights with respect to or to maintain any insurance on Mortgage Loans or any subsidy payments in connection with the Projects securing the Mortgage Loans or the occupancy thereof and to enforce all terms, covenants and conditions of the Mortgage Loans, including the collection, custody and prompt application of all Escrow Payments for the purposes for which they were made.

Pursuant to the applicable 2019 Supplemental Resolutions, with respect to the 2019 Mortgage Loans, the following additional provisions shall apply:

- (1) The Corporation shall take all steps, actions and proceedings necessary, in the judgment of the Corporation, to protect its rights with respect to the Mortgages securing the 2019 Mortgage Loans.
- (2) Whenever, in the Corporation's judgment, it shall be necessary in order to protect and enforce the rights of the Corporation under a Mortgage securing a 2019 Mortgage Loan and to protect and enforce the rights and interests of Bondholders, the Corporation may, in its discretion, commence foreclosure proceedings against the Mortgagor in default under the provisions of such Mortgage and/or, in protection and enforcement of its rights under such Mortgage, the Corporation may, in its discretion, acquire and take possession of the Project covered by such Mortgage by bidding for and purchasing such Project at the foreclosure sale thereof, by deed in lieu of foreclosure or otherwise.
- (3) Upon acquisition by the Corporation of a Project securing a 2019 Mortgage Loan by foreclosure, deed in lieu of foreclosure or otherwise, and so long as the Corporation shall have title thereto or be in possession thereof, the Corporation shall, as the case may be, operate and administer such Project in the place and stead of the Mortgagor and in the manner required of such Mortgagor by the terms and provisions of the related Mortgage. The Corporation shall pay the Acquired Project Net Operating Income derived from such Acquired Project to the Trustee for deposit into the Revenue Account.
- (4) Notwithstanding the provisions of paragraph (3) above, upon acquisition by the Corporation of a Project securing a 2019 Mortgage Loan, whether by foreclosure, deed in lieu of foreclosure or otherwise:
 - (a) The Corporation may at any time thereafter sell such Project to another qualified entity and make a Mortgage Loan with respect thereto as if such entity were the original Mortgagor, provided that (i) the Mortgage securing such Mortgage Loan shall contain the terms, conditions, provisions and limitations substantially similar to the Mortgage of such Project which had previously secured the related 2019 Mortgage Loan, (ii) said new Mortgage Loan shall automatically become subject to the lien of the General Resolution and (iii) the Corporation shall file with the Trustee a Certificate of an Authorized Officer describing said replacement Mortgage Loan and specifying which 2019 Mortgage Loan has been so replaced; or
 - (b) The Corporation may at any time thereafter sell such Project, provided that the proceeds of such sale shall be treated as a Recovery of Principal.
- (5) In addition, and as an alternative to the rights of the Corporation described above, following a default under a 2019 Mortgage Loan, the Corporation may, in its discretion, cause or consent to the sale of a Project securing such 2019 Mortgage Loan to another qualified entity and, in

connection with any such sale (a) allow the purchaser to assume the related Mortgage, or (b) make a Mortgage Loan with respect thereto as if such entity were the original Mortgagor, if such sale shall occur after the original Mortgage shall have been discharged, provided, however, that (i) the Mortgage securing such Mortgage Loan shall contain the terms, conditions, provisions and limitations substantially similar to the Mortgage of such Project which had previously secured the related 2019 Mortgage Loan, (ii) said new Mortgage Loan shall automatically become subject to the lien of the General Resolution and (iii) the Corporation shall file with the Trustee a Certificate of an Authorized Officer describing said replacement Mortgage Loan and specifying which 2019 Mortgage Loan has been so replaced.

(6) To the extent permitted by law, any rights of the Corporation set forth in (1) - (5) above may be exercised by a subsidiary of the Corporation established pursuant to Section 654-a of the Act.

(7) In addition, and as a further alternative to the rights of the Corporation described above, following a default under a 2019 Mortgage Loan, the Corporation may, in its discretion, obtain amounts under any letter of credit or other credit enhancement securing such 2019 Mortgage Loan or under any agreement entered into by the Corporation and the provider of such letter of credit or other credit enhancement in connection with the providing of such letter of credit or credit enhancement, in accordance with the terms thereof; provided that if the Corporation obtains funds in an amount equal to the outstanding principal balance of such 2019 Mortgage Loan, plus the lesser of (i) accrued interest thereon or (ii) the maximum amount available with respect to accrued interest thereon, pursuant to any such letter of credit, credit enhancement or other agreement, the Corporation shall immediately assign such 2019 Mortgage Loan to or upon the order of the provider thereof free and clear of the lien of the General Resolution.

Issuance of Additional Obligations

The Corporation shall not hereafter create or permit the creation of or issue any obligations or create any indebtedness which will be secured by a superior charge and lien on the Revenues and assets pledged under or pursuant to the General Resolution for the payment of Bonds (other than Subordinate Bonds). In addition, the Corporation shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness (other than additional Bonds and except as expressly permitted by the General Resolution with respect to pledges made for the benefit of Credit Facility Providers) which will be secured by an equal charge and lien on the Revenues and assets pledged under or pursuant to the General Resolution. The Corporation expressly reserves the right (i) to issue one or more Series of Subordinate Bonds pursuant to Supplemental Resolutions and (ii) to issue one or more series of bonds, notes or other obligations pursuant to other resolutions which will be secured by a subordinate charge and lien on the Revenues and assets pledged under the General Resolution.

Sale of Mortgage Loans

The Corporation is authorized to sell, assign or otherwise dispose of a Mortgage Loan, in addition to a sale, assignment or disposition required pursuant to the General Resolution or any applicable Supplemental Resolution, provided the proceeds of such sale, assignment or disposition shall be treated as Recoveries of Principal for purposes of the General Resolution and provided, further, that, with respect to any Mortgage Loan not in default, a Cash Flow Statement is filed with the Trustee.

Powers of Amendment

Any modification of or amendment to the provisions of the General Resolution and of the rights and obligations of the Corporation and of the owners of the Bonds may be made by a Supplemental Resolution, with the written consent (given as provided in the General Resolution), (i) of the owners of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, of the owners of at least a majority in principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that in addition to the foregoing and notwithstanding anything to the contrary contained in the General Resolution, any modification of or amendment to a Supplemental Resolution authorizing the issuance of a Series of Bonds and of the rights and obligations of the Corporation and of the owners of the Bonds of such Series thereunder, in any particular, may, if no Bonds other than the Bonds of such Series are affected by the modification or amendment, be made by a Supplemental Resolution, but only, in the event such Supplemental Resolution shall require the consent of Bond owners, with the written consent given as provided in the General Resolution, (i) of at least a majority in principal amount of the Bonds of such Series Outstanding at the time such consent is given, and (ii) in case less than all of the Bonds of such Series then Outstanding are affected by the modification or amendment, of the owners of at least a majority in principal amount of the Bonds of such Series so affected and Outstanding at the time such consent is given. If any such modification or amendment will not take effect so long as any Bonds of any specified Series and maturity remain Outstanding however, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this paragraph. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond, or of any right or obligation to tender such Bond for purchase, or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

The Corporation may adopt, without the consent of any owners of the Bonds, Supplemental Resolutions to, among other things, provide limitations and restrictions in addition to the limitations and restrictions contained in the General Resolution on the issuance of other evidences of indebtedness; add to the covenants and agreements or limitations and restrictions on, the Corporation's other covenants and agreements or limitations and restrictions which are not contrary to or inconsistent with the General Resolution; surrender any right, power or privilege of the Corporation under the General Resolution, but only if the surrender is not contrary to or inconsistent with the covenants and agreements of the Corporation contained in the General Resolution; confirm any pledge under the General Resolution of the Revenues or of any other revenues or assets; modify any of the provisions of the General Resolution in any respect whatever (but no such modification shall be effective until all Bonds theretofore issued are no longer Outstanding); provide for the issuance of Bonds in coupon form payable to bearer; authorize the issuance of a Series of Bonds and prescribe the terms and conditions thereof; cure any ambiguity or correct any defect or inconsistent provision in the General Resolution (provided that the Trustee shall consent thereto); comply with the Code; pledge under the General Resolution any additional collateral as further security for the Bonds or specific Series of Bonds, including, but not limited to, additional Mortgage Loans or other assets or revenues; appoint a trustee (other than the Trustee) with respect to any Subordinate Bonds; or make any additions, deletions or modifications to the General Resolution which, in the opinion of the Trustee, are not materially adverse to the interests of the Bond owners.

Events of Default

Each of the following events shall constitute an “Event of Default” with respect to the Bonds: (1) payment of the principal or Redemption Price, if any, of or interest on any Bond when and as the same shall become due, whether at maturity or upon call for redemption or otherwise, shall not be made when and as the same shall become due; or (2) the Corporation shall fail or refuse to comply with the provisions of the General Resolution or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained therein or in any applicable Supplemental Resolution or the Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the owners of not less than 5% in principal amount of the Outstanding Bonds (other than Subordinate Bonds).

Remedies

Upon the happening and continuance of any Event of Default specified in clause (1) of the preceding paragraph, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in clause (2) of the preceding paragraph, the Trustee may proceed and, upon the written request of the owners of not less than 25% in principal amount of the Outstanding Bonds (other than Subordinate Bonds), shall proceed, in its own name, subject to the provisions of the General Resolution, to protect and enforce the rights of the Bond owners by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights: (1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bond owners, including the right to require the Corporation to receive and collect Revenues adequate to carry out the covenants and agreements as to the Mortgage Loans and to require the Corporation to carry out any other covenants or agreements with such Bond owners, including the assignment of the Mortgage Loans, and to perform its duties under the Act; (2) by bringing suit upon the Bonds; (3) by action or suit in equity, to require the Corporation to account as if it were the trustee of an express trust for the owners of the Bonds; (4) by action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds; (5) by declaring all Outstanding Bonds due and payable (provided that with respect to an Event of Default specified in clause (2) of the preceding paragraph, no such declaration shall be made without the consent of the owners of 100% in principal amount of the Outstanding Bonds (other than Subordinate Bonds)), and if all defaults shall be cured, then, with the written consent of the owners of not less than 25% in principal amount of the Outstanding Bonds (other than Subordinate Bonds), by annulling such declaration and its consequences; or (6) in the event that all Outstanding Bonds are declared due and payable, by selling Mortgage Loans and any Investment Securities securing such Bonds.

In the enforcement of any rights and remedies under the General Resolution, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due and unpaid from the Corporation for principal, Redemption Price, interest or otherwise, under any provisions of the General Resolution or a Supplemental Resolution or of the Bonds with interest on overdue payments at the rate of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings thereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bond owners, and to recover and enforce a judgment or decree against the Corporation for any portion of such amounts remaining unpaid, with interest, costs and expenses (including without limitation pre-trial, trial and appellate attorneys’ fees), and to collect from any monies available for such purpose, in any manner provided by law, the monies adjudged or decreed to be payable.

Anything in the General Resolution to the contrary notwithstanding, the owners of the majority in principal amount of the Bonds then Outstanding (other than Subordinate Bonds) shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method

of conducting all remedial proceedings to be taken by the Trustee under the General Resolution, provided that such direction shall not be otherwise than in accordance with law or the provisions of the General Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond owners not parties to such direction.

No owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law under the General Resolution, or for the protection or enforcement of any right under the General Resolution unless such owner shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 25% in principal amount of the Bonds then Outstanding (other than Subordinate Bonds) shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers in the General Resolution granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses (including legal fees and expenses) and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Nothing contained in the General Resolution shall affect or impair the right of any Bond owner to enforce the payment of the principal of and interest on such owner's Bonds, or the obligation of the Corporation to pay the principal of and interest on each Bond issued under the General Resolution to the owner thereof at the time and place in said Bond expressed.

Unless remedied or cured, the Trustee shall give to the Bond owners notice of each Event of Default under the General Resolution known to the Trustee within ninety (90) days after actual knowledge by the Trustee of the occurrence thereof. However, except in the case of default in the payment of the principal or Redemption Price, if any, of or interest on any of the Bonds, or in the making of any payment required to be made into the Bond Proceeds Account, the Trustee may withhold such notice if it determines that the withholding of such notice is in the interest of the Bond owners.

Priority of Payments After Default

In the event that upon the happening and continuance of any Event of Default the funds held by the Trustee shall be insufficient for the payment of the principal or Redemption Price, if any, of and interest then due on the Bonds affected, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other amounts received or collected by the Trustee acting pursuant to the Act and the General Resolution, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interest of the owners of such Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under the General Resolution, shall be applied as follows:

(1) Unless the principal of all of such Bonds shall have become or have been declared due and payable:

(a) To the payment to the persons entitled thereto of all installments of interest then due (other than with respect to Subordinate Bonds) and of Qualified Hedge Payments in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference,

(b) To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any such Bonds (other than Subordinate Bonds) which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds (other than Subordinate Bonds) due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference,

(c) To the payment to the persons entitled thereto of all installments of interest then due with respect to Subordinate Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference,

(d) To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Subordinate Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Subordinate Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference, and

(e) To the payment of any Subordinate Obligations then due, and, if the amounts available shall not be sufficient to pay in full all such Subordinate Obligations, then to the payment thereof ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or preference.

(2) If the principal of all such Bonds shall have become or have been declared due and payable, first to the payment of the principal and interest then due and unpaid upon such Bonds (other than Subordinate Bonds) and Qualified Hedge Payments without preference or priority among principal, interest and Qualified Hedge Payments, and without preference or priority of any installment of interest or Qualified Hedge Payments over any other installment of interest or Qualified Hedge Payments, or of any such Bond (other than Subordinate Bonds) over any other such Bond (other than Subordinate Bonds), ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds (other than Subordinate Bonds) or in the Qualified Hedges, and second, to the payment of the principal and interest then due and unpaid upon the Subordinate Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Subordinate Bond over any other such Subordinate Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Subordinate Bonds, and third, to the payment of any Subordinate Obligations when due, ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or preference.

Defeasance

If the Corporation shall pay or cause to be paid to the owners of all Bonds then Outstanding the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the General Resolution, then the pledge of any Revenues and other monies,

securities, funds and property pledged by the General Resolution and all other rights granted by the General Resolution shall be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which monies shall have been set aside and shall be held in trust by the Trustee (through deposit by the Corporation of funds for such payment or redemption or otherwise) at the maturity or Redemption Date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the above paragraph. Except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, all Outstanding Bonds of any Series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in the above paragraph if: (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee in form satisfactory to it irrevocable instructions to give as provided in the General Resolution notice of redemption on said date of such Bonds, (ii) there shall have been set aside and shall be held in trust by the Trustee (through deposit by the Corporation of funds for such payment or redemption or otherwise) either (a) monies in an amount which shall be sufficient, or (b) Government Obligations or (c) obligations (1) validly issued by or on behalf of a state or political subdivision thereof, and (2) fully secured by a first lien on Government Obligations, the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Corporation shall have given the Trustee in form satisfactory to it irrevocable instructions to give by mail, as soon as practicable, notice to the owners of such Bonds that the deposit required by this subsection has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the General Resolution and stating such maturity or Redemption Date upon which monies are to be available for the payment of the principal or Redemption Price, if any, on said Bonds. To the extent required for the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds, neither monies deposited with the Trustee pursuant to the General Resolution nor principal or interest payments on any such Government Obligations or obligations described in clause (c) above and deposited with the Trustee pursuant to the General Resolution shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if any, of and interest on said Bonds; provided that any cash received from such principal or interest payments on such Government Obligations or obligations described in clause (c) above and deposited with the Trustee pursuant to the General Resolution, if not then needed for such purpose, shall, to the extent practicable, be reinvested in obligations described in clauses (b) or (c) above maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, of and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and, if not required for the payment of such Bonds, any monies deposited with the Trustee pursuant to the General Resolution and principal and interest payments on the obligations described in clauses (b) or (c) above shall be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge. The Trustee may sell, transfer or otherwise dispose of the obligations described in clauses (b) and (c) above deposited with the Trustee pursuant to the General Resolution; provided that the amounts received upon any such sale, transfer or other disposition, or a portion of such amounts, shall be applied to the purchase of other obligations described in clauses (b) and (c) above, the principal of and the interest on which when due will provide monies which, together with the monies on deposit with the Trustee, shall be sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, in accordance with the General Resolution.

Amounts held by the Trustee for the payment of principal or Redemption Price of, or interest on, Bonds held by particular Bond owners with respect to which no claim for payment has been made shall be

disposed of as provided by applicable law, or if there shall be no such applicable law, shall be returned to the Corporation three years after the date on which payment of such amounts would have been due.

If so provided in a Supplemental Resolution authorizing a Series of Bonds, so long as the Credit Facility Provider with respect to a Credit Facility is not in default of any of its obligations under such Credit Facility, such Credit Facility Provider (i) may be deemed to be the owner of the Bonds of any Series which receives the benefits of such Credit Facility at all times for the purpose of the execution and delivery of a Supplemental Resolution or any amendment, change or modification to the General Resolution and (ii) may initiate any action which may be initiated by Bondowners under the General Resolution to be undertaken by the Trustee at the Bondowner's request which under the General Resolution requires the written approval or consent of or can be initiated by the owners of Bonds of the applicable Series at the time Outstanding; provided, however, that no such amendment, change, modification or action shall permit a change in the terms of redemption or maturity of principal or of any installment of interest thereon, or a change in the terms of any right or obligation to tender such Bond for purchase, or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, without the consent of the actual owner of such Bond, or shall reduce the percentages of Bonds, the consent of the owner of which is required to effect such amendment, change or modification or initiate such action, without the consent of the actual owner of such Bonds.

APPENDIX C

**AUDITED FINANCIAL STATEMENTS OF THE CORPORATION FOR FISCAL YEAR
ENDED OCTOBER 31, 2018**

APPENDIX D

**THIRD QUARTER (UNAUDITED) FINANCIAL INFORMATION OF THE CORPORATION AS
OF JULY 31, 2019**

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE CORPORATION

Upon delivery of the 2019 Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, proposes to deliver its approving opinion in substantially the following form:

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

Ladies and Gentlemen:

We, as bond counsel to the New York City Housing Development Corporation (the “Corporation”), a corporate governmental agency, constituting a public benefit corporation, organized and existing under and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the “Act”), have examined a record of proceedings relating to the issuance by the Corporation of \$ _____ Housing Impact Bonds, 2019 Series A (the “2019 Series A Bonds”), and \$ _____ Housing Impact Bonds, 2019 Series B (the “2019 Series B Bonds”; the 2019 Series A Bonds and the 2019 Series B Bonds being collectively referred to as the “2019 Bonds”).

The 2019 Bonds are authorized to be issued pursuant to the Act, the Housing Impact Bonds Bond Resolution of the Corporation, adopted _____ (the “General Resolution”), and, with respect to the 2019 Series A Bonds, the First Supplemental Resolution Authorizing the Issuance of Housing Impact Bonds, 2019 Series A of the Corporation, adopted _____, and, with respect to the 2019 Series B Bonds, the Second Supplemental Resolution Authorizing the Issuance of Housing Impact Bonds, 2019 Series B of the Corporation, adopted _____ (collectively, the “Supplemental Resolutions”; the General Resolution and the Supplemental Resolutions being collectively referred to as the “Resolutions”). The 2019 Bonds are being issued for the purpose of financing the 2019 Mortgage Loans (as defined in the Resolutions).

The 2019 Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Resolutions.

We have not examined nor are we passing upon matters relating to the real and personal property referred to in the mortgages which are to secure the 2019 Bonds.

Upon the basis of the foregoing, we are of the opinion that:

1. The Corporation has been duly created and validly exists as a corporate governmental agency, constituting a public benefit corporation, under and pursuant to the laws of the State of New York (including the Act), and has good right and lawful authority, among other things, to finance the 2019 Mortgage Loans, to provide sufficient funds therefor by the adoption of the Resolutions and the issuance and sale of the 2019 Bonds, and to perform its obligations under the terms and conditions of the Resolutions, as covenanted in the Resolutions.

2. The Resolutions have been duly adopted by the Corporation, are in full force and effect, and are valid and binding upon the Corporation and enforceable in accordance with their terms.

3. The 2019 Bonds have been duly authorized, sold and issued by the Corporation in accordance with the Resolutions and the laws of the State of New York (the “State”), including the Act.

4. The 2019 Bonds are valid and legally binding special revenue obligations of the Corporation payable solely from the revenues, funds or monies pledged for the payment thereof pursuant to the Resolutions, are enforceable in accordance with their terms and the terms of the Resolutions, and are entitled to the benefit, protection and security of the provisions, covenants and agreements of the Resolutions.

5. The 2019 Bonds are secured by a pledge in the manner and to the extent set forth in the Resolutions. The Resolutions create the valid pledge of and lien on the Revenues, and all the Accounts established by the Resolutions and monies and securities therein, which the Resolutions purport to create, subject only to the provisions of the Resolutions permitting the use and application thereof for or to the purposes and on the terms and conditions set forth in the Resolutions.

6. The 2019 Bonds are not a debt of the State or The City of New York and neither is liable thereon, nor shall the 2019 Bonds be payable out of any funds other than those of the Corporation pledged for the payment thereof.

7. Under existing statutes and court decisions, (i) interest on the 2019 Series A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except that no opinion is expressed as to such exclusion of interest on any 2019 Series A Bond for any period during which such 2019 Series A Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities financed with the proceeds of the 2019 Series A Bonds, or a “related person,” and (ii) interest on the 2019 Series A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation, the Mortgagors (as defined in the General Resolution) of the 2019 Mortgage Loans and others in connection with the issuance of the 2019 Series A Bonds, and we have assumed compliance by the Corporation and such Mortgagors with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2019 Series A Bonds from gross income under Section 103 of the Code.

8. Interest on the 2019 Series B Bonds is included in gross income for Federal income tax purposes pursuant to the Code.

9. Under existing statutes, interest on the 2019 Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

We express no opinion regarding any other Federal or state tax consequences with respect to the 2019 Bonds. We render this opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update this opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the 2019 Series A Bonds, or the exemption from personal income taxes of interest on the 2019 Bonds under state and local tax law.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the 2019 Bonds and the Resolutions may be limited by bankruptcy, insolvency and other laws affecting creditors’ rights or remedies heretofore or hereafter enacted and is subject to the general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have examined an executed 2019 Series A Bond and an executed 2019 Series B Bond and in our opinion the forms of said Bonds and their execution are regular and proper.

Very truly yours,

APPENDIX F
BOOK-ENTRY ONLY SYSTEM