

NOT A NEW ISSUE

SUPPLEMENT DATED FEBRUARY 6, 2007
TO
OFFICIAL STATEMENT DATED JUNE 2, 2004 RELATING TO
NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
\$14,200,000 Multi-Family Mortgage Revenue Bonds (Aldus Street Apartments), 2004 Series A
\$11,900,000 Multi-Family Mortgage Revenue Bonds (941 Hoe Avenue Apartments), 2004 Series A
\$14,400,000 Multi-Family Mortgage Revenue Bonds (Peter Cintrón Apartments), 2004 Series A

This Supplement sets forth certain information supplementary to that contained in the Official Statement dated June 2, 2004 (the "Official Statement") relating to the Multi-Family Mortgage Revenue Bonds (Aldus Street Apartments), 2004 Series A (the "2004 Aldus Bonds"), Multi-Family Mortgage Revenue Bonds (941 Hoe Avenue Apartments), 2004 Series A (the "2004 Hoe Bonds") and Multi-Family Mortgage Revenue Bonds (Peter Cintrón Apartments), 2004 Series A (the "2004 Peter Cintrón Bonds") issued by the New York City Housing Development Corporation (the "Corporation") (collectively, the "2004 Bonds").

This Supplement sets forth certain information supplementary to that contained in the Official Statement and should be read together with the Official Statement, which Official Statement is incorporated herein by reference. A copy of the Official Statement may be found at www.nychdc.com. Except as expressly set forth herein, this Supplement does not update, modify or replace the information contained in the Official Statement, which contains information only as of its date. To the extent the information in this Supplement conflicts with the information in the Official Statement, this Supplement shall govern. Unless otherwise defined in this Supplement, all terms used herein shall have the same meanings as those terms have in the Official Statement.

As described in the Official Statement, each issue of the 2004 Bonds relates to a project located in the Borough of the Bronx, New York. Each of the Projects is owned by a separate Mortgagor. Each issue of the 2004 Bonds was issued to finance a Mortgage Loan to the respective Mortgagor in order to finance the Project owned by such Mortgagor and pay certain other costs related thereto.

A portion of each series of 2004 Bonds was redeemed on December 15, 2006. There is currently outstanding \$8,100,000 principal amount of the 2004 Aldus Bonds, \$6,660,000 principal amount of the 2004 Hoe Bonds and \$7,840,000 principal amount of the 2004 Peter Cintrón Bonds.

Payment of principal of and interest on each issue of the 2004 Bonds is secured by certain revenues and assets pledged under the Resolution pursuant to which such issue of the 2004 Bonds was issued. The principal of, interest on and purchase price of each issue of the 2004 Bonds have been payable from funds advanced under an irrevocable direct pay letter of credit for such issue (each, a "Prior Letter of Credit," and collectively, the "Prior Letters of Credit") issued by KeyBank National Association (the "Bank") pursuant to a Letter of Credit and Reimbursement Agreement dated as of June 1, 2004 between the Bank and the applicable Mortgagor. The Prior Letters of Credit will be surrendered for cancellation as of the close of business on February 15, 2007. On and after February 15, 2007, the principal of, interest on and Purchase Price of each issue of the 2004 Bonds will be payable from funds advanced under a Credit Enhancement Instrument for such issue (each, a "Credit Enhancement Instrument" and collectively, the "Credit Enhancement Instruments") issued by



Each Credit Enhancement Instrument issued by Fannie Mae will expire on June 21, 2037. However, the right of the Trustee to draw on each Credit Enhancement Instrument to pay the Purchase Price of the 2004 Bonds optionally tendered to the Tender Agent and not remarketed will expire on February 15, 2022, unless earlier terminated or automatically extended by one calendar year on each February 15, unless otherwise specified in writing by Fannie Mae to the Trustee. Fannie Mae's obligations to make advances to the Trustee upon the proper presentation of documents which conform to the terms and conditions of the applicable Credit Enhancement Instrument are absolute, unconditional and irrevocable.

As a result of the substitution and replacement of the Prior Letters of Credit with the Credit Enhancement Instruments, all 2004 Bonds will be subject to mandatory tender for purchase on February 15, 2007 (the "Purchase Date"). Any 2004 Bonds that are tendered for purchase on the Purchase Date but are not remarketed will be purchased with the proceeds of a drawing on the applicable Prior Letter of Credit.

The 2004 Bonds are special revenue obligations of the Corporation, a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York. The 2004 Bonds are not a debt of the State of New York or of The City of New York and neither the State nor the City shall be liable thereon, nor shall the 2004 Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged therefor. The Corporation has no taxing power.

FANNIE MAE'S OBLIGATIONS WITH RESPECT TO EACH ISSUE OF THE 2004 BONDS ARE SOLELY AS PROVIDED IN THE APPLICABLE CREDIT ENHANCEMENT INSTRUMENT. THE OBLIGATIONS OF FANNIE MAE UNDER EACH CREDIT ENHANCEMENT INSTRUMENT WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED STOCKHOLDER-OWNED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE 2004 BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE 2004 BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

MERRILL LYNCH & CO.
Remarketing Agent

This Supplement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2004 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 Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Remarketing Agent") or by the Corporation, the Trustee, the Mortgagors or Fannie Mae, to give any information or to make any representations other than those contained in the Official Statement and this Supplement, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the Corporation, Fannie Mae, the Mortgagors (Aldus Street Associates, L.P., Hoe Avenue Associates, L.P. and Melrose Avenue Associates, L.P.) (in the case of information contained herein relating to the Projects and the Mortgagors) and other sources which are deemed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by any of such sources as to information from any other source. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Supplement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Corporation, Fannie Mae or any Mortgagor since the date hereof. The Remarketing Agent and the Corporation disclaim any responsibility to update the information contained in the Official Statement or this Supplement.

Fannie Mae has not provided or approved any information in this Supplement or the Official Statement except with respect to the description under the heading "FANNIE MAE" in this Supplement, takes no responsibility for any other information contained in this Supplement or the Official Statement, and makes no representation as to the contents of this Supplement or the Official Statement. Without limiting the foregoing, Fannie Mae makes no representation as to the suitability of the 2004 Bonds for any investor, the feasibility or performance of the Projects, or compliance with any securities, tax or other laws or regulations. Fannie Mae's role with respect to each issue of the 2004 Bonds is limited to issuing and discharging its obligations under the applicable Credit Enhancement Instrument and exercising the rights reserved to it in the Resolutions and the Reimbursement Agreements.

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

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A portion of each series of 2004 Bonds was redeemed on December 15, 2006. There is currently outstanding \$8,100,000 principal amount of the 2004 Aldus Bonds, \$6,660,000 principal amount of the 2004 Hoe Bonds and \$7,840,000 principal amount of the 2004 Peter Cintrón Bonds.

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

INTRODUCTION

Each series of 2004 Bonds has been entitled to the benefit of a Prior Letter of Credit issued by KeyBank National Association issued pursuant to a Letter of Credit and Reimbursement Agreement dated as of June 1, 2004 between the Bank and the applicable Mortgagor. Each Prior Letter of Credit will be replaced by a Credit Enhancement Instrument, as described herein, issued by Fannie Mae (each, a “Credit Enhancement Instrument” and collectively, the “Credit Enhancement Instruments”). The Credit Enhancement Instruments will become effective on February 15, 2007 and the Prior Letters of Credit will be surrendered for cancellation as of the close of business, New York City time, on February 15, 2007. As a result of the substitution and replacement of the Prior Letters of Credit, all 2004 Bonds will be subject to mandatory tender for purchase on February 15, 2007 (the “Purchase Date”). Any 2004 Bonds that are tendered for purchase on the Purchase Date but are not remarketed will be purchased with the proceeds of a drawing on the applicable Prior Letter of Credit.

SECURITY FOR THE 2004 BONDS

All of the 2004 Bonds were issued simultaneously. On February 15, 2007 each Mortgage will be amended and restated (each as amended and restated, a “Mortgage”). The provisions of the Mortgage, Mortgage Note, Resolution and Credit Enhancement Instrument for each issue of the 2004 Bonds are substantially identical (except as to the Mortgagor, the Project and the principal amount). However, payment of each issue of the 2004 Bonds is secured only by the related Mortgage Loan and the revenues or assets pledged under the related Resolution, and not by any other Mortgage Loan or revenues or assets

pledged under any other Resolution. Payments under each Mortgage Note will be applied only to the payment of the related issue of the 2004 Bonds and are secured only by the related Credit Enhancement Instrument, and not by any other Credit Enhancement Instrument. In connection with the credit substitution, each Mortgage will be amended and restated.

Credit Enhancement Instruments

Each Credit Enhancement Instrument constitutes a “Credit Facility” under the applicable Resolution, and Fannie Mae constitutes a “Credit Facility Provider” under the applicable Resolution.

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

Fannie Mae will advance funds under each Credit Enhancement Instrument to the Trustee with respect to the payment of: (i) the principal of the applicable issue of the 2004 Bonds (other than Purchased Bonds) when due by reason of acceleration, defeasance, redemption or stated maturity; (ii) up to 34 days’ interest at the Maximum Rate due on the applicable issue of the 2004 Bonds (other than Purchased Bonds) on or prior to their stated maturity date; and (iii) a portion of the Corporation’s regularly scheduled fee (the “Fee Component”), if such fee is not paid to the Corporation in a timely manner.

Fannie Mae will advance funds under a Credit Enhancement Instrument to the Trustee up to the principal amount of the applicable issue of the 2004 Bonds and interest thereon at the Maximum Rate for up to 34 days in order to pay the Purchase Price of such issue of the 2004 Bonds tendered to the Trustee as Tender Agent and not remarketed pursuant to the Remarketing Agreement.

Fannie Mae’s obligations to make advances to the Trustee upon the proper presentation of documents which conform to the terms and conditions of the applicable Credit Enhancement Instrument are absolute, unconditional and irrevocable.

To the extent of advances made under a Credit Enhancement Instrument with respect to the payment of the Fee Component and the principal amount of a series of 2004 Bonds and interest thereon, the obligations of Fannie Mae under the applicable Credit Enhancement Instrument will be correspondingly reduced, but with respect to advances made under a Credit Enhancement Instrument with respect to the payment of the Fee Component and the interest on a series of 2004 Bonds, the portion of the Fee Component and the portion of the interest component of the applicable Credit Enhancement Instrument not otherwise permanently reduced will be automatically reinstated. With respect to advances made under a Credit Enhancement Instrument to pay the Purchase Price tendered or deemed tendered for a series of 2004 Bonds, the applicable Credit Enhancement Instrument will be correspondingly reduced and will be reinstated to the extent such Bonds are subsequently remarketed and Fannie Mae is reimbursed for such advances. Outstanding 2004 Bonds purchased by the Tender Agent with funds provided by such advances will be owned by the Mortgagor and will be pledged for the benefit of Fannie Mae (“Purchased Bonds”).

In computing the amount to be advanced under a Credit Enhancement Instrument with respect to the payment of the principal of or interest on a series of 2004 Bonds, the Trustee shall exclude any such amounts in respect of any such series of Bonds that are Purchased Bonds on the date such payment is due, and amounts advanced to the Trustee under the applicable Credit Enhancement Instrument shall not be applied to the payment of the principal of or interest on any of such Bonds that are Purchased Bonds on the date such payment is due.

To receive payment under a Credit Enhancement Instrument, the Trustee must make a presentation of certain payment documents under such Credit Enhancement Instrument on or prior to the expiration date of such Credit Enhancement Instrument at the appropriate office of Fannie Mae. Each Credit Enhancement Instrument will expire at 4:00 p.m. Eastern time on June 21, 2037 (the “Credit Enhancement Instrument Expiration Date”, which is five days after the final maturity of each issue of the 2004 Bonds). The right of the Trustee to draw on each Credit Enhancement Instrument to pay the Purchase Price of the 2004 Bonds optionally tendered to the Tender Agent and not remarketed will expire on February 15, 2022, unless earlier terminated or automatically extended by one calendar year on each February 15, unless otherwise specified in writing by Fannie Mae to the Trustee. Each Credit Enhancement Instrument will automatically terminate on the first to occur of: (a) the Credit Enhancement Instrument Expiration Date; (b) the honoring by Fannie Mae of the final draw available to be made under the Credit Enhancement Instrument such that the principal portion of the amount available will be reduced to zero and will not be subject to reinstatement; or (c) receipt of a written notice signed by the Trustee’s duly authorized officer stating that none of the related 2004 Bonds are Outstanding under the applicable Resolution.

FANNIE MAE’S OBLIGATIONS WITH RESPECT TO THE 2004 BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT INSTRUMENTS. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT ENHANCEMENT INSTRUMENTS WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED STOCKHOLDER-OWNED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE 2004 BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE 2004 BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

THE PROJECTS AND THE MORTGAGORS

Each Mortgagor has provided the following information regarding such Mortgagor and the Project owned by it and the information regarding Atlantic Development Group, LLC for use herein. While the information is believed to be reliable, neither the Corporation, Fannie Mae, the Remarketing Agent nor any of their respective counsel, members, directors, officers or employees makes any representation as to the accuracy or sufficiency of such information.

Each Mortgagor is a New York limited partnership owning a long-term leasehold interest in its respective Project. The general partner of each Mortgagor is a single purpose New York corporation wholly owned by Peter Fine and Marc Altheim, principals of the developer, Atlantic Development Group, LLC (“ADG”). The general partner owns a 0.01% interest in the applicable Mortgagor. Each Mortgagor also consists of a special limited partner, MMA Special Limited Partner, Inc., a Florida corporation and an investor limited partner.

The Aldus Street Mortgagor and the Hoe Avenue Mortgagor filed a condominium declaration following substantial completion of their respective Projects. The condominium contains five units: a residential unit consisting of the Aldus Street Project, a residential unit consisting of the Hoe Avenue Project, two units consisting of parking areas beneath the Aldus Street and Hoe Avenue Projects and one unit consisting of a retail storefront (the parking units and storefront are collectively referred to as the “Commercial Units”). Senior Living Options, Inc. (“SLO”) is the owner of the condominium units comprising the Aldus Street and Hoe Avenue Projects and the owner of the land underlying the Peter Cintrón project. The officers of SLO are Michael Stoler and Brad Hamburger. Each Mortgage includes a mortgage by the applicable Mortgagor of its interest in the applicable Project and a mortgage by SLO of its interest in the condominium unit or land, as applicable. The condominium units other than the condominium units containing the Aldus Street Project and the Hoe Avenue Project are not subject to any of the Mortgages.

The developer is Atlantic Development Group, LLC (“ADG”), which was founded in 2000. ADG is an affiliate of Atlantic Development, LLC, which was founded in 1995 and the sole members of which are Peter Fine and Marc Alheim (ADG, collectively with Atlantic Development, LLC, shall hereinafter be referred to as “Atlantic”). Atlantic's primary focus is the development of residential multi-family housing in New York. Atlantic has financed the construction of approximately 40 projects over the past decade containing more than 4,000 units, primarily in the Bronx and Manhattan. The property manager for each Project will be Knickerbocker Management, LLC.

Aldus Street Project

The Aldus Street Bonds were issued to pay a portion of the costs of constructing and equipping a multi-family rental housing facility located at 962 Aldus Street between Hoe Avenue and Southern Boulevard in the Borough of the Bronx, New York (the “Aldus Street Project”) and to provide a permanent Mortgage Loan to Aldus Street Associates, L.P., a New York limited partnership (the “Aldus Street Mortgagor”) for such project in the amount of \$8,100,000 after the completion of construction. The Aldus Street Project consists of one hundred sixty-four (164) dwelling units (eight (8) studios, twenty-five (25) one-bedroom units, one hundred twenty-one (121) two-bedroom units (including the superintendent’s unit), and ten (10) three-bedroom units) as well as community space in one eight-story building. Forty-one (41) of the units are required to be occupied by formerly homeless residents under the Corporation’s Low Income Affordable Marketplace Program (“LAMP”). All of the units (including the superintendent’s unit) are required to be rented to households earning not more than 60% of the New York City area median income pursuant to requirements of the Federal Low Income Housing Tax Credit program.

Construction of the Aldus Street Project was completed in April, 2006 and occupancy commenced at that time. Since December, 2006, approximately 100% of the apartments have been occupied. Since that time, the operating income from the Aldus Street Project has been sufficient to pay the operating expenses of the Aldus Street Project and debt service on the bonds issued to finance the Aldus Street Project. No assurance can be given, however, that the Aldus Street Project will continue to generate sufficient revenues to pay the debt service and operating expenses of the Aldus Street Project. The ability of the Aldus Street Mortgagor to pay its Mortgage Loan is dependent on the revenues derived from the Aldus Street Project. See "THE MORTGAGE LOANS AND OTHER FINANCING" in the Official Statement.

The Aldus Street Mortgagor has received a 25-year partial exemption of real estate taxes with respect to the Aldus Street Project in accordance with Section 421-a of the Real Property Tax Law of the State of New York, which program currently requires that all residential units in the Aldus Street Project be subject to rent regulation in accordance with the New York City Rent Stabilization Code. The condominium unit containing the Aldus Street Project is owned by SLO and leased to the Aldus Street Mortgagor pursuant to a 99-year ground lease. All base rent due under the ground lease has been paid; however, the Aldus Street Mortgagor continues to be obligated to pay all operating expenses relating to the condominium unit and the Aldus Street Project. Pursuant to the Mortgage, SLO has granted a mortgage of its fee interest in the condominium unit comprising the Aldus Street Project.

The Aldus Street Mortgagor made its Mandatory Mortgage Loan Prepayment in the amount of \$6,100,000 and such payment was used to redeem an equal amount of the 2004 Aldus Bonds on December 15, 2006. On February 15, 2007, the Aldus Street Mortgagor will pay \$1,210,000 of the Aldus Street Non-Bond Loan.

Hoe Avenue Project

The Hoe Avenue Bonds were issued to pay a portion of the costs of constructing and equipping a multi-family rental housing facility located at 941 Hoe Avenue between Aldus Street and East 163rd

Street in the Borough of the Bronx, New York (the “Hoe Avenue Project”) and to provide a permanent Mortgage Loan to Hoe Avenue Associates, L.P., a New York limited partnership (the “Hoe Avenue Mortgagor”) for such project in the amount of \$6,660,000 after the completion of construction. The Hoe Avenue Project consists of one hundred thirty-six (136) dwelling units (nine (9) studios, twenty-seven (27) one-bedroom units, eighty-nine (89) two-bedroom units (including the superintendent’s unit), and eleven (11) three-bedroom units) as well as community space in one eight-story building. Forty-one (41) of the units are required to be occupied by formerly homeless residents under LAMP. All of the units (including the superintendent’s unit) are required to be rented to households earning not more than 60% of the New York City area median income pursuant to requirements of the Federal Low Income Housing Tax Credit program.

Construction of the Hoe Avenue Project was completed in April, 2006 and occupancy commenced at that time. Since December, 2006, approximately 100% of the apartments have been occupied. Since that time, the operating income from the Hoe Avenue Project has been sufficient to pay the operating expenses of the Hoe Avenue Project and debt service on the bonds issued to finance the Hoe Avenue Project. No assurance can be given, however, that the Hoe Avenue Project will continue to generate sufficient revenues to pay the debt service and operating expenses of the Hoe Avenue Project. The ability of the Hoe Avenue Mortgagor to pay its Mortgage Loan is dependent on the revenues derived from the Hoe Avenue Project. See "THE MORTGAGE LOANS AND OTHER FINANCING" in the Official Statement.

The Hoe Avenue Mortgagor has received a 25-year partial exemption of real estate taxes with respect to the Hoe Avenue Project in accordance with Section 421-a of the Real Property Tax Law of the State of New York, which program currently requires that all residential units in the Hoe Avenue Project be subject to rent regulation in accordance with the New York City Rent Stabilization Code. The condominium unit containing the Hoe Avenue Project is owned by SLO and leased to the Hoe Avenue Mortgagor pursuant to a 99-year ground lease. All base rent due under the ground lease has been paid; however, the Hoe Avenue Mortgagor continues to be obligated to pay all operating expenses relating to the condominium unit and the Hoe Avenue Project. Pursuant to the Mortgage, SLO has granted a mortgage of its fee interest in the condominium unit comprising the Hoe Avenue Project.

The Hoe Avenue Mortgagor made its Mandatory Mortgage Loan Prepayment in the amount of \$5,240,000 and such payment was used to redeem an equal amount of the 2004 Hoe Bonds on December 15, 2006. On February 15, 2007, the Hoe Avenue Mortgagor will pay \$1,210,000 of the Hoe Avenue Non-Bond Loan.

Peter Cintrón Project

The Peter Cintrón Bonds were issued to pay a portion of the costs of constructing and equipping a multi-family rental housing facility located at 415 East 157th Street and 404 East 158th Street along the eastern block front of Melrose Avenue in the Borough of the Bronx, New York (the “Peter Cintrón Project”) and to provide a permanent Mortgage Loan to Melrose Avenue Associates, L.P., a New York limited partnership (the “Peter Cintrón Mortgagor”) for such project in the amount of \$7,840,000 after the completion of construction. The Peter Cintrón Project consists of one hundred sixty-five (165) dwelling units (thirty-six (36) studios, thirty-eight (38) one-bedroom units, seventy-five (75) two-bedroom units (including the superintendent’s unit), and sixteen (16) three-bedroom units) as well as community space and approximately 6,000 square feet of commercial space and a parking garage in two nine-story buildings with four story wings. All of the units (including the superintendent’s unit) are required to be rented to households earning not more than 60% of the New York City area median income pursuant to requirements of the Federal Low Income Housing Tax Credit program.

Construction of the Peter Cintrón Project was completed in April, 2006 and occupancy commenced at that time. Since December, 2006, approximately 100% of the apartments have been

occupied. Since that time, the operating income from the Peter Cintrón Project has been sufficient to pay the operating expenses of the Peter Cintrón Project and debt service on the bonds issued to finance the Peter Cintrón Project. No assurance can be given, however, that the Peter Cintrón Project will continue to generate sufficient revenues to pay the debt service and operating expenses of the Peter Cintrón Project. The ability of the Peter Cintrón Mortgagor to pay its Mortgage Loan is dependent on the revenues derived from the Peter Cintrón Project. See “THE MORTGAGE LOANS AND OTHER FINANCING” in the Official Statement.

The Peter Cintrón Mortgagor has received a 25-year partial exemption of real estate taxes with respect to the Peter Cintrón Project in accordance with Section 421-a of the Real Property Tax Law of the State of New York, which program currently requires that all residential units in the Peter Cintrón Project be subject to rent regulation in accordance with the New York City Rent Stabilization Code. The land on which the Peter Cintrón Project is constructed is owned by SLO, which entered into a 99-year ground lease with the Peter Cintrón Mortgagor. All base rent due under the ground lease has been paid; however, the Peter Cintrón Mortgagor continues to be obligated to pay all operating expenses relating to the land and the Peter Cintrón Project. Pursuant to the Mortgage, SLO has granted a mortgage of its fee interest in the land and the Peter Cintrón Project.

The Mortgagor made the Mandatory Mortgage Loan Prepayment in the amount of \$6,560,000 and such payment was used to redeem an equal amount of the 2004 Peter Cintrón Bonds on December 15, 2006.

FANNIE MAE

Fannie Mae is a federally chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq. Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market and became a stockholder-owned and privately managed corporation by legislation enacted in 1968.

Fannie Mae purchases, sells, and otherwise deals in mortgages in the secondary market rather than as a primary lender. It does not make direct mortgage loans but acquires mortgage loans originated by others. In addition, Fannie Mae issues mortgage-backed securities (“MBS”), primarily in exchange for pools of mortgage loans from lenders. Fannie Mae receives guaranty fees for its guarantee of timely payment of principal of and interest on MBS certificates.

Fannie Mae is subject to regulation by the Secretary of Housing and Urban Development (“HUD”) and the Director of the independent Office of Federal Housing Enterprise Oversight within HUD (“OFHEO”). Approval of the Secretary of Treasury is required for Fannie Mae’s issuance of its debt obligations and MBS. The President of the United States may appoint five members of Fannie Mae’s Board of Directors, and the other thirteen are elected by the holders of Fannie Mae’s common stock. Since May 25, 2004, the date of Fannie Mae’s most recent annual shareholder’s meeting, the President has declined to exercise his authority to appoint directors, and those five Board positions will remain open unless and until the President names new appointees

The securities of Fannie Mae are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

Information on Fannie Mae and its financial condition is contained in periodic reports that are filed with the Securities and Exchange Commission (the “SEC”). The SEC filings are available at the SEC’s website at www.sec.gov. The periodic reports filed by Fannie Mae with the SEC are also available on Fannie Mae’s web site at <http://www.fanniemae.com/ir/sec> or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

Fannie Mae's safety and soundness regulator, OFHEO, announced in July 2003 that it was conducting a special examination of Fannie Mae's accounting policies and practices, and in September 2004 issued a preliminary report of its findings to date. OFHEO subsequently identified additional accounting and internal control issues in February 2005, and issued its Report of the Special Examination of Fannie Mae (the "OFHEO Report") on May 23, 2006.

On December 22, 2004, Fannie Mae reported that the Audit Committee of Fannie Mae's Board of Directors (the "Board") had determined that Fannie Mae's previously filed interim and audited financial statements and the independent auditor's reports thereon for the period from January 2001 through the second quarter of 2004 should no longer be relied upon because such financial statements were prepared using accounting principles that did not comply with U.S. generally accepted accounting principles ("GAAP"). Fannie Mae subsequently initiated an extensive restatement and re-audit of its financial statements with Fannie Mae's new independent auditor, Deloitte & Touche LLP.

On December 6, 2006, Fannie Mae filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2004 ("2004 10-K"), which included consolidated financial statements for 2004 and a restatement of previously issued financial information for 2002, 2003, and the first two quarters of 2004. Restatement adjustments relating to periods prior to January 1, 2002 are presented in Fannie Mae's 2004 10-K as adjustments to retained earnings as of December 31, 2001.

The Board and Fannie Mae's management have initiated numerous internal and external reviews of Fannie Mae's accounting processes and controls, Fannie Mae's financial reporting processes, and Fannie Mae's application of GAAP. One of these external investigations was conducted by the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul Weiss"), under the direction of former U.S. Senator Warren Rudman. On February 23, 2006, the Paul Weiss report to the Special Committee of the Board was publicly released, and included numerous findings about Fannie Mae's accounting policies, practices and systems, compensation practices, corporate governance, and internal controls. On February 24, 2006, Fannie Mae filed a Form 8-K with the SEC that includes the Paul Weiss report.

The OFHEO Report presents OFHEO's findings about Fannie Mae's corporate culture, executive compensation programs, accounting policies and internal controls, internal and external auditors, senior management, and the Board. In conjunction with the release of the OFHEO Report, Fannie Mae entered into settlement agreements with both OFHEO and the SEC on May 23, 2006. The settlement agreements require Fannie Mae to pay civil penalties totaling \$400 million. In addition, the settlement agreement with OFHEO requires Fannie Mae to undertake certain remedial actions within a specified time frame to address the recommendations contained in the OFHEO Report, including an undertaking by Fannie Mae not to increase its "mortgage portfolio" assets except as permitted by a plan to be submitted by Fannie Mae for approval by OFHEO. The settlement agreements constitute comprehensive settlements between Fannie Mae and both OFHEO and the SEC relating to the activities of Fannie Mae during the time period in question. Please refer to Fannie Mae's Form 8-K filed with the SEC on May 30, 2006 for further information about the OFHEO Report and the settlement agreements. A complete copy of the OFHEO Report is available on OFHEO's website at www.ofheo.gov.

On July 20, 2006, the Federal Reserve Board implemented revisions to its payment systems risk policy requiring all government sponsored enterprises, including Fannie Mae, to fully fund their accounts with the Federal Reserve Banks before making payments to debt and mortgage-backed securities investors. Fannie Mae complied with this policy by entering into various funding agreements with market participants. In connection with this policy change, Fannie Mae also entered into a new fiscal agency agreement with the Federal Reserve Bank of New York.

On August 24, 2006, Fannie Mae announced that it had been advised by the United States Attorney's Office for the District of Columbia that it was discontinuing its investigation of Fannie Mae's

accounting policies and practices, and did not plan to file charges against Fannie Mae. Please refer to Fannie Mae's Form 8-K filed with the SEC on August 24, 2006 for further information.

Fannie Mae filed its 2004 10-K with the SEC on December 6, 2006. Fannie Mae has not filed Quarterly Reports on Form 10-Q for the first, second and third quarters of 2005 or for the first, second and third quarters of 2006, nor has Fannie Mae filed its Annual Report on Form 10-K for the year ended December 31, 2005.

Form 8-K's that Fannie Mae files with the SEC on or prior to the date of this Supplement are incorporated herein by reference.

Fannie Mae makes no representation as to the contents of this Supplement or the Official Statement, the suitability of the 2004 Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Fannie Mae's role with respect to the 2004 Bonds is limited to issuing and discharging its obligations under the Credit Enhancement Instruments and exercising the rights reserved to it in the applicable Resolution and Reimbursement Agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS

The following statements are a brief summary of certain provisions of the Reimbursement Agreements. The summary does not purport to be complete, and reference is made to each Reimbursement Agreement for a full and complete statement of the provisions thereof. In addition, Fannie Mae shall have the right without the consent of, or notice to, the Trustee, the Corporation or the Bondholders, to amend, modify, change, add to or delete any of the provisions of each Reimbursement Agreement. Capitalized terms used in this section and not otherwise defined will have the meanings given them in the applicable Reimbursement Agreement.

Each Credit Facility is issued pursuant to a Reimbursement Agreement. Each Reimbursement Agreement obligates the Mortgagor, among other things, to reimburse Fannie Mae for funds advanced by Fannie Mae under the applicable Credit Facility and to pay various fees and expenses. Each Reimbursement Agreement sets forth various affirmative and negative covenants of the Mortgagor, some of which are more restrictive with respect to the Mortgagor than similar covenants contained in the applicable Financing Agreement. Each Reimbursement Agreement also includes various Events of Default, including, but not limited to, payment defaults (including both failure to make payments on the applicable Mortgage Note and failure to pay other amounts due under such Reimbursement Agreement), breaches of representations, covenant defaults (in some but not all cases, following notice and a period to cure) and cross-defaults to other documents, including but not limited to defaults relating to bankruptcy of the Mortgagor and including in some cases cross-defaults to other indebtedness.

Upon the occurrence of an Event of Default under a Reimbursement Agreement, Fannie Mae may, among other things, accelerate or cause a redemption of all or a portion of the applicable issue of the 2004 Bonds, demand cash collateral or Investment Securities in an amount equal to the maximum liability of Fannie Mae under the applicable Credit Enhancement Instrument, whether or not then due and payable by Fannie Mae, instruct the Trustee pursuant to the applicable Assignment to assign the applicable Mortgage and Mortgage Note to Fannie Mae (see "THE MORTGAGE LOANS AND OTHER FINANCING" in the Official Statement), subject all or a portion of the applicable issue of 2004 Bonds to mandatory purchase (see "DESCRIPTION OF THE 2004 BONDS – Credit Facility Provider's Right to Cause a Mandatory Tender for Purchase of 2004 Bonds Upon an Event of Termination" in the Official Statement) and/or exercise any other rights or remedies available under any applicable Transaction Document or take any other action, whether at law or in equity, without notice or demand, as it deems advisable to protect and enforce its rights (see "THE MORTGAGE LOANS AND OTHER

FINANCING” and “DESCRIPTION OF THE 2004 BONDS – Credit Facility Provider’s Right to Cause a Mandatory Tender for Purchase of 2004 Bonds Upon an Event of Termination” in the Official Statement).

Fannie Mae shall have the right, in its sole discretion, to amend, modify, change, add to or delete any provisions of each Reimbursement Agreement, including, but not limited to, adding cross-defaults to any other documents and agreements, without receiving the consent of, or providing notice to, the Trustee, the Corporation or the Bondholders. Fannie Mae shall also have the right, in its sole discretion, to waive any Event of Default under each Reimbursement Agreement, Mortgage or any other transaction document. Unless such waiver expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

THE CORPORATION

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

LEGAL MATTERS

Upon the substitution and replacement of the Prior Letters of Credit with the Credit Enhancement Instruments on February 15, 2007, Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, will deliver an opinion for each series of the 2004 Bonds to the effect that the substitution will not adversely affect the exclusion from gross income of the interest on such series of 2004 Bonds for Federal income tax purposes, the forms of which are attached hereto as Appendix A. Certain legal matters will be passed upon for the Mortgagors by their Special Counsel, Gilbride Tusa Last & Spellane LLC, New York, New York. Certain legal matters will be passed upon for Fannie Mae by its Office of General Counsel and by its Special Counsel, O'Melveny & Myers LLP. Certain legal matters will be passed upon for the Remarketing Agent by its Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

RATINGS

Upon the substitution and replacement of the Prior Letters of Credit with the Credit Enhancement Instruments on February 15, 2007, Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. is expected to assign to the 2004 Bonds a rating of “AAA/A-1+”. Such rating reflects only the view of such organization and an explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by such rating agency, if in its judgment, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the 2004 Bonds.

MISCELLANEOUS

Any statement in this Supplement involving matters of opinion, whether or not expressly so stated, are intended as such, and not as representations of fact. This Supplement is not to be construed as an agreement or contract between the Corporation and the purchasers or owners of any 2004 Bonds.

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION

By: /s/ Emily A. Youssouf
President

Dated: February 6, 2007

PROPOSED FORMS OF OPINION OF BOND COUNSEL TO THE CORPORATION

Upon the substitution and replacement of the Prior Letter of Credit with the Credit Enhancement Instrument with respect to the 2004 Aldus Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, proposes to issue its opinion in substantially the following form:

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

THE BANK OF NEW YORK,
as Trustee
101 Barclay Street
New York, New York 10286

FANNIE MAE
as provider of the Initial Permanent
Phase Credit Facility
3900 Wisconsin Avenue, N.W.
Washington, DC 20016

Ladies and Gentlemen:

We are bond counsel to the New York City Housing Development Corporation (the "Corporation"), a corporate governmental agency, constituting a public benefit corporation created and existing under and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the "Act"). On June 9, 2004, we rendered our approving opinion ("Approving Opinion") with respect to the issuance by the Corporation of the Corporation's Multi-Family Mortgage Revenue Bonds (Aldus Street Apartments), 2004 Series A, in the original aggregate principal amount of \$14,200,000 (the "Bonds"). The Bonds were issued under and pursuant to the Act and the Multi-Family Mortgage Revenue Bonds (Aldus Street Apartments) Bond Resolution of the Corporation, adopted May 25, 2004 (the "Resolution"). Unless otherwise defined in this opinion, all capitalized terms used herein shall have the meanings ascribed thereto in the Resolution.

Principal of and interest on the Bonds are payable from an irrevocable transferable direct pay letter of credit issued by KeyBank National Association (the "Letter of Credit"). Principal of and interest on the Bonds were to be payable from the Letter of Credit through December 15, 2006, subject to extension or earlier termination as described in the Letter of Credit. The term of the Letter of Credit has been extended through March 15, 2007. The Resolution provides that, upon the conversion of the Mortgage Loan from the Construction Phase to the Permanent Phase ("Conversion"), a Facility Change Date will occur and the Initial

Permanent Phase Credit Facility will be deposited with The Bank of New York, as trustee under the Resolution (the “Trustee”), in substitution for the Letter of Credit upon the terms and conditions set forth in the Resolution. This opinion is being delivered in connection with the replacement today of a Direct Pay Irrevocable Transferable Credit Enhancement Instrument, executed by Fannie Mae and delivered to the Trustee (the “New Credit Facility”), for the Letter of Credit.

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

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

Except as stated above, we express no opinion regarding any Federal, state, local or foreign tax consequences with respect to the Bonds. We 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 Bonds, or under state, local and foreign tax law.

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

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

Very truly yours,

Upon the substitution and replacement of the Prior Letter of Credit with the Credit Enhancement Instrument with respect to the 2004 Hoe Bonds, Bond Counsel to the Corporation proposes to issue its opinion in substantially the following form:

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

THE BANK OF NEW YORK,
as Trustee
101 Barclay Street
New York, New York 10286

FANNIE MAE
as provider of the Initial Permanent
Phase Credit Facility
3900 Wisconsin Avenue, N.W.
Washington, DC 20016

Ladies and Gentlemen:

We are bond counsel to the New York City Housing Development Corporation (the "Corporation"), a corporate governmental agency, constituting a public benefit corporation created and existing under and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the "Act"). On June 9, 2004, we rendered our approving opinion ("Approving Opinion") with respect to the issuance by the Corporation of the Corporation's Multi-Family Mortgage Revenue Bonds (941 Hoe Avenue Apartments), 2004 Series A, in the original aggregate principal amount of \$11,900,000 (the "Bonds"). The Bonds were issued under and pursuant to the Act and the Multi-Family Mortgage Revenue Bonds (941 Hoe Avenue Apartments) Bond Resolution of the Corporation, adopted May 25, 2004 (the "Resolution"). Unless otherwise defined in this opinion, all capitalized terms used herein shall have the meanings ascribed thereto in the Resolution.

Principal of and interest on the Bonds are payable from an irrevocable transferable direct pay letter of credit issued by KeyBank National Association (the "Letter of Credit"). Principal of and interest on the Bonds were to be payable from the Letter of Credit through December 15, 2006, subject to extension or earlier termination as described in the Letter of Credit. The term of the Letter of Credit has been extended through March 15, 2007. The Resolution provides that, upon the conversion of the Mortgage Loan from the Construction Phase to the Permanent Phase ("Conversion"), a Facility Change Date will occur and the Initial Permanent Phase Credit Facility will be deposited with The Bank of New York, as trustee under the Resolution (the "Trustee"), in substitution for the Letter of Credit upon the terms and conditions set forth in the Resolution. This opinion is being delivered in connection with the replacement today of a Direct Pay Irrevocable Transferable Credit Enhancement Instrument, executed by Fannie Mae and delivered to the Trustee (the "New Credit Facility"), for the Letter of Credit.

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

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

Except as stated above, we express no opinion regarding any Federal, state, local or foreign tax consequences with respect to the Bonds. We 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 Bonds, or under state, local and foreign tax law.

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

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

Very truly yours,

Upon the substitution and replacement of the Prior Letter of Credit with the Credit Enhancement Instrument with respect to the 2004 Peter Cintrón Bonds, Bond Counsel to the Corporation proposes to issue its opinion in substantially the following form:

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

THE BANK OF NEW YORK,
as Trustee
101 Barclay Street
New York, New York 10286

FANNIE MAE
as provider of the Initial Permanent
Phase Credit Facility
3900 Wisconsin Avenue, N.W.
Washington, DC 20016

Ladies and Gentlemen:

We are bond counsel to the New York City Housing Development Corporation (the "Corporation"), a corporate governmental agency, constituting a public benefit corporation created and existing under and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the "Act"). On June 9, 2004, we rendered our approving opinion ("Approving Opinion") with respect to the issuance by the Corporation of the Corporation's Multi-Family Mortgage Revenue Bonds (Peter Cintrón Apartments), 2004 Series A, in the original aggregate principal amount of \$14,400,000 (the "Bonds"). The Bonds were issued under and pursuant to the Act and the Multi-Family Mortgage Revenue Bonds (Peter Cintrón Apartments) Bond Resolution of the Corporation, adopted May 25, 2004 (the "Resolution"). Unless otherwise defined in this opinion, all capitalized terms used herein shall have the meanings ascribed thereto in the Resolution.

Principal of and interest on the Bonds are payable from an irrevocable transferable direct pay letter of credit issued by KeyBank National Association (the "Letter of Credit"). Principal of and interest on the Bonds were to be payable from the Letter of Credit through December 15, 2006, subject to extension or earlier termination as described in the Letter of Credit. The term of the Letter of Credit has been extended through March 15, 2007. The Resolution provides that, upon the conversion of the Mortgage Loan from the Construction Phase to the Permanent Phase ("Conversion"), a Facility Change Date will occur and the Initial Permanent Phase Credit Facility will be deposited with The Bank of New York, as trustee under the Resolution (the "Trustee"), in substitution for the Letter of Credit upon the terms and conditions set forth in the Resolution. This opinion is being delivered in connection with the replacement today of a Direct Pay Irrevocable Transferable Credit Enhancement Instrument, executed by Fannie Mae and delivered to the Trustee (the "New Credit Facility"), for the Letter of Credit.

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

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

Except as stated above, we express no opinion regarding any Federal, state, local or foreign tax consequences with respect to the Bonds. We 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 Bonds, or under state, local and foreign tax law.

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

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

Very truly yours,