



**Homes and  
Community Renewal**

**Housing  
Trust Fund  
Corporation**

**ANDREW M. CUOMO**  
Governor

**RUTHANNE VISNAUSKAS**  
Commissioner/CEO

## **MEMORANDUM**

**To:** Members of the Corporation  
**From:** Stacey C. Mickle, Treasurer  
**Date:** July 14, 2020  
**Subject:** ANNUAL REPORT ON INVESTMENTS

Pursuant to Section 2925 of the Public Authorities Law and Section 602 of the Corporation's Investment Policy, the Corporation must prepare and approve an Annual Report on Investments. After approval, the report will be submitted to the Governor's Office, the Division of the Budget, the Office of the State Comptroller, the Senate Finance Committee and the Assembly Ways and Means Committee and uploaded to the PARIS reporting system maintained by the Authorities Budget Office.

In addition, the Corporation must review and approve the Corporation's Investment Policy on an annual basis.

A copy of the Report, together with a resolution approving it and the Investment Policy, is attached. No changes to the Policy have been made since the last report. Approval of the resolution is hereby recommended.



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## **INVESTMENTS POLICY**

**For the Fiscal Year Ending March 31, 2020**

**THE POLICY OF THE HOUSING TRUST FUND CORPORATION REGARDING  
INVESTMENT OF ALL CORPORATION MONEY, PROVIDING FOR THE  
SECURITY OF THOSE INVESTMENTS AND PROVIDING FOR PERIODIC  
REPORTS ON THE INVESTMENTS**

**ARTICLE I**

**STATEMENT OF PURPOSE AND TITLE**

101. This Policy is adopted pursuant to the provisions of Section 2925 of the Public Authorities Law and shall be reviewed and approved by the Members of the Corporation at least annually.
102. This document may be referred to as the Corporation's "Investment Policy".

**ARTICLE II**

**DEFINITION OF TERMS**

201. Definitions. The following terms shall, for all purposes of this Policy, have the following meanings unless the context shall clearly indicate some other meaning:

"Act" shall mean Article XVIII of the New York Private Housing Finance Law.

"Board" shall mean the Board of Directors of the Corporation.

"Commissioner of Taxation and Finance" shall mean the New York State Commissioner of Taxation and Finance or that Commissioner's designee.

"Corporation" shall mean the Housing Trust Fund Corporation.

"Corporation Assistant Treasurer" shall mean that person so appointed by the Board.

"Corporation Staff Accountant" shall mean that person assigned to maintain the Corporation's daily books of account and perform other related Corporate accounting functions including accounting for Corporate investments.

"Corporation Treasurer" shall mean that person so appointed by the Board.

"Counsel" shall mean an attorney designated by the Board, or if so designated by the Board, the Counsel of the New York State Division of Housing and Community Renewal.

"Custodial Account" shall mean the bank account of the Corporation, pursuant to Section 59-A of the Private Housing Finance Law, maintained by the Custodian.

"Custodian" shall mean the Commissioner of Taxation and Finance.

"Deliver" or "Delivered" shall mean either (1) the voluntary transfer of possession to the Custodian or a custodial bank designated by the Custodian, or (2) the registration of transfer by the appropriate book entry procedure by a member of the Federal Reserve System.

"Depository Bank" shall mean a bank designated by the Commissioner of Taxation and Finance to hold deposits of the Corporation's funds. The obligation on the part of the Depository Bank is that it keeps the deposit and, upon request, restores it to the depositor or otherwise delivers it according to the original trust.

"Investment Agent" shall be the person or entity to invest the funds of the Corporation at the direction of the Investment Officer.

"Investment Obligations" shall mean (1) direct obligations of the United States of America or of the State; and (2) obligations the principal and interest of which are unconditionally guaranteed by the United States of America or by the State.

"Investment Officer" shall mean the Corporation Treasurer, or in the Treasurer's absence, the Corporation Assistant Treasurer.

"Members" shall mean the Board of Directors of the Corporation.

"Officer" shall mean any person holding an office of the Corporation as defined in the Corporation By-Laws.

"Repurchase Agreement" shall mean two simultaneous transactions, one the purchase of securities by the Investment Agent from a seller, the other the commitment on the part of the seller of the securities to repurchase the securities at an agreed upon price at some mutually agreed upon future date.

### **ARTICLE III**

#### **INVESTMENT AUTHORIZATION, PERMITTED INVESTMENTS AND SECURITY THEREFOR**

301. Investment Authorization.

(1) The Investment Agent shall invest the funds of the Corporation in accordance with the terms of this Investment Policy at the direction of the Investment Officer.

(2) The Investment Officer shall, after arriving at an investment decision in concert with the President, authorize the Investment Agent to invest the funds of the Corporation.

(3) Solely for the purpose of expediency, the Investment Officer or the Corporation Staff Accountant, if permitted by the Investment Officer, may orally communicate the investment decision to the Investment Agent. However, only a written confirmation to the

Investment Agent, signed by the Investment Officer, can be considered as the authorization for any investment of the Corporation's funds.

302. Permitted Investments and Required Security Provisions.

(1) All funds of the Corporation must be initially deposited in Negotiated Order of Withdrawal (NOW) or comparable demand accounts secured as described below. All proceeds of maturing investments must be immediately redeposited in NOW or comparable demand accounts unless reinvested in accordance with the instructions of the Corporation.

(2) (a) Investment of the funds of the Corporation or any other monies under its custody and control not required for immediate use or disbursement, at the discretion of the Corporation, may be made in Investment Obligations of the State or the United States government or obligations, the principal and interest of which are guaranteed by the State or the United States government, or repurchase agreements, subject to the conditions set forth below, or money market deposit accounts, secured as set forth below, or in any other obligations in which the Comptroller of the State is authorized to invest pursuant to Section 98 of the State Finance Law. However, preference should be given to investments of the funds of the Corporation in Investment Obligations.

(b) Repurchase agreements will be permitted only under the following conditions:

(i) The Investment Agent should only enter into Repurchase Agreements with banks authorized to do business in New York State and which are included on the then current "List of the Government Securities Dealers Reporting to the Markets Reports Division of the Federal Reserve Bank of New York."

(ii) Securities which are the subject of Repurchase Agreements shall be limited to obligations the principal and interest of which are guaranteed by the United States government.

(iii) Substitution of securities is not permitted.

(iv) The term of any Repurchase Agreement shall not exceed sixty (60) days.

(v) Payment shall be made only upon delivery of subject securities.

(vi) Subject securities must be delivered to the Investment Agent or its designated custodian bank.

(vii) Subject securities shall be valued to market at least weekly by the Investment Agent.

(viii) Provision shall be made to require the seller of subject securities to deliver additional securities, if necessary, to insure that the market value of the securities delivered is at least equal to the purchase price of the Repurchase Agreement at all

times.

(ix) No more than thirty-five (35) percent of the Corporation's funds maintained by the Custodian shall be invested in repurchase agreements at any one time.

(3) Notwithstanding any other provision herein, permitted investments may only be placed through firms approved by the Investment Agent.

303. Collateral

(1) All deposits and investments must be fully secured by the Federal Deposit Insurance Corporation (FDIC) or equivalent or fully collateralized at all times except as provided in Section 303(4).

(2) Funds deposited in NOW Accounts and money market deposit accounts shall be fully secured by insurance of the FDIC or equivalent Federal insurance or by obligations of New York State or obligations the principal and interest of which are directly guaranteed by New York State or obligations of the United States or obligations of federal agencies the principal and interest of which are directly guaranteed by the United States. Collateral shall be delivered to the Investment Agent or its custodial bank. The market value of collateral shall at all time equal or exceed the principal amount of the funds deposited. Collateral shall be monitored and valued to market by the Investment Agent in accordance with its policies.

(3) Refer to Section 302 (2) (b) (vi) through (viii) inclusive for collateral requirements for repurchase agreements.

(4) Collateral shall not be required with respect to the direct purchase of obligations of New York State, obligations the principal and interest of which are directly guaranteed by New York State, obligations of the United States, and obligations of federal agencies the principal and interest of which are guaranteed by the United States Government.

304. Corporation Review of Investments. All investments shall be reviewed by the Corporation at least annually.

**ARTICLE IV**

**RESPONSIBILITIES OF INVESTMENT AGENT**

401. Responsibilities of Investment Agent.

(1) The Investment Agent shall invest Custodial Account funds in accordance with law and this investment policy at the direction of the Investment Officer.

(2) The Investment Agent shall invest Custodial Account funds into highest yielding instruments permissible while maintaining security and liquidity consistent with this Policy.

(3) The Investment Agent shall not invest a total of more than 35 percent of the custodial account funds in any one institution.

## ARTICLE V

### OTHER REQUIREMENTS OF INVESTMENTS

501. **Written Contracts.**

In accordance with Section 2925, Subdivision 3(c) of the Public Authorities Law, all investments of the Corporation's funds must be made pursuant to a written contract between the Corporation and its Investment Agent. However, because it is not practical or a regular business practice to impose this requirement on the Commissioner of Taxation and Finance, the Corporation hereby waives this provision solely with respect to the Commissioner of Taxation and Finance when that Commissioner acts as the Corporation's Investment Agent.

502. **Security Provisions.**

Each investment shall provide for sufficient security of the Corporation's financial interest as stated in Sections 301 and 302 of this Policy. The Investment Agent shall maintain a description of the use, type and amount of collateral or insurance for each investment, the method for valuation of that collateral and of control, and of control, deposit and retention of investments and any required collateral, including, where appropriate, physical delivery or other action necessary to obtain title or a perfected security interest.

503. **Investment Operating Procedures Manual.**

The Investment Officer is hereby required to establish and maintain an operating procedures manual for investments. Such manual shall be sufficiently detailed to comply with the requirements enumerated in the Guidelines for Investments by Public Authorities issued by the Office of the State Comptroller. Such manual may be incorporated in any other manual of Corporation financial operating procedures.

## ARTICLE VI

### REPORTS

601. **Quarterly Reports.**

Within thirty (30) days after the conclusion of each quarter of the Corporation's fiscal year. (i.e. April 30, July 31, October 31, and January 31), the Corporation shall prepare and deliver to the Members of the Corporation a report on the Corporation's Investments. Such reports shall include a description of new investments, the inventory of existing

investments and the selection of investment bankers, brokers, agents, dealers or auditors. The report of investments included in the financial report submitted by the Treasurer at Corporation Board Meetings will be deemed to meet this requirement provided such report is submitted at least once each fiscal year quarter.

602. Annual Report.

Within ninety (90) days after the close of each fiscal year, the Members of the Corporation shall approve an annual investment report. Such report shall include the Policy and any supplemental resolutions, the results of an annual independent audit of the investments, the annual investment income record of the Corporation and a list of the total fees, commissions or other compensations by payee for all investment advisors, and an annual consolidation of other material contained in the quarterly reports. This annual investment report, after being approved by the Members, shall be submitted to the Governor's Office, Division of the Budget, Office of the State Comptroller, the Senate Finance Committee and the Assembly Ways and Means Committee. Copies of the annual investment report shall also be available to the public upon reasonable request at the Corporation's main office.

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

701. Powers of Amendment.

Any modification or amendment of this Policy may be made by a supplemental resolution adopted at any duly constituted meeting of the Members; provided, however, that no such modification or amendment to this Policy shall abrogate the rights and duties of then existing Corporation contracts with third parties. The Chairman or President of the Corporation may make non-material changes in this Policy.

702. No Recourse Under this Policy

(1) No provision in this Policy shall be the basis of any claim against any Member, officer or employee of the Corporation in their individual or official capacity or against the Corporation itself.

(2) Members, officers, or employees of the Corporation shall be deemed to be acting within the Public Officers Law in the discharge of their duties pursuant to this Policy.

703. Effect of Failure to Comply.

Failure to comply with this Policy shall not invalidate any investment or affect the validity of the authorization of the Members or their designees to make such investments.

## EXHIBIT 2

### HOUSING TRUST FUND CORPORATION INVESTMENT POLICY EXPLANATION

Explanation of the Corporation's Policy:

- Article I is a statement of purpose.
- Article II defines terms used in the Policy.
- Article III discusses the details of authorizing investments, the permitted investments, and the requirements for securing investments.
- Section 301 establishes that investments of the Corporation's funds can only be placed by the Corporation's Investment Agent at the direction of the Corporation's Investment Officer. It also establishes the process for arriving at an investment decision, and for communicating such decision orally and in writing to the Investment Agent.
- Section 303 establishes collateral requirements for all Corporation funds in Corporation accounts and for funds invested.
- Section 304 establishes the requirement for the annual Corporation review of investments.
- Article IV discusses the Responsibilities of the Corporation's Investment Agent and limits the percentage of Corporate funds which may be invested with any on institution at any time.
- Article V discusses other investment requirements.
- Section 501 establishes when written contracts are required between the Corporation and its Investment Agent.
- Section 502 establishes the requirement for the Investment Agent to maintain records of the Corporation's investments and the collateralization of those investments, and requires the Investment Agent to take possession of the underlying securities and/or collateral on behalf of the Corporation when necessary to protect the Corporation's interest in those investments.
- Section 503 establishes the requirement for the Investment Officer to produce and maintain an investments operating procedures manual.
- Article VI establishes the requirement of quarterly and annual reporting on the Corporation's investments.

- Article VII includes miscellaneous provisions.
- Section 701 provides procedures for Amendment of the Policy.
- Section 702 provides that the Policy is not to be used as the basis of any claims against the Corporation.
- Section 703 indicates that the Policy is not to invalidate any investment or affect the validity of the authorization of investments.



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## **INVESTMENTS REPORT**

**For the Fiscal Year Ending March 31, 2020**

**HOUSING TRUST FUND CORPORATION****Investments and Cash Report****As of March 31,2020**

<b>MAC #</b>	<b>Investments (at cost) as of March 31,2020</b>	
460	US Treasury Bills due May 21, 2020 (Developer Escrow Account)	\$9,942,544
460	US Treasury Bills due July 16, 2020 (Developer Escrow Account)	\$980,880
460	US Treasury Bills due September 10, 2020 (Developer Escrow Account)	\$1,363,439
460	US Treasury Bills due September 10, 2020 (Developer Escrow Account)	\$15,930
460	US Treasury Bills due November 5, 2020 (Developer Escrow Account)	\$6,397,475
462	US Treasury Bills due May 21, 2020 (Custodial Account)	\$13,690,923
462	US Treasury Bills due May 21, 2020 (Custodial Account)	\$6,845,461
462	US Treasury Bills due May 21, 2020 (Custodial Account)	\$11,735,077
462	US Treasury Bills due June 18, 2020 (Custodial Account)	\$833,799
462	US Treasury Bills due June 18, 2020 (Custodial Account)	\$147,185
462	US Treasury Bills due July 16, 2020 (Custodial Account)	\$1,280,935
462	US Treasury Bills due July 16, 2020 (Custodial Account)	\$18,731
462	US Treasury Bills due August 13, 2020 (Custodial Account)	\$1,964,965
462	US Treasury Bills due September 10, 2020 (Custodial Account)	\$985,838
462	US Treasury Bills due September 10, 2020 (Custodial Account)	\$4,699,192
462	US Treasury Bills due September 10, 2020 (Custodial Account)	\$9,877,050
462	US Treasury Bills due September 10, 2020 (Custodial Account)	\$985,838
462	US Treasury Bills due September 10, 2020 (Custodial Account)	\$1,640,442
462	US Treasury Bills due October 8, 2020 (Custodial Account)	\$3,370,858
462	US Treasury Bills due November 5, 2020 (Custodial Account)	\$280,548
462	US Treasury Bills due November 5, 2020 (Custodial Account)	\$50,203
462	US Treasury Bills due November 5, 2020 (Custodial Account)	\$4,528,140
462	US Treasury Bills due December 3, 2020 (Custodial Account)	\$2,560,870
462	US Treasury Bills due January 28, 2021 (Custodial Account)	\$492,669
462	US Treasury Bills due February 25, 2021 (Custodial Account)	\$5,731,477
462	US Treasury Bills due February 25, 2021 (Custodial Account)	\$7,021,949
462	US Treasury Bills due February 25, 2021 (Custodial Account)	\$6,676,834
462	US Treasury Bills due February 25, 2021 (Custodial Account)	\$6,124,057
462	US Treasury Bills due February 25, 2021 (Custodial Account)	\$1,297,394
466	US Treasury Bills due September 10, 2020 (Homes for Working Families Account)	\$661,484
466	US Treasury Bills due November 5, 2020 (Homes for Working Families Account)	\$6,496,897
467	US Treasury Bills due June 18, 2020 (Section 8 Administrative Account)	\$3,924,931
467	US Treasury Bills due September 10, 2020 (Section 8 Administrative Account)	\$1,567,500
467	US Treasury Bills due September 10, 2020 (Section 8 Administrative Account)	\$36,853
467	US Treasury Bills due September 10, 2020 (Section 8 Administrative Account)	\$734,218
467	US Treasury Bills due November 5, 2020 (Section 8 Administrative Account)	\$49,218,917
467	US Treasury Bills due November 5, 2020 (Section 8 Administrative Account)	\$4,921,892

467	US Treasury Bills due January 28, 2021 (Section 8 Administrative Account)	\$7,882,711
467	US Treasury Bills due January 28, 2021 (Section 8 Administrative Account)	\$16,750,761
469	US Treasury Bills due September 10, 2020 (OCR Miscellaneous Programs Account)	\$985,838
469	US Treasury Bills due February 25, 2021 (OCR Miscellaneous Programs Account)	\$1,102,587
471	US Treasury Bills due September 10, 2020 (Empire State Relife Fund Account)	\$985,838
475	US Treasury Bills due July 16, 2020 (Reserve Account)	\$16,892,938
475	US Treasury Bills due July 16, 2020 (Reserve Account)	\$27,240
475	US Treasury Bills due September 10, 2020 (Reserve Account)	\$976,992
475	US Treasury Bills due November 5, 2020 (Reserve Account)	\$21,557,886
475	US Treasury Bills due January 28, 2021 (Reserve Account)	\$35,156,684
475	US Treasury Bills due January 28, 2021 (Reserve Account)	\$64,254
480	US Treasury Bills due June 4, 2020 (OHP Miscellaneous Programs Account)	\$9,490,845
480	US Treasury Bills due June 18, 2020 (OHP Miscellaneous Programs Account)	\$7,553,242
480	US Treasury Bills due June 18, 2020 (OHP Miscellaneous Programs Account)	\$981,233
480	US Treasury Bills due December 3, 2020 (OHP Miscellaneous Programs Account)	\$1,478,735
	<b>Total Investments as of March 31,2020</b>	<b>\$300,991,180</b>
	<b>Interest Earned and Received:</b>	<b>To Date</b>
	Investments	\$8,236,155
	All Checking Accounts	\$35,173
	<b>Total Interest Earned and Received</b>	<b>\$8,271,328</b>
	<b>Accrued Interest:</b>	
	Interest Earned and Accrued but not received by March 31, 2020	\$2,421,088
	<b>Total Accrued Interest at March 31,2020</b>	<b>\$2,421,088</b>
458	Cash in Checking Account - Section 8 Program Account	\$1,052,930
460	Cash in Checking Account - Developer Escrow Account	\$2,516,466
461	Cash in Checking Account - Public Housing Mod. Account	\$1,412,248
462	Cash in Checking Account - Custodial Account	\$67,067,445
465	Cash in Checking Account - HOME Program Account	\$8,943,199
466	Cash in Checking Account - Homes For Working Families Account	\$3,343,943
467	Cash in Checking Account - Section 8 Administrative Account	\$21,236,353
469	Cash in Checking Account - Office of Community Renewal Miscellaneous Account	\$6,381,882
470	Cash in Checking Account - HCV Main Account	\$14,526,467
471	Cash in Checking Account - Empire State Relief Fund	\$548,182
472	Cash in Checking Account - Master Escrow Account	\$0
473	Cash in Checking Account - Family Self Sufficiency Account	\$4,002,256
475	Cash in Checking Account - Reserve Account	\$1,548,506
480	Cash in Checking Account - OHP Miscellaneous Programs Account	\$3,855,069
891	Cash in Checking Account - Small Cities Account	\$975,642
892	Cash in Checking Account - Disaster Relief Account	\$32,334

893	Cash in Checking Account - Small Cities Payroll Account	\$159
895	Cash in Checking Account - Office of Storm Recovery Initiative Program	\$5,189,516
896	Cash in Checking Account - GOSR - DR Repayments	\$193,150
897	Cash in Checking Account - FOSR - NOAA	\$0
898	Cash in Checking Account - Office of Storm Recovery Escrow Account	\$151,972
899	Cash in Checking Account - Office of Storm Recovery Lockbox	\$28,943
	<b>Total Cash in Checking Accounts at March 31, 2020</b>	<b>\$143,006,659</b>
	<b>Total Fees Paid for Bank and Investment Servicing - April 1, 2019 to March 31, 2020</b>	<b>\$456,656</b>

A RESOLUTION OF THE HOUSING TRUST FUND CORPORATION  
APPROVING ANNUAL REPORT ON INVESTMENTS AND INVESTMENT POLICY

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WHEREAS, the Housing Trust Fund Corporation (“HTFC”) was created pursuant to Section 45-a of the New York Private Housing Finance Law; and

WHEREAS, pursuant to Section 2925 of the Public Authorities Law, HTFC is required to adopt comprehensive investment guidelines which detail its operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of its funds (“Investment Policy”) and to annually review its Investment Policy; and

WHEREAS, pursuant to Section 2925 of the Public Authorities Law, HTFC is additionally required to issue an investment report which shall include the Investment Policy, any amendments to the Investment Policy, an explanation of the Investment Policy and any amendments thereto, the results of the annual independent audit, the investment income record of the corporation, and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering investment associated services to the corporation since the last investment report (“Annual Investment Report”); and

WHEREAS, HTFC staff has presented its current Investment Policy and Annual Investment Report to the Members and the Members have reviewed the same and find the same to be satisfactory; now, therefore, be it

RESOLVED, by the Members as follows:

Section 1. The Members hereby approve the Annual Report on Investments and the Investment Policy.

Section 2. The Members hereby authorize the Treasurer or another authorized officer to submit and publish the Investment Policy and Annual Investment Report in accordance with the Public Authorities Law, the Public Authorities Reform Act of 2009, and any other governing regulations.

Section 3. This resolution shall take effect immediately.

Dated: June 25, 2020