

WHISTLEBLOWER POLICY AND PROCEDURES

It is the policy of the New York State Housing Finance Agency, the State of New York Mortgage Agency, New York State Affordable Housing Corporation, State of New York Municipal Bond Bank Agency and Tobacco Settlement Financing Corporation (the “Agencies”) that illegal or unethical activity, including but not limited to corruption, fraud, criminal activity, abuse and conflict of interest by Members, Officers or employees of the Agencies or any person having business dealings with the Agencies, will not be permitted, tolerated or condoned. This Whistleblower Policy and Procedure is intended to encourage and enable employees to raise concerns in good faith within the Agencies and without fear of retaliation or adverse employment action.

REPORTING ILLEGAL OR UNETHICAL ACTIVITY

Employees discovering or otherwise obtaining information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or Member/Director with respect to investments, travel, the acquisition of real property, the disposition of real and personal property, and the procurement of goods and services shall promptly report such activity, orally or in writing, to one or both of the following:

- the Agencies’ Senior Vice President and Counsel
- the Agencies’ Ethics Officer;

Such activity shall specifically include, without limitation, wrongdoing, misconduct, malfeasance, conflict of interest, waste, intentional reporting of false or misleading information, or abuse of authority by an employee that relates to the Agencies, or other inappropriate behavior with respect to accounting, internal accounting controls or accounting audit matters.

The Agencies’ Senior Vice President and Counsel shall be notified by the Ethics Officer of any report of illegal or unethical activity received by him/her, whether written or oral, unless another Agency Officer is designated by the Audit Committee to receive such notification.

An employee reporting to the Agencies pursuant to this policy may do so orally or in writing, and may do so confidentially or anonymously. While the Agencies cannot ensure the confidentiality of such reporting, it will attempt to maintain confidentiality and anonymity as much as reasonably possible.

Should an employee believe in good faith that disclosing information within the Agencies would likely subject him or her to adverse personnel action or be wholly ineffective, the employee may instead disclose the information to the Authorities Budget Office or an appropriate law enforcement agency, if applicable. The Authorities Budget Office toll free number (1-800-560-1770) should be used in such circumstances.

INVESTIGATION OF CLAIMS OF ILLEGAL OR UNETHICAL ACTIVITY

All reporting of alleged illegal or unethical activity or matters involving compliance with laws, regulations and internal procedures, including without limitation, substantive complaints with respect to accounting, internal accounting controls or accounting audit matters, shall be thoroughly and promptly investigated.

Unless otherwise directed by the Audit Committee(s) based on a finding of special circumstances, all investigations conducted by the Agencies in accordance with these practices and procedures shall be conducted under the direction and supervision of the Agencies' Senior Vice President and Counsel. The Agencies' Senior Vice President and Counsel may utilize any of the following to assist with investigations, as needed: the Agency Ethics Officer, representatives of the Legal Department, Human Resources Department, internal or external auditors and/or outside counsel. Investigations shall be conducted in a timely and reasonable manner, which may include referring information to the Authorities Budget Office or an appropriate law enforcement agency.

Unless otherwise directed by the Audit Committee, reported allegations of illegal or unethical activity, which have been referred directly to the Inspector General's Office, the Authorities Budget Office or other outside governmental authority shall be investigated by the office to which referred, unless referred back to the Agency for investigation. Unless otherwise directed by the Audit Committee or the outside governmental authority investigating a report, the Agencies' Senior Vice President and Counsel shall serve as liaison with such outside governmental authority with respect to their investigations, including the handling of communications, information requests and any draft reports.

REPORTING

The findings of investigations conducted by the Agencies shall, as appropriate, be set forth in a written report which shall include findings of fact, conclusions and recommendations (the "Report"). The Agencies' Senior Vice President and Counsel (or other(s) designated by the Audit Committee(s)) shall, as may be appropriate, provide the Audit Committee(s) with completed Reports prepared under his/her supervision. All investigative reports received by the Agency(ies) from an outside governmental authority shall be referred to the Audit Committee(s). All Reports prepared by outside third parties, including outside counsel, shall be directed to the Audit Committee(s).

Periodically, but not less than once annually, the Agencies' Senior Vice President and Counsel shall provide a written summary to the Audit Committee(s) setting forth the status of pending matters under investigation pursuant to these practices and procedures, including all claims of whistleblower retaliation, as well as disposition of matters since the last report.

NO RETALIATION OR INTERFERENCE

It is the policy of the Agencies that an employee disclosing information concerning wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or Member/Director with respect to investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services that the employee reasonably believes to be true and reasonably believes to be a violation of a law, rule, regulation or policy shall not suffer reprisal, retaliation or punitive action by the Agencies or their respective employees. It is a violation of this policy to retaliate or take wrongful punitive action against any employee for the good faith reporting of such alleged activity (“Protected Whistleblower Reporting”).

Retaliation and wrongful punitive action can also be a violation of a variety of state and federal laws depending on the facts and circumstances. In particular, New York State law provides that a public employer shall not dismiss or take other disciplinary or other adverse personnel action against a public employee regarding the employee’s employment because the employee discloses to a governmental body information: (i) regarding a violation of a law, rule or regulation which violation creates and presents a substantial and specific danger to the public health or safety; or (ii) which the employee reasonably believes to be true and reasonably believes constitutes an improper governmental action. Retaliation and wrongful punitive action can include both adverse employment actions, such as termination from employment and demotion, and the creation of a hostile work environment.

Employees who retaliate or take wrongful punitive action against an employee for “good faith” disclosure of the above-described information, or who attempt to interfere with any individual by improper means aimed at deterring disclosure of potential wrongdoing, shall be subject to disciplinary action, up to and including termination from employment.

REPORTING AND INVESTIGATION OF WHISTLEBLOWER RETALIATION CLAIMS

Employees who believe that they or another employee has been the subject of illegal retaliation or wrongful punitive action as a result of Protected Whistleblower Reporting should report the same orally or in writing in the manner described above as to initial reports of illegal or unethical conduct, i.e., generally to the Senior Vice President and Counsel and/or the Ethics Officer.

All allegations of retaliation or punitive action will be fully investigated by the Agencies in the same manner as set forth above for investigation of claims of illegal or unethical activity. Any allegation of retaliation or interference will be taken and treated seriously, and irrespective of the outcome of the initial complaint, will be treated as a separate matter. Aggrieved employees may also have rights to pursue claims of illegal retaliation action under state and federal laws prohibiting retaliation for the reporting of illegal or unethical activity.

ABUSE OF PRACTICES AND PROCEDURES/
MERITLESS CLAIMS

This policy protects those making “good faith” reports. For the purposes of this policy, reports concerning potential wrongdoing will be considered “good faith” when the individual making the disclosure reasonably believes such information to be true and reasonably believes that it constitutes potential wrongdoing. However, it shall be a violation of this policy for any employee to report or disclose information covered by this procedure that the employee knows or reasonably should know to be untrue, unfounded or misleading or for which there is no basis for the claim reported in law, rule, regulation or policy.

DISCIPLINARY ACTION

Disciplinary action brought under these practices and procedures shall be subject to all collective bargaining provisions, laws and regulations applicable to the employee against whom disciplinary action is being taken for alleged violations of these practices and procedures.

OTHER LEGAL RIGHTS NOT IMPAIRED

The Agencies’ Whistleblower Policy and Procedures are not intended to limit, diminish or impair any other rights or remedies that an individual may have under the law with respect to disclosing potential wrongdoing free from retaliation or adverse action.

- a) Specifically, these Whistleblower Policy and Procedures are not intended to limit any rights or remedies that an individual may have under the laws of the State of New York, including but not limited to the following provisions: Civil Service Law § 75-b, Labor Law § 740, State Finance Law § 191 (commonly known as the “False Claims Act”), and Executive Law § 55 (1).
- b) With respect to any rights or remedies that an individual may have pursuant to Civil Service Law § 75-b or Labor Law § 740, any employee who wishes to preserve such rights shall, prior to disclosing information to a government body, have made a good faith effort to provide the Agencies, or their designee, the information to be disclosed and shall provide the Agencies, or designee, a reasonable time to take appropriate action unless there is imminent and serious danger to public health or safety. (*See* Civil Service Law § 75-b(2)(b); Labor Law § 740(3).)

RECORD RETENTION AND ADMINISTRATION

Unless otherwise directed by the Audit Committees, all information obtained and work product prepared pursuant to this practice and procedure, including but not limited to reports, statements, physical evidence, memos and notes shall be maintained by the Agencies in separate and secure files maintained and administered by the Agencies’ Senior Vice President and Counsel.

RECUSAL

In the event it becomes necessary for Members/Directors, officers or employees to recuse themselves from responsibilities assigned to them under these practices and procedures, these practices and procedures shall be administered with such reasonable adjustments as are necessary in furtherance of their purpose.

APPLICABILITY

The practices and procedures herein shall apply to all employees, part-time employees, seasonal employees, temporary employees, officers, Members, Directors and interns of the Agencies and the term "employee" for the purposes of these practices and procedure, shall include all of the foregoing positions.

AUDIT COMMITTEE RESPONSIBILITIES

In appropriate cases, information regarding whistleblower reports shall be referred immediately by the Agencies' Senior Vice President and Counsel (or other authorized Agency Officer) to the Audit Committee. Such information shall be reviewed by the Audit Committee(s) and/or referred by the Audit Committee(s) for review and investigation in the manner provided by this policy.

In the case of allegations received by the Agencies which involve (or might involve) concurrent responsibilities of more than one Agency Audit Committee, there shall be appropriate coordination which may involve one of the Agency's Audit Committees taking the lead in the matter ("Lead Audit Committee"). The Lead Audit Committee, through its Chair or the Senior Vice President and Counsel of the Agencies, shall periodically report to the other Agency Audit Committees, as appropriate, regarding the status and disposition of such matters.

The Audit Committee(s) shall take appropriate action upon each completed written Report forwarded to it pursuant to these practices and procedures. Appropriate action may include referral to an outside governmental or law enforcement agency; referral to the Members/Directors for recommended action requiring Member/Director approval; or referral to the Agencies' President/CEO for recommended disciplinary or administrative action. Periodically, but not less than once annually, the Audit Committees, in consultation with the Agencies' Senior Vice President and Counsel, shall provide a written summary to the Agencies' Members/Directors for the period setting forth the status of pending matters reported pursuant to these practices and procedures, including all claims of whistleblower retaliation, as well as disposition of matters since the last report.