

**HFA, SONYMA, MBBA & TSFC
Fiscal Year 2020
Financial Statements Presentation**

March 11, 2021



**Homes and
Community Renewal**

Agenda

Introduction (Sheila Robinson– Senior Vice President / CFO)

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Audited Financial Statements (Sonya Kinckle– Vice President / Comptroller)

General Comments

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Program and Portfolio Information (Sherri Eckles – Senior Vice President)

Mortgage Insurance Fund (Michael Friedman – Senior Vice President MIF)

Liquidity and Swaps (James McIntyre – Vice President, Debt Issuance)

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2020 Production (James McIntyre – Vice President, Debt Issuance)

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Financial Highlights (Sonya Kinckle)

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Financial Highlights (Sonya Kinckle)

Ernst & Young Presentation (Danielle Hurlburt, Managing Director)

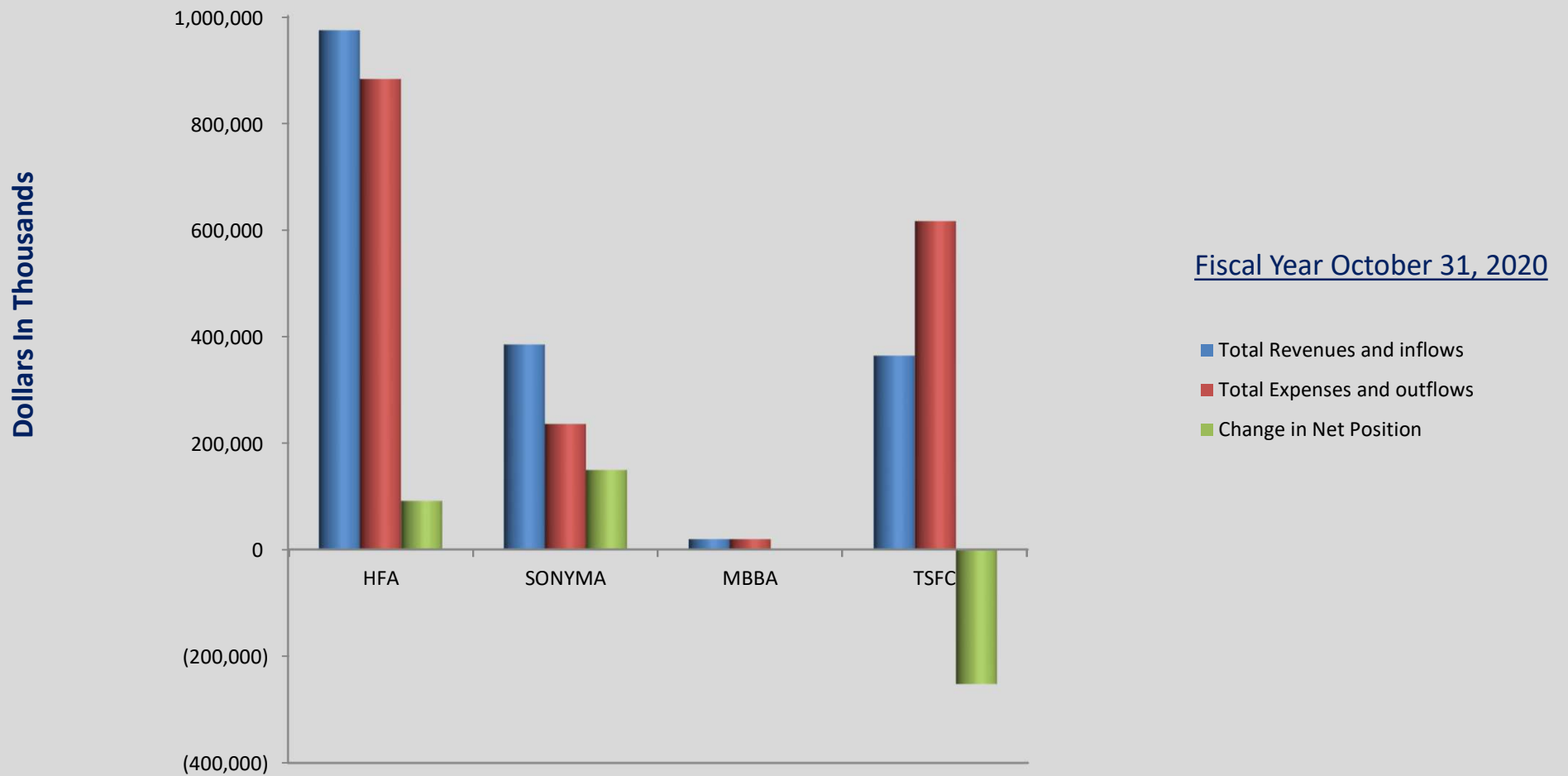
Required Communications

Management Letter / Investment Letter / Audit Results Book

FINANCIAL STATEMENTS OVERVIEW

Comparison: HFA, SONYMA, MBBA & TSFC

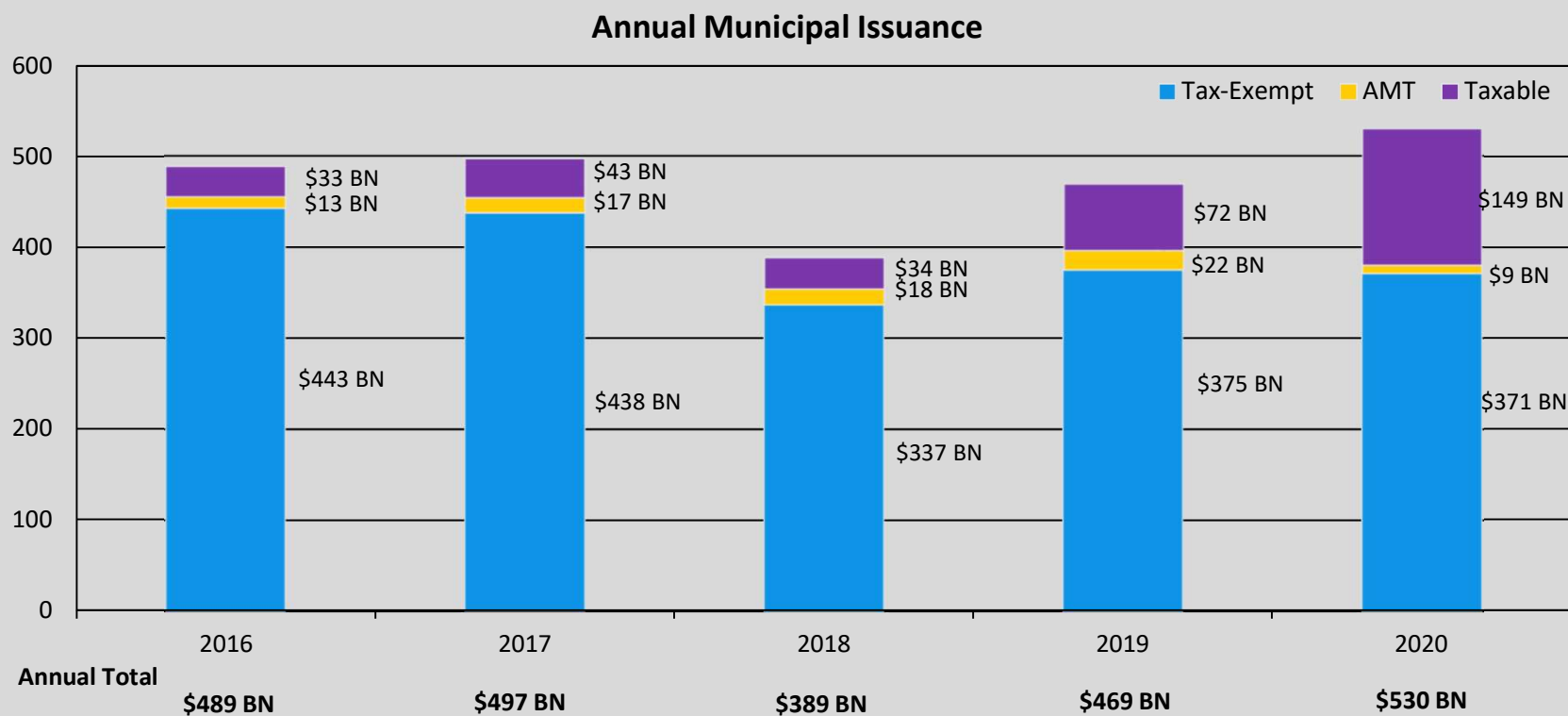
Revenues, Expenses and Change in Annual Net Position



MUNICIPAL MARKET

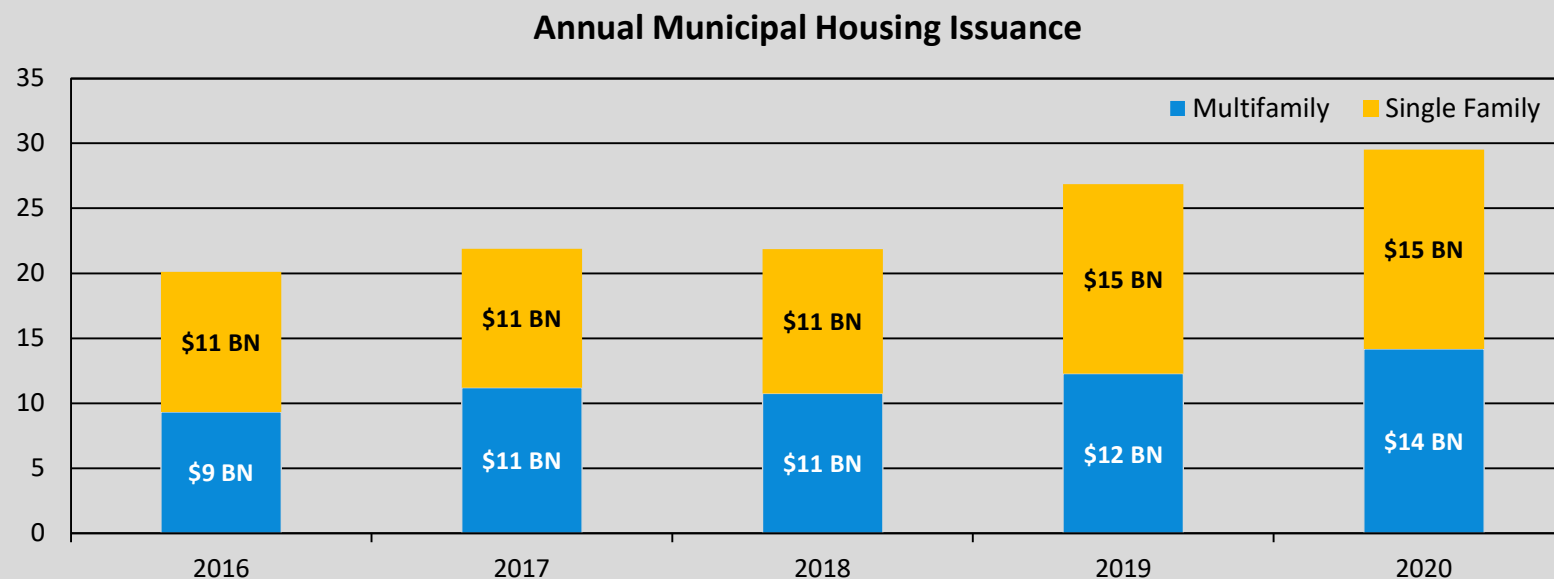
Municipal Volume in CY 2020

- 2020 Municipal Issuance increased by 12.9% YoY
- Significant growth in the taxable market, up over 106% YoY



Municipal Housing Issuance in CY 2020

- **Key 2020 Housing Facts:**
 - NYSHCR is the **#1 housing issuer in the nation**, representing 7.6% of the sector
 - Housing issuance increased by 9.9% YoY
 - Single family issuance increased by 5.3% YoY
 - Multifamily issuance increased by 15.4% YoY



Bond Program Accomplishments in 2020

HFA

- Despite COVID pandemic and extreme market disruptions, Agency remained extremely active in the municipal market with over \$2.2 billion bonds issued
- AHRB 2020 Series A and B executed private placement put bond structure as a result of market disruption in March, and then converted the issuance, saving the Agency over \$22 million PV in interest cost.
- Refunding AHRB 2020 Series H and I, generated over \$37 million in savings while creating financial flexibility if refunded projects require assistance, reserving the right to restructure loans in the future.
- Preserved over \$57 million of volume cap by recycling bonds
- Awarded Sustainable Bond of the Year for the US muni market by Environmental Magazine as first US municipality to follow the Sustainability Bond Guidelines and link their issuance to the United Nations Sustainable Development Goals.
- Negotiated HFA's first ISDA agreements to hedge existing debt and provide new capital market solutions
- First US muni issuer to execute a SOFR-based interest rate swap
- Invited to join the inaugural advisory board of NASDAQ's Sustainable Bond Network
- Increased overall profitability of the Indenture
- Continued to dramatically grown investor base which lowers HFA's cost of borrowing.

Bond Program Accomplishments in 2020

SONYMA

- Developed the first ever single-family housing Social Bonds designation (HMRB Series 227-230), utilizing the “Social Bond Principles” defined in the International Capital Market Association’s guidelines.
- Continued to reposition the Agency's variable rate portfolio
- Preserved over \$153 million of volume cap with replacement refundings
- Targeted greater counterparty diversity

HFA & SONYMA

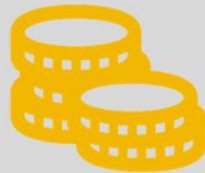
- Preserved over \$210 million of volume cap
- Contracted with DAC Bond for continuing disclosure services to ensure ongoing regulatory compliance

Open Resolution Snapshot

Fiscal Year 2020 Affordable Housing Revenue Bonds Summary



40 Projects
Financed

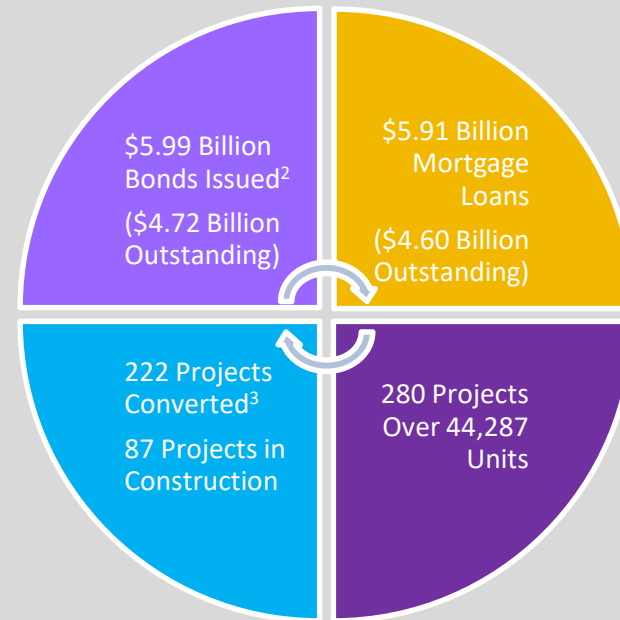


Approx. \$1.11
Billion Bonds
Issued¹



Over 5,162 Units
Financed

Portfolio Snapshot



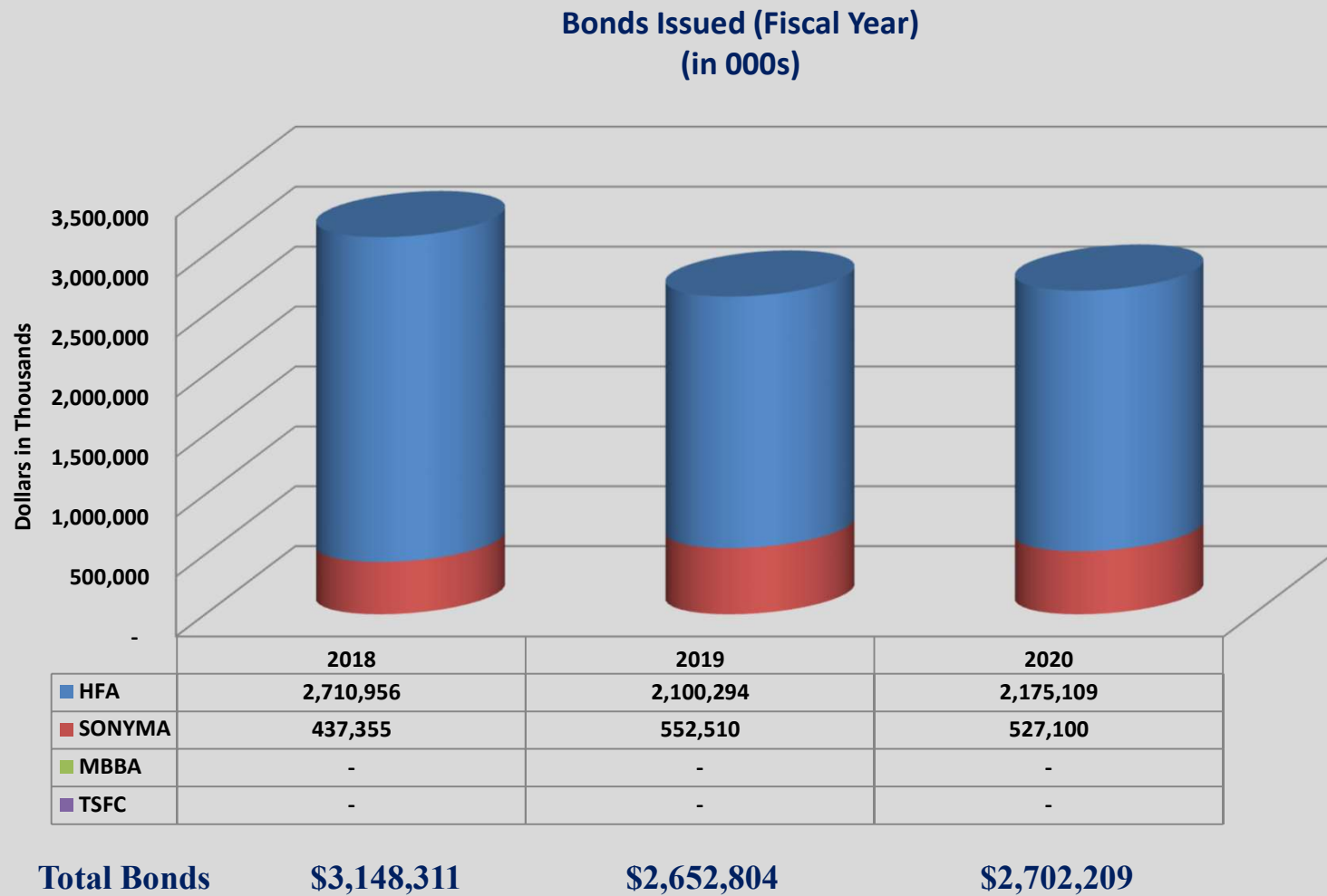
¹ Excludes previously financed back-to-back refunding transactions

² Excludes \$261.57 million of Refunding Bonds issued for AHRB Series H and I

³ Includes 9 projects that never had a long-term component (back-to-back refunding transactions)

Bonds Issued: Three Year Comparison

The Agencies have a total of \$20.4 Billion bonds outstanding as of Oct 31, 2020. HFA \$17.3 billion, SONYMA \$ 2.9 billion, MBBA \$186 million, TSFC \$ 0.

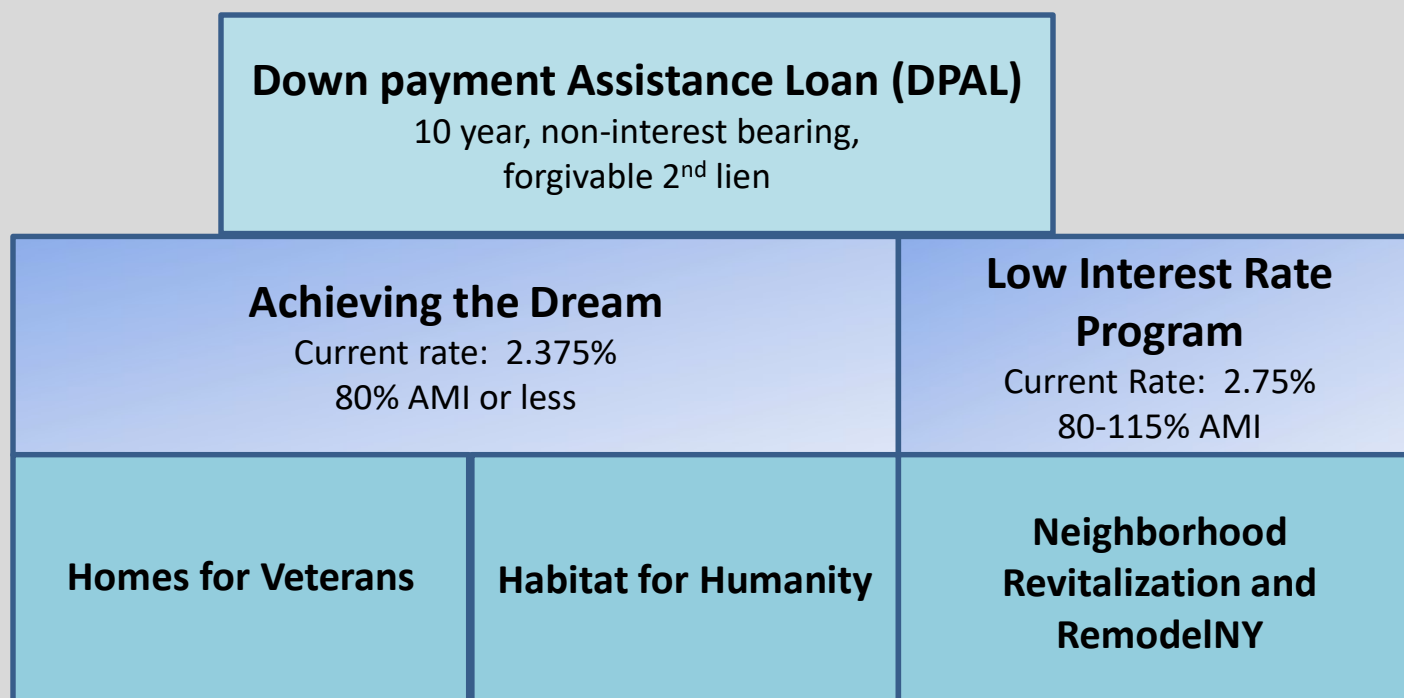




STATE OF NEW YORK MORTGAGE AGENCY

2020 Bond Program Production

- Purchased 1,335 loans, down slightly from 1,512 in 2019
- \$288.5M in purchased loans, down slightly from \$318.1M in 2019
- 67.8% of our borrowers received Down Payment Assistance worth \$6.7 Million
- 94.54% of SONYMA loans are current (3.8% better than the NY State average)

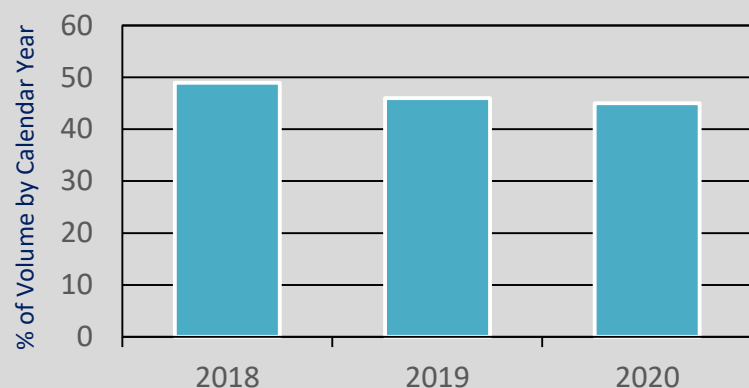


NOTE: Annual volume can vary as a result of a number of factors, including, among other factors, market interest rates, municipal bond market rates, state volume cap availability, and the Agency's ability to internally subsidize rates.

SONYMA Priorities

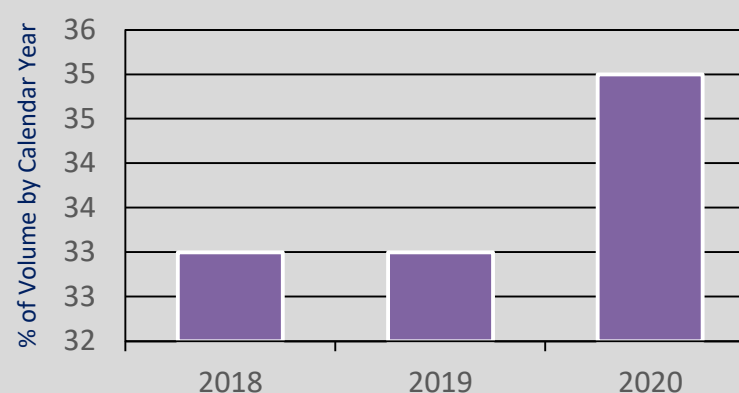
Putting Low Income Families into Homeownership:

SONYMA is committed to helping low- and moderate-income families build for the future by realizing homeownership.



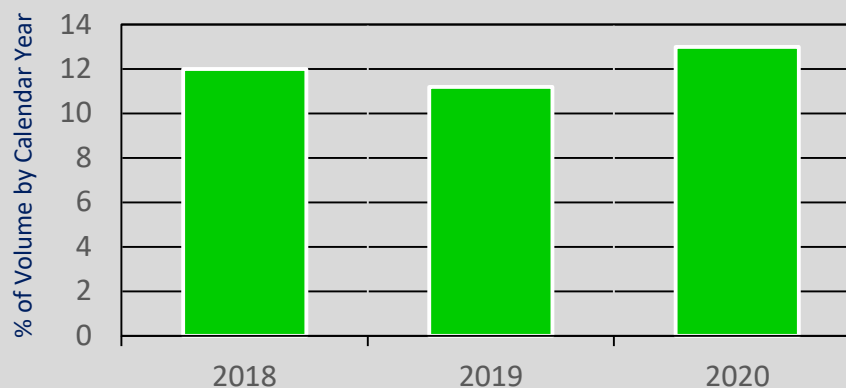
Serving Minority Homebuyers:

In 2020 we continued to increase our outreach and support for partners who serve minority majority communities.



Assisting Federally Designated High Poverty Areas

SONYMA targets its homeownership lending to communities that are struggling to combat poverty.



Community Restoration Fund (CRF)

The CRF acquires distressed mortgages from private banks and federal agencies in order to provide relief to NY homeowners struggling to avoid foreclosure. To date it has:

- Leveraged equity and private capital to turn \$10 Million in HCR subsidy into more than a \$112 Million fund to acquire 570 non-performing notes from across NYS.
- Modified 181 notes to date. This is more than 40% of the original 570 properties that were owner-occupied, exceeding original projections.
- Liquidated 384 of the 570 assets through reperforming loan sales and REO sales to owner occupants. Offered pandemic-related forbearance to borrowers and plan to liquidate remaining assets afterwards.
- Funds continue to be utilized for additional distressed mortgage acquisition.
- Anticipate purchasing 77 non-performing loans from HUD in Q2 2021 on vacant and abandoned homes in NYS. The CRF will foreclose, repair any damage from deferred maintenance and then sell to low- or moderate-income owner occupants.

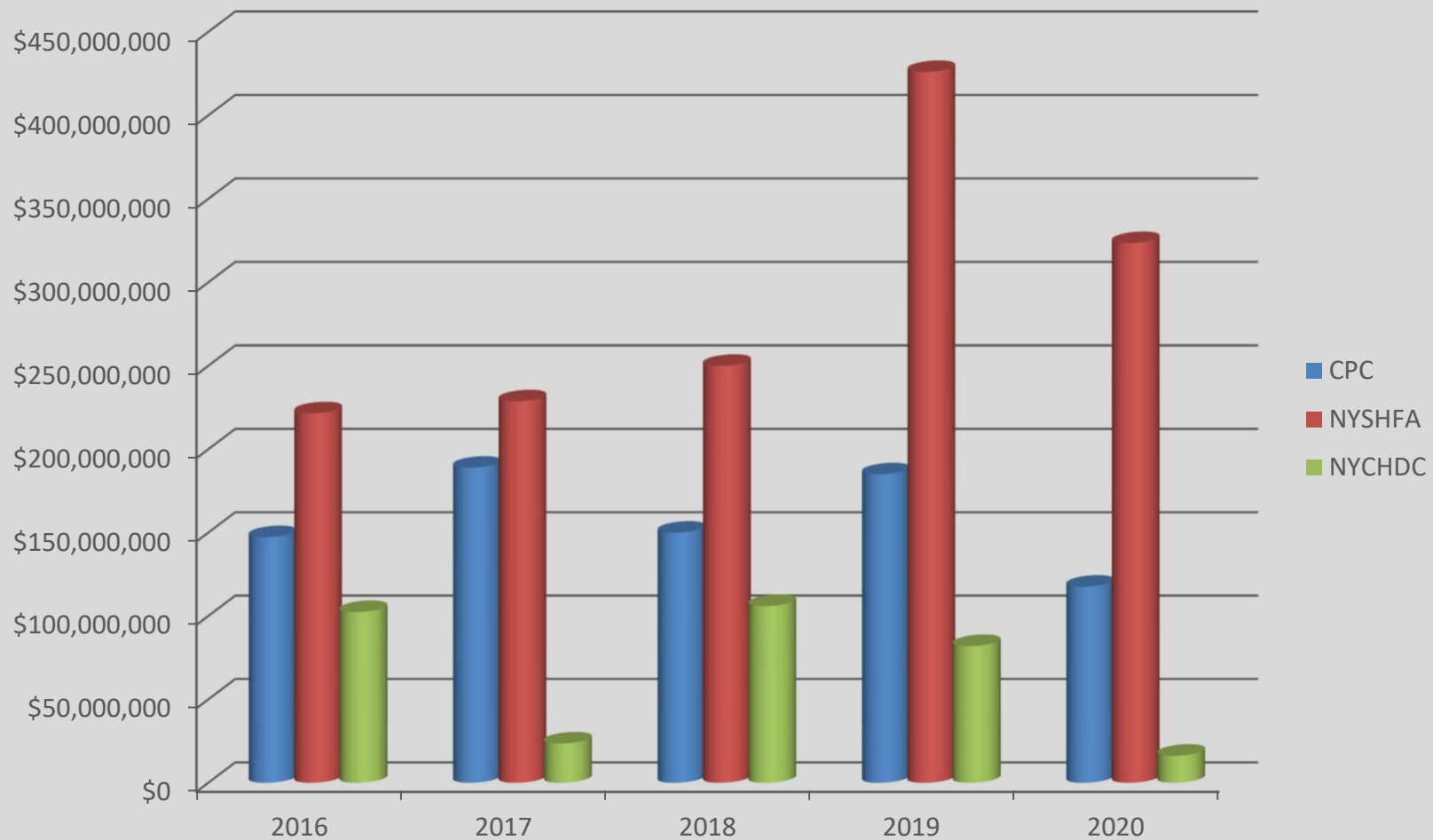


STATE OF NEW YORK MORTGAGE AGENCY: MORTGAGE INSURANCE FUND

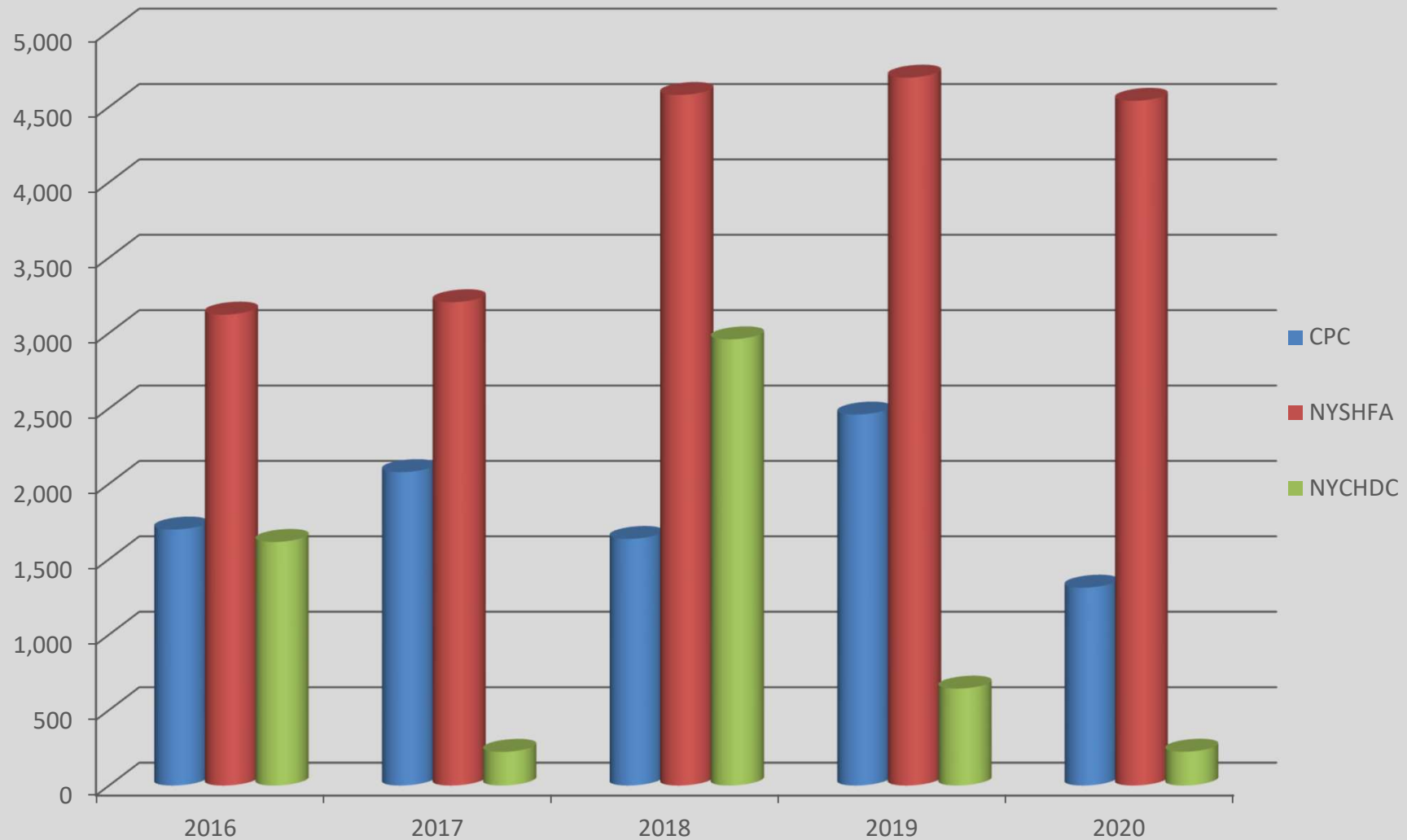
MIF Monthly Tax Surcharge Collections

	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
November	15,587,053	13,724,429	12,655,270	15,245,991	14,989,430
December	12,878,094	12,790,858	14,856,067	14,025,534	11,698,157
January	16,825,804	17,266,262	12,109,417	19,453,950	16,570,024
February	14,296,102	12,849,160	14,500,598	17,866,899	16,306,852
March	16,713,273	11,541,353	10,096,336	8,779,860	11,043,936
April	16,207,059	12,001,748	10,958,241	10,486,711	11,920,788
May	13,779,184	11,386,952	12,946,879	14,748,529	6,805,927
June	16,130,790	14,776,248	15,263,668	11,118,053	7,804,976
July	14,497,561	15,369,418	10,732,726	16,141,038	9,564,518
August	13,824,339	11,916,775	15,694,913	12,227,462	11,683,215
September	13,374,255	14,875,845	12,323,278	12,808,580	7,525,345
October	16,717,693	12,010,982	9,901,062	14,861,366	11,777,854
Totals:	180,831,207	160,510,030	152,038,455	167,763,973	137,691,022

MIF Project Commitments By Loan Amount



MIF Project Commitments By Units





STATE OF NEW YORK MORTGAGE AGENCY: LIQUIDITY AND SWAPS

SONYMA Variable Rate Debt

\$368,645,000 Outstanding as of 10/31/20



Liquidity Providers

Royal Bank of Canada (Aa2) - 19%
\$71.2M – Expires Sep. 2022 & May 2023

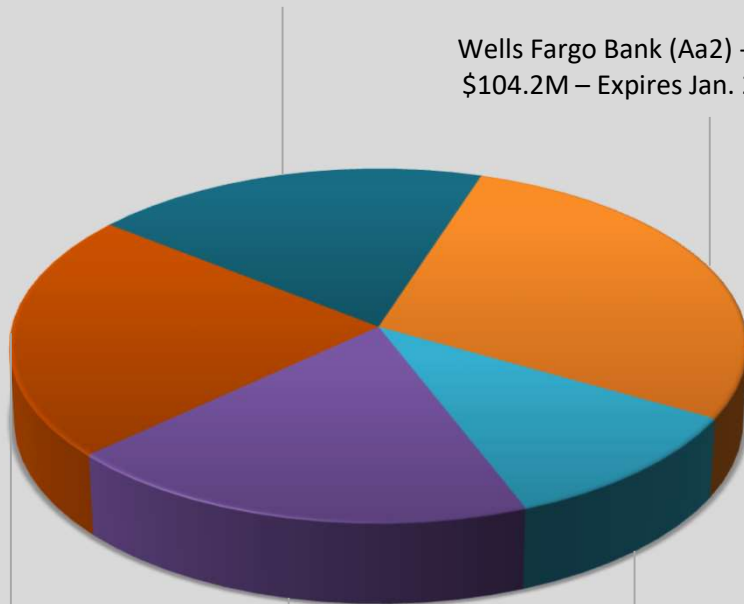
Wells Fargo Bank (Aa2) - 28%
\$104.2M – Expires Jan. 2024

Bank of America (Aa3) - 23%
\$83.2M – Expires May 2021
& Nov. 2023

BNY (Aa2) - 11%
\$40M – Expires Dec. 2022

Barclays (A2) – 19%
\$70M – Expires May 2021 & Nov. 2022

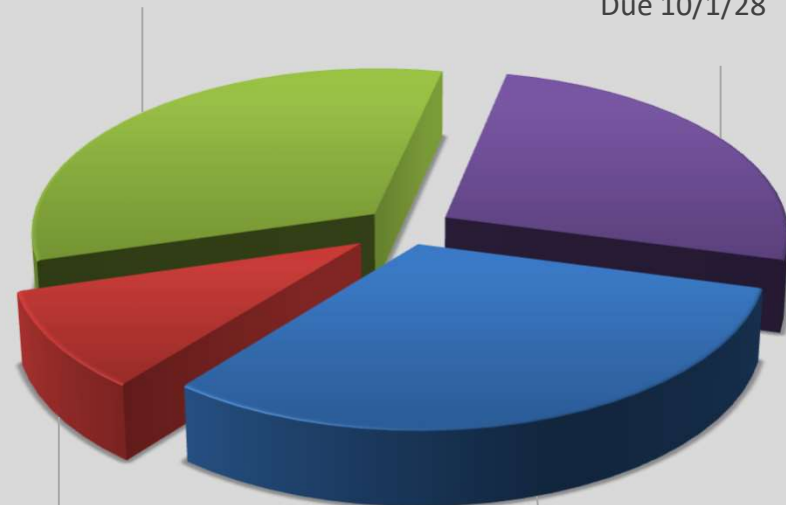
Total Liquidity Principal Outstanding: \$368,645,000
The expiring BofA and Barclays LOC are currently being extended.



Swap Providers

Wells Fargo Bank (Aa2) - 32.9%
\$114,675,000
Due 10/1/30, 10/1/33 and 10/1/35

Royal Bank of Canada
(Aa2) - 25.8%
\$90,000,000
Due 10/1/28



JPMorgan Chase
(Aa2) - 9.8%
\$34,000,000
Due 4/1/37

BONY (Aa2) -22.5%
\$70,000,000
Due 10/1/33 &
10/1/34

Total SWAP Notional Amount: \$348,675,000



**Homes and
Community Renewal**

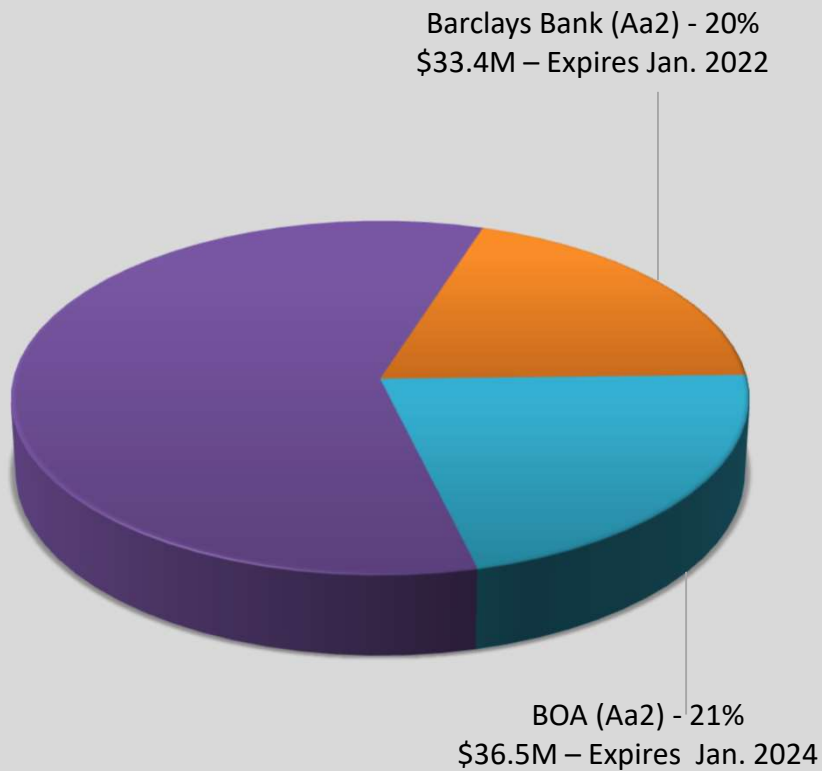
**Housing
Finance Agency**

NEW YORK STATE HOUSING FINANCE AGENCY LIQUIDITY AND SWAPS

HFA Variable Rate Debt

\$170,030,000 Outstanding as of 10/31/20

Liquidity Providers

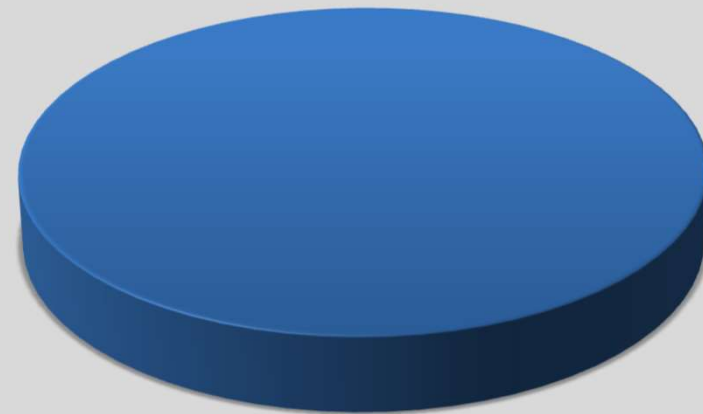


TD Bank (Aa2) – 59%
\$100M – Expires Oct. 2023

Total Liquidity Principal Outstanding: \$170,030,000

Swap Providers

BONY (Aa2) -100%
\$75,000,000 - Due 11/1/44



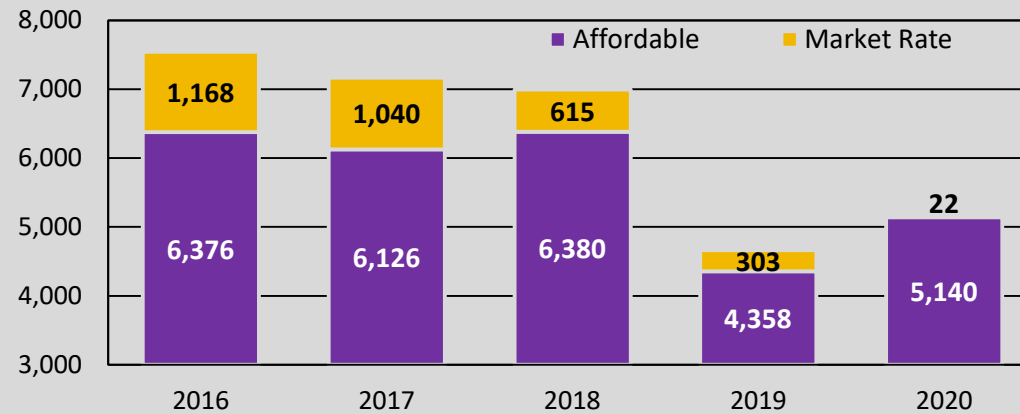
Total SWAP Notional Amount: \$75,000,000

Interest Rate Swaps

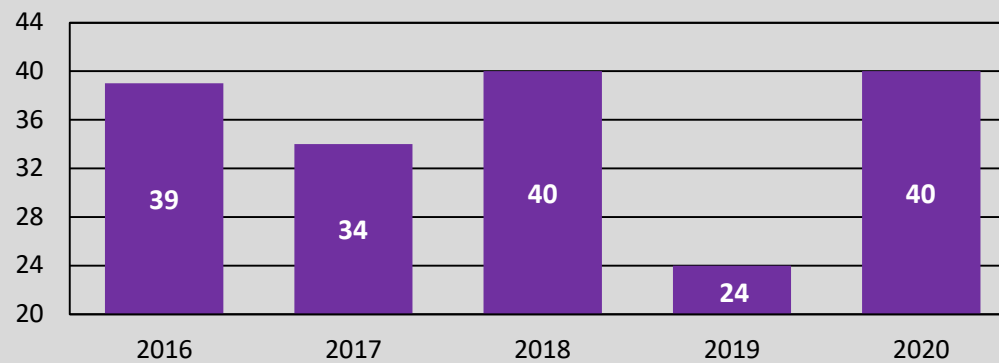
- Executed the first interest rate swaps under the AHRB indenture to hedge interest rate risk on VRDOs
- Entered into a swap with The Bank of New York Mellon to hedge 2020 Series I on October 28, 2020
 - Notional Amount: \$75,000,000, amortizing according to expected redemption schedule for 2020 Series I
 - Fixed Rate Paid: 0.8365%
 - Floating Rate Received: 100% of SOFR
 - Termination Date: November 1, 2044
- After FY end, entered into a swap with RBC to hedge 2019 Series A and 2019 Series B on November 4, 2020
 - Notional Amount: \$52,525,000, amortizing in conjunction with 2019 Series A and 2019 Series B
 - Fixed Rate Paid: 0.853%
 - Floating Rate Received: 100% of SOFR
 - Termination Date: November 1, 2045
- Both swaps hedge 75% of the VRDOs outstanding in the respective series, with 25% remaining unhedged to allow for flexibility in the event of projects prepaying or receiving loan modifications
- Believed to be the first SOFR swap executed by HFA

Units and Projects Financed

Units Financed by Fiscal Year¹



Projects Financed by Fiscal Year¹

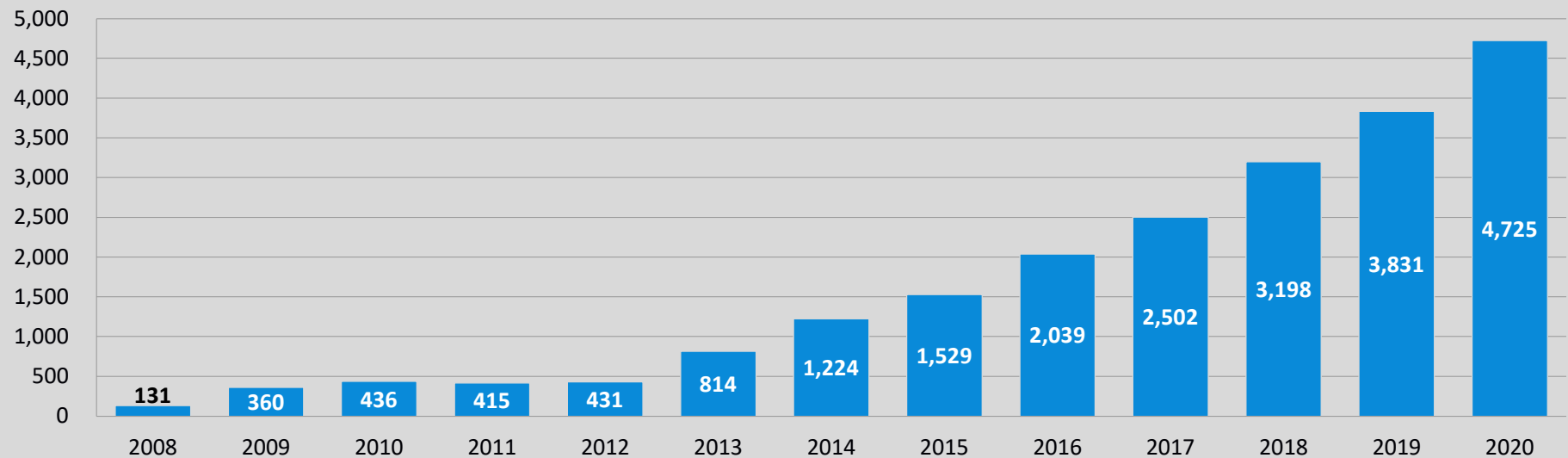


¹ Includes new AHRB, 80/20, and back-to-back transactions

AHRB Overview

- Primary financing vehicle for the Agency's affordable multifamily housing program
- Aa2 rated parity resolution established in 2007
 - Special revenue obligations payable from Program Assets, which include Mortgage Loans financed with bond proceeds and Supplemental Security insuring or securing against default losses on the Mortgage Loans
- As of October 31, 2020, \$4,724,870,000 of outstanding AHRBs⁽¹⁾

AHRBs Outstanding by Fiscal Year (\$MM)



¹ Does not include NIBP Bonds (as defined in the Preliminary Official Statement)

Sources: Official Statement; Audited Annual Financial Statements; *Preliminary, subject to change

AHRB 2020 Series A and 2020 Series B

- \$202,690,000 of bonds, consisting of \$89,310,000 2020 Subseries A-1, \$32,650,000 2020 Subseries A-2, \$24,900,000 2020 Subseries B-1 and \$55,830,000 2020 Subseries B-2
- Issued on March 31, 2020, 2020 Subseries A-2 and 2020 Subseries B-2 remarketed on November 18, 2020
- Sought emergency authority from Board on March 12, 2020 to provide for flexible structuring.
- Originally structured as a traditional fixed rate financing with Wells Fargo as Book Running Senior Manager, with pricing and closing scheduled for the end of March
- Significant market disruption due to COVID-19 effectively shut down the primary bond market, with 30-year MMD increasing from 1.38% on March 9th to 3.37% March 20th
- Wells Fargo's indicative pricing as of March 17th would have resulted in a bond TIC of 3.57% (2.45% construction, 3.93% permanent), higher than the average mortgage rate for associated projects of 2.70% (2.00% construction, 3.61% permanent)
- Considered issuing VRDOs, but market dislocation in VRDO market made it not feasible.
- Instead, Bank of America directly purchased the bonds as a private placement, with the permanent debt in a term rate mode that would need to be remarketed to fixed rate bonds or VRDOs once the markets stabilized. The construction bonds will remain in a private placement mode until maturity/redemption
 - 2020 A-1 and 2020 B-1 (construction debt) purchased at 1.83% with mandatory tender of 5/1/2024, first redemption of 9/1/2021
 - 2020 A-2 and 2020 B-2 (permanent debt) purchased at 1.82% with mandatory tender of 5/1/2022, first redemption of 11/1/2020
- The 2020 A-2 and 2020 B-2 Bonds were remarketed on 11/18/2020 with Bank of America acting as remarketing agent, resulting in a bond TIC of 2.64%
- The private placement/remarketing generated \$22 million in present value savings relative to Wells Fargo's indications for a public offering

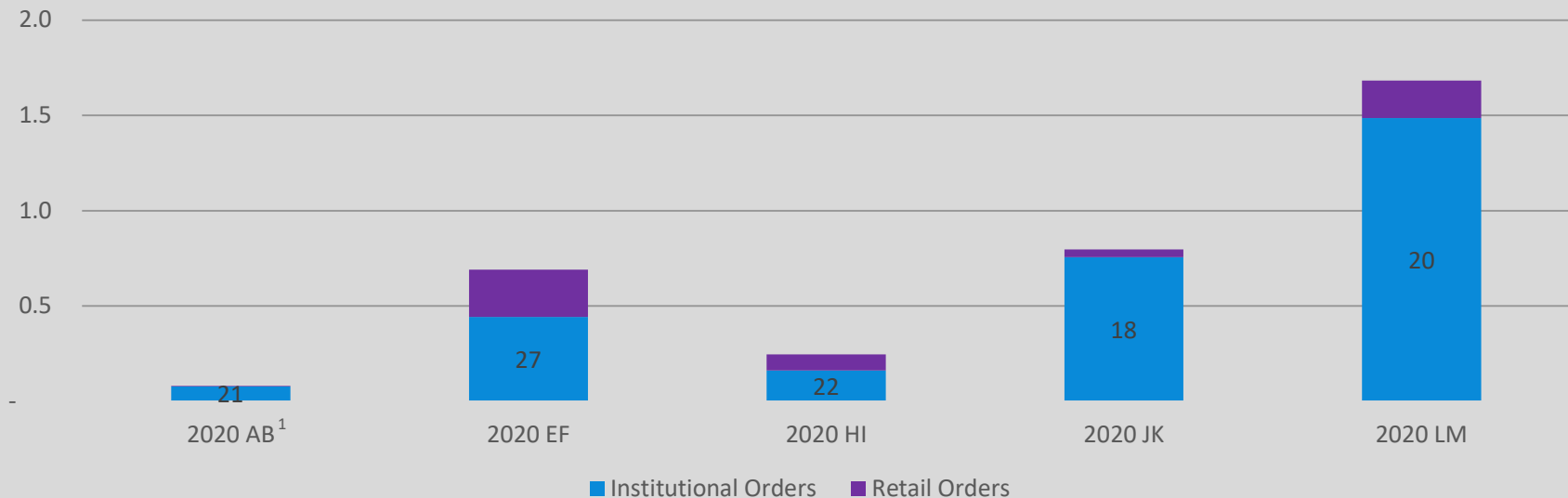
AHRB 2020 Series H and 2020 Series I

- \$261,565,000 of bonds, consisting of \$161,565,000 2020 Series H and \$100,000,000 2020 Series I (Variable Rate)
- Issued on October 7, 2020
- First refunding under AHRB resolution, refunding 35 projects across 10 series of bonds
 - Refunded AHRB 2010 A, 2010 B, 2010 C and 2011 B and NIBP 2009-A, 2009-B, 2009-C, 2009-D, 2009-E and 2009-F
- 2020 Series I Bonds are weekly VRDOs, supported by a Standby Bond Purchase Agreement from TD Bank
- Structured to permit maximum flexibility if refunded projects require financial assistance
 - VRDOs are structured as a bullet maturity on November 1, 2055, but are callable at any time
 - Expected to be redeemed semiannually in conjunction with the fixed rate bond maturity dates
 - VRDOs were structured such that all project loans could be re-amortized over an additional 10-year period without any negative impact on cash flows
 - 75% of the Series I Bonds are hedged with an interest rate swap with The Bank of New York Mellon, which pays 0.8365% and receives 100% of daily SOFR. This is believed to be the first SOFR swap executed by HFA. Additional detail is provided on a subsequent slide
- Generated an estimated \$37.6 million in net present value savings

2020 Bonds Investor Base

- \$574 million retail orders (individual and professional)
- \$2.9 billion institutional orders from 123 accounts
- 44 institutional investors placed orders in 2020 that did not participate in 2019

Total Orders Received (\$billion) and Number of Institutional Investors by Bond Issue



¹ Remarketing on November 18, 2020

Sources: IPREO, JP Morgan Gameday

Sustainability/Green Bonds

- Disclosure documents redesigned beginning with AHRB 2019 HI to show Sustainability Bonds Designation
- HFA seeing greater order oversubscription and consistent lower cost of funds.
- Sustainability designation reflects the use of proceeds consistent with the “Green Bond Principles,” “Social Bond Principles,” and “Sustainability Bond Guidelines” as promulgated by the International Capital Market Association and are mapped to three of the United Nations 17 Sustainable Development Goals (“UNSDG”)

UNSDG	Social Bond Principles	Green Bond Principles
Goal 1: No Poverty	Affordable Housing Socioeconomic Advancement and Empowerment Access to Essential Services	Climate Change Adaptation
Goal 7: Affordable and Clean Energy	Affordable Basic Infrastructure	Energy Efficiency
Goal 11: Sustainable Cities and Communities	Affordable Housing Affordable Basic Infrastructure Socioeconomic Advancement and Empowerment	Green Buildings

- New construction projects receive a certification from the Climate Bond Initiative with verification from Sustainalytics and are marketed as “Climate Bond Certifies/Sustainability Bonds”
- Awarded with Sustainability Bond of the Year by Environmental Magazine for AHRB 2019 Series H and I, making HFA the first US municipality to follow the Sustainability Bond Guidelines
- Beginning with AHRB 2020 H, ESG Professional Retail and ESG Institutional orders are given their own priority of orders, with full takedown going to the firm that places the order, whereas other similar orders may be paid group net
- Since this designation was put in place, 14 new institutional investor have placed ESG orders



**Homes and
Community Renewal**

**Housing
Finance Agency**

NEW YORK STATE HOUSING FINANCE AGENCY FINANCIAL STATEMENT HIGHLIGHTS



HFA FY2020 Financial Statement Highlights

- Bonds Outstanding of \$17.3 Billion
 - New Bonds Issued - \$2.1 Billion
 - Financing 40 new projects
 - 5,162 units of which 5,140 are affordable housing units
- Mortgage Loan Receivables of \$16.2 Billion
 - Decrease of 5% from prior year
- Fees collected totaled \$77.0 Million
 - Increase of 9% from prior year



**Homes and
Community Renewal**

**Municipal Bond
Bank Agency**

STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY



MBBA 2020 Financial Statement Highlights

- Bonds Outstanding of \$186.0 Million
 - No bond issuances during fiscal 2020
- Fees and Charges totaled \$140,000, used for debt service



**Homes and
Community Renewal**

**Tobacco Settlement
Financing Corporation**

TOBACCO SETTLEMENT FINANCING CORPORATION

TSFC 2020 Financial Statement Highlights

- All outstanding bonds were redeemed in fiscal 2017.
- Tobacco Settlement Revenue (“TSR”) payments continue to be due to the Corporation.
- In fiscal 2020, TSR payments were received in the amount of \$361.6 Million.

HFA, SONYMA, MBBA & TSFC

Fiscal Year 2020



**Homes and
Community Renewal**