

**HFA, SONYMA, MBBA & TSFC
Fiscal Year 2021
Financial Statements / Program Summary**

January 27, 2022



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FINANCIAL STATEMENTS OVERVIEW



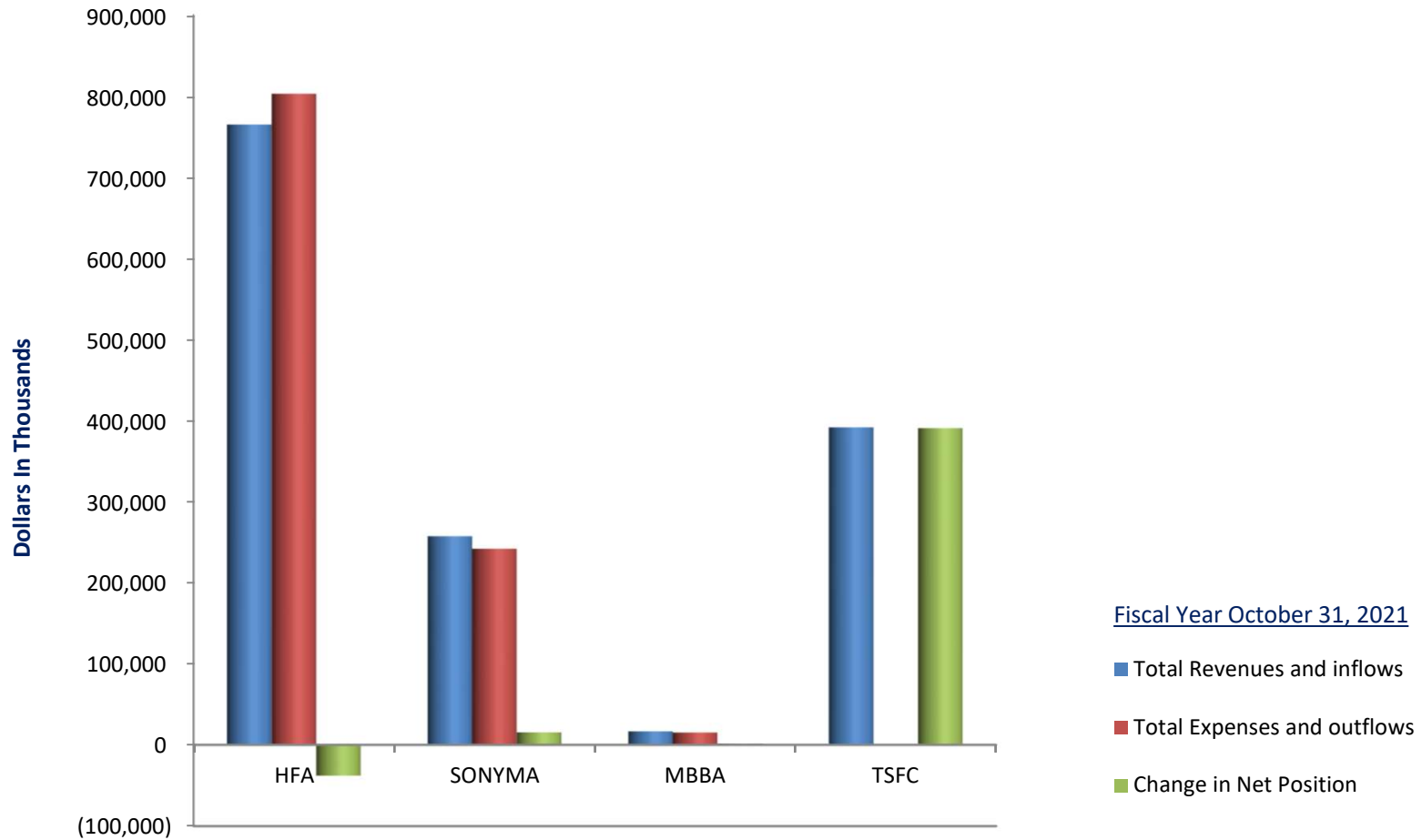
Financial Statement Takeaways

The Agencies continue to have a robust and positive impact on New York State's affordable housing production and availability. Our net position increases or decreases based on changes in Net Revenues.

- SONYMA's net position increased by approximately **\$27 Million**, generally attributable to strong Mortgage Insurance Fund revenues.
- HFA's net position decreased by approximately **\$38 Million**, primarily because of lower bond issuances in FY21 (\$1.2 Billion) versus FY20 (\$2.2 Billion).
- Municipal Bank Bond Agency (MBBA) did not issue bonds this year and net position remained flat.
- Tobacco Settlement Financing Corporation (TSFC) received Tobacco Settlement Revenue (TSR) payments this year of **\$391 Million**, with general expenses of approximately \$888,000, and the excess funds remained with the agency.

Summary: HFA, SONYMA, MBBA & TSFC

Revenues, Expenses and Change in Annual Net Position



Financial Statement Highlights FY2021

Total Outstanding Bonds: \$20.1 Billion

SONYMA

- **\$2.7 Billion** outstanding bonds
- **\$524.06 Million** new bonds issued
- **\$2.7 Billion** mortgage loan receivables (basically no change from prior year)

HFA

- **\$17.3 Billion** outstanding bonds
- **\$1.2 Billion** new bonds issued
- **\$16.2 Billion** mortgage loan receivables (No net change from last year)
- **\$57.9 Million** fees collected (24.8% decrease from last year)

MBBA

- **\$134 Million** outstanding bonds (No bond issuances in FY2021)
- **\$90,000** fees collected

TSFC

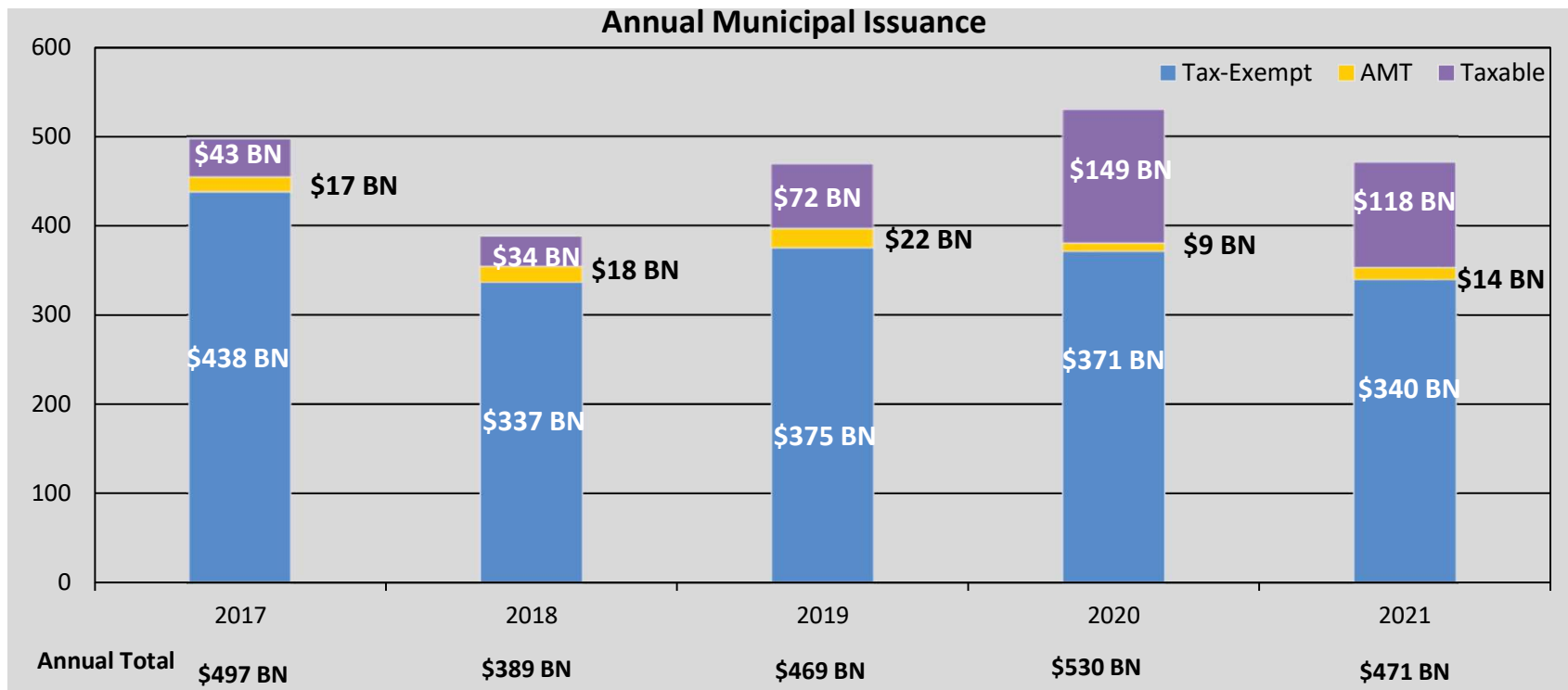
- All outstanding bonds redeemed in FY2017
- Tobacco Settlement Revenue (TSR) payments continue to be due and payable to the State
- **\$391.2 Million** TSR payments received in FY2021

MUNICIPAL MARKET OVERVIEW

US Municipal Bond Issuance in 2021

In 2021, municipal issuance nationally decreased by 11.1% year over year

- Tax-exempt issuance decreased by 8.5%
- Taxable issuance decreased by 21.0%

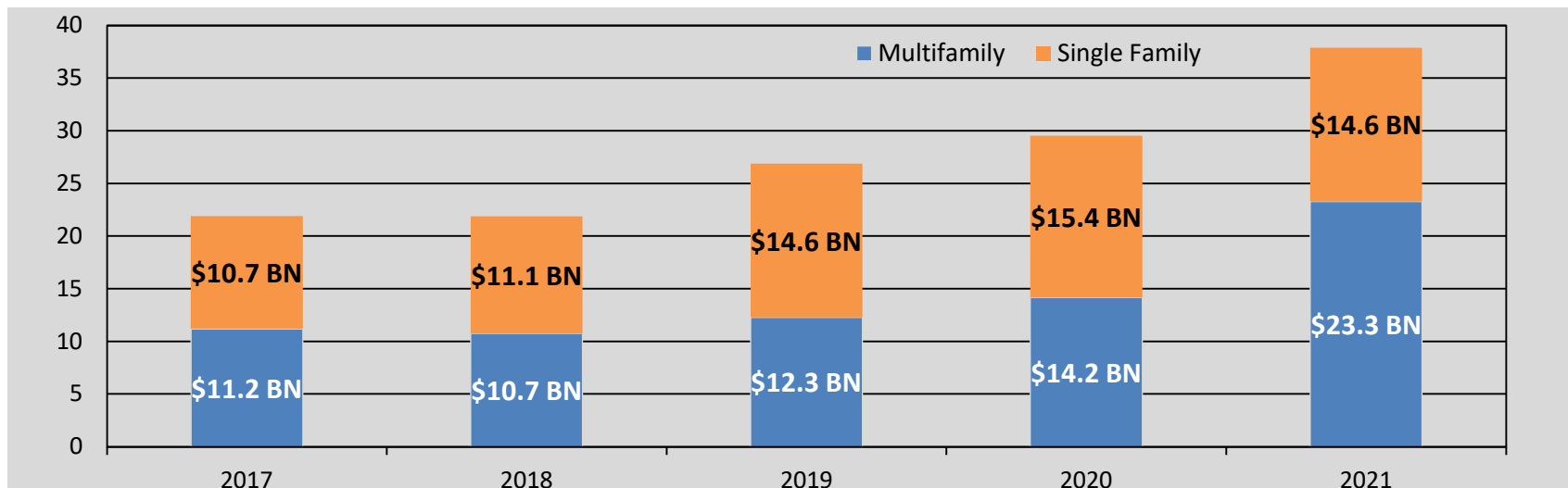


US Municipal Housing Issuance in 2021

In 2021, housing issuance nationally increased by 28.3% year over year

- Single family issuance **decreased** by 4.8% year over year
- Multifamily issuance **increased** by 64.2% year over year

Annual Municipal Housing Issuance

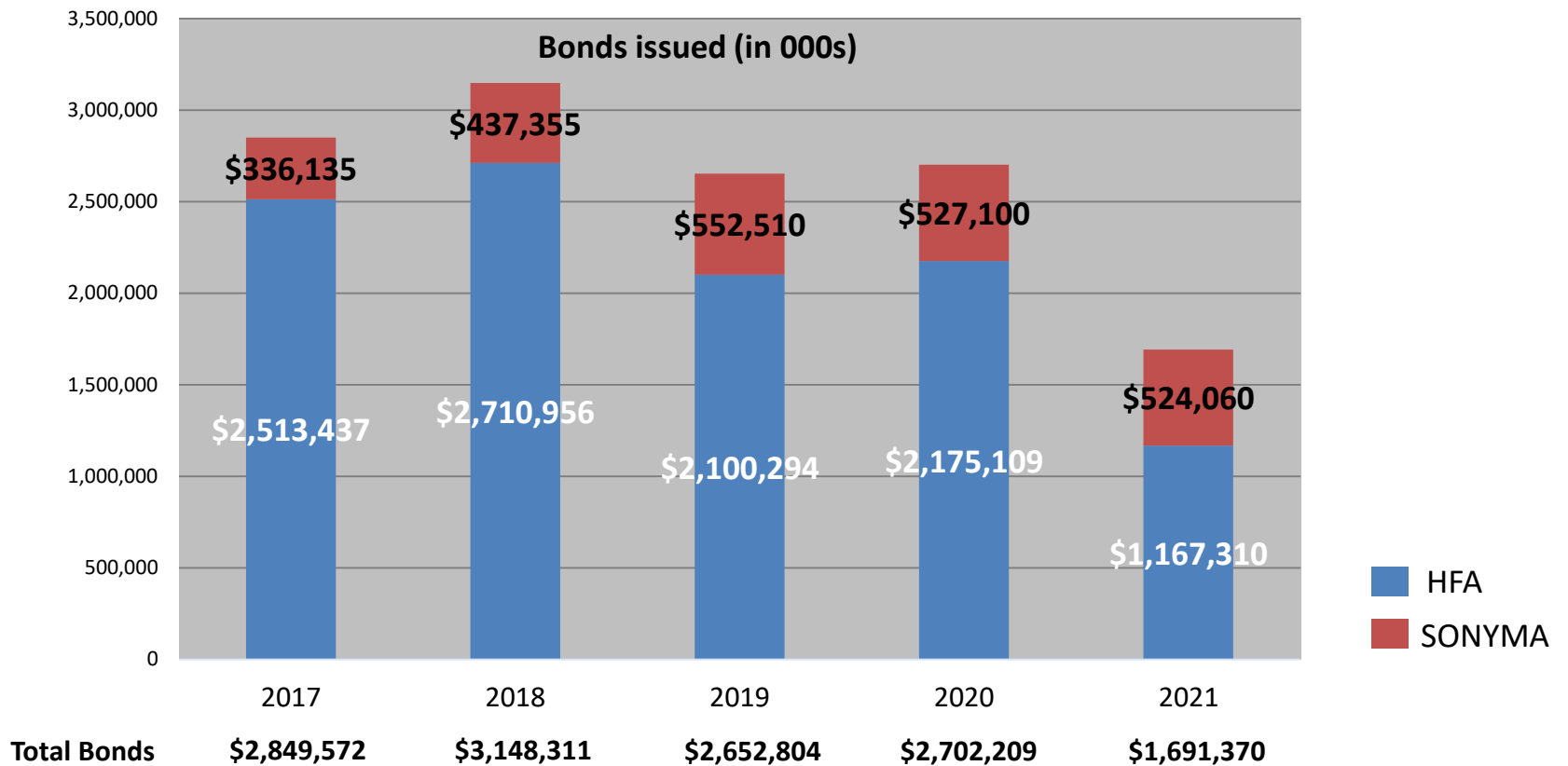


Source: Refinitiv SDC, December 20, 2021

HCR Bond Issuance – past five fiscal years

NYSHCR is among the top 3 housing issuers in the nation, comprising 5.4% of the sector

- Fewer bonds were issued in FY21 generally due to the impacts of COVID-19 on the economy during the fiscal year.



Bond Program Accomplishments in CY2021

HFA

- Despite the COVID pandemic, HFA remained active in the municipal market with over \$1.2 billion bonds issued
- Preserved over \$50.9 million of volume cap by recycling bonds
- Utilized FHA risk-share program to further improve execution
- Issued Fannie Mae Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) and Multifamily Taxable Mortgage-backed Bonds (M-TBS) for the first time
- Adopted mandatory put bond structure for AHRB issuances

SONYMA

- Continued to issue Social Bonds, consistent with social impact goals with the “Social Bond Principles” defined in the International Capital Market Association’s guidelines
- Preserved over \$296.6 million of volume cap with replacement refundings
- Restructured Homeowner Mortgage Revenue Bond (HMRB) indenture by moving excess short-term maturities into a more evenly distributed range of the portfolio.
- Repositioned debt in the HMRB portfolio

STATE OF NEW YORK MORTGAGE AGENCY ANNUAL OVERVIEW



SONYMA Bond Programs

- Purchased **1,686** loans, up from 1,335 in 2020
 - Under ATD program – 1,228 loans totaling \$266 Million
 - Under ATD-Habitat program – 90 loans totaling \$16.5 Million
 - Under LIR program – 368 loans totaling \$107 Million
- **73.1%** of our borrowers received Down Payment Assistance worth **\$11.9 Million**
- **93.65%** of SONYMA loans are current (Same as the NY State average)

Loan Products

Achieving the Dream

(ATD) 80% AMI or less

Low Interest Rate

(LIR) 80-115% AMI

Habitat for
Humanity

Homes for
Veterans

RemodelNY

Neighborhood
Revitalization

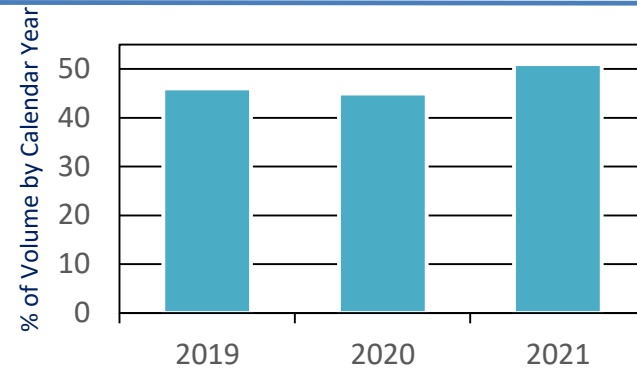
Down Payment Assistance Loans (DPAL)

10 year, non-interest bearing, forgivable 2nd lien

SONYMA Priorities

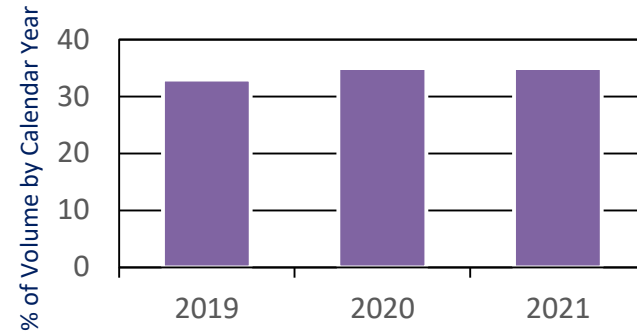
Putting Low Income Families into Homeownership:

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



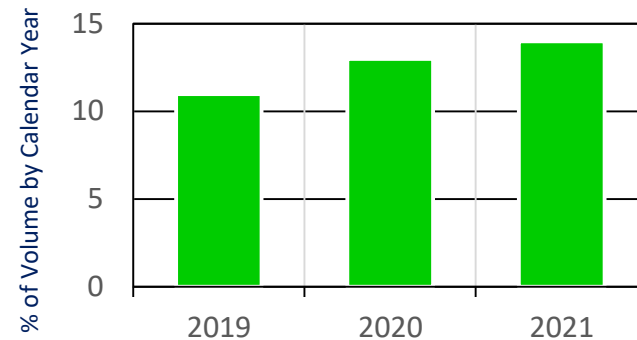
Serving Minority Homebuyers:

In 2021, we continued 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.

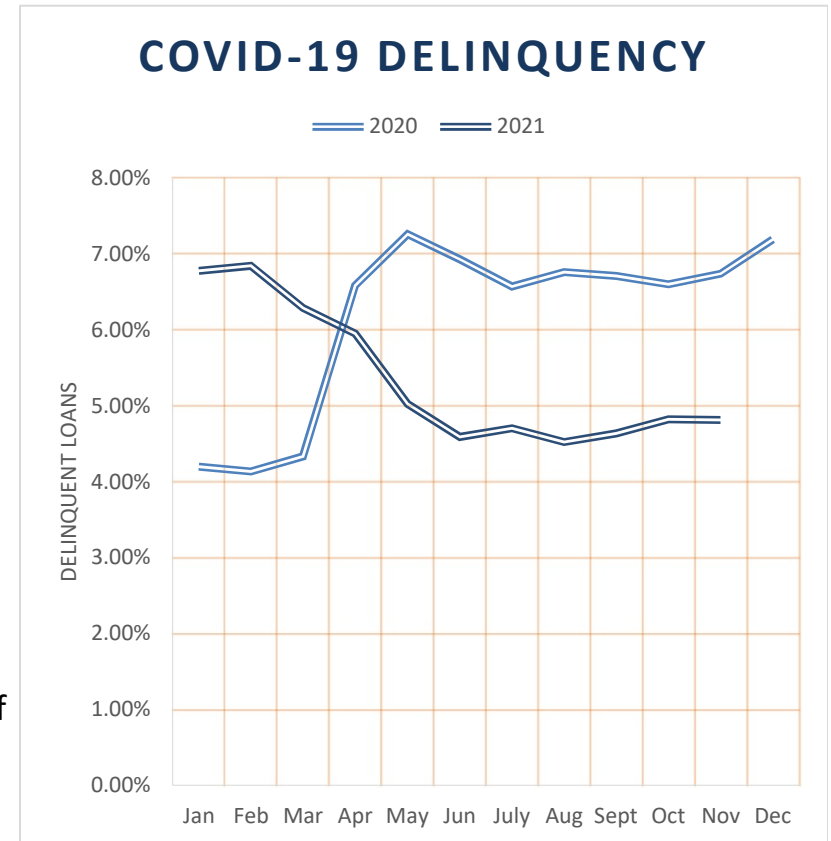


SONYMA Response to COVID-19

Relief to COVID-19 Impacted Borrowers:

SONYMA provided direction to Servicers to offer Forbearance to impacted borrowers.

- Borrowers were eligible for an initial 6 months forbearance and subsequent options for additional 6 or 12 months. Upon exiting forbearance, borrowers were offered:
 - Repayment Plan of up to 12 months for the total forbearance amount;
 - Extension Modification with a maximum extension of the total forbearance period; and
 - Deferral of the forbearance amount due upon at loan maturity.
- At peak, in December 2020, 2,097 loans were approved for forbearance, of which:
 - 1,210 loans were delinquent; and
 - 887 loans remained current.
- In October 2021, 381 loans were approved for forbearance, of which:
 - 267 loans were delinquent; and
 - 114 loans remained current.



New SONYMA Initiatives

Give Us Credit

A program to *address racial disparities in mortgage lending* by redefining traditional credit standards. Allows more support from families and friends, considers non-traditional forms of income in evaluating “ability to pay”, applies weighted importance for responsible financial management practices not considered in traditional credit reporting.

DPAL+

A pilot program to increase homeownership rates for *homebuyers earning less than 60%* of the Area Median Income by providing deeper purchase assistance.

Manufactured Home Mortgages

A program to provide traditional SONYMA mortgages to homebuyers who want to *purchase or site a home on leased land i.e. manufactured home parks*. A new alternative to high-cost and often predatory chattel loans and retail installment contracts.

NYHELPS Student Loan Program

SONYMA and HESC terminated the active operation of the NYHELPS Student Loan Program initiated in 2009.

- In so doing, in March of 2021 SONYMA retired the remaining outstanding **\$2.485 million** in SONYMA NYHELPS Bonds through the exercise by the Agency of its right of optional redemption under the NYHELPS Indenture.
- As part of the plan to retire the bonds, SONYMA's Board approved the forgiveness of all payment obligations on the approximately \$3 million in outstanding NYHELPS student loans held under the NYHELPS Indenture.
- The redemption of the bonds and the forgiveness of student loan debt resulted in the release of approximately \$14 million in remaining funds, in excess of federal regulatory and contractual payment requirements and other administrative costs of the NYHELPS Program.
- SONYMA is investing these funds on a month-to-month basis, awaiting instructions from the State as to funds transfer. The excess funds represent funds initially appropriated by the State as seed funding for the program.

STATE OF NEW YORK MORTGAGE AGENCY: MORTGAGE INSURANCE FUND



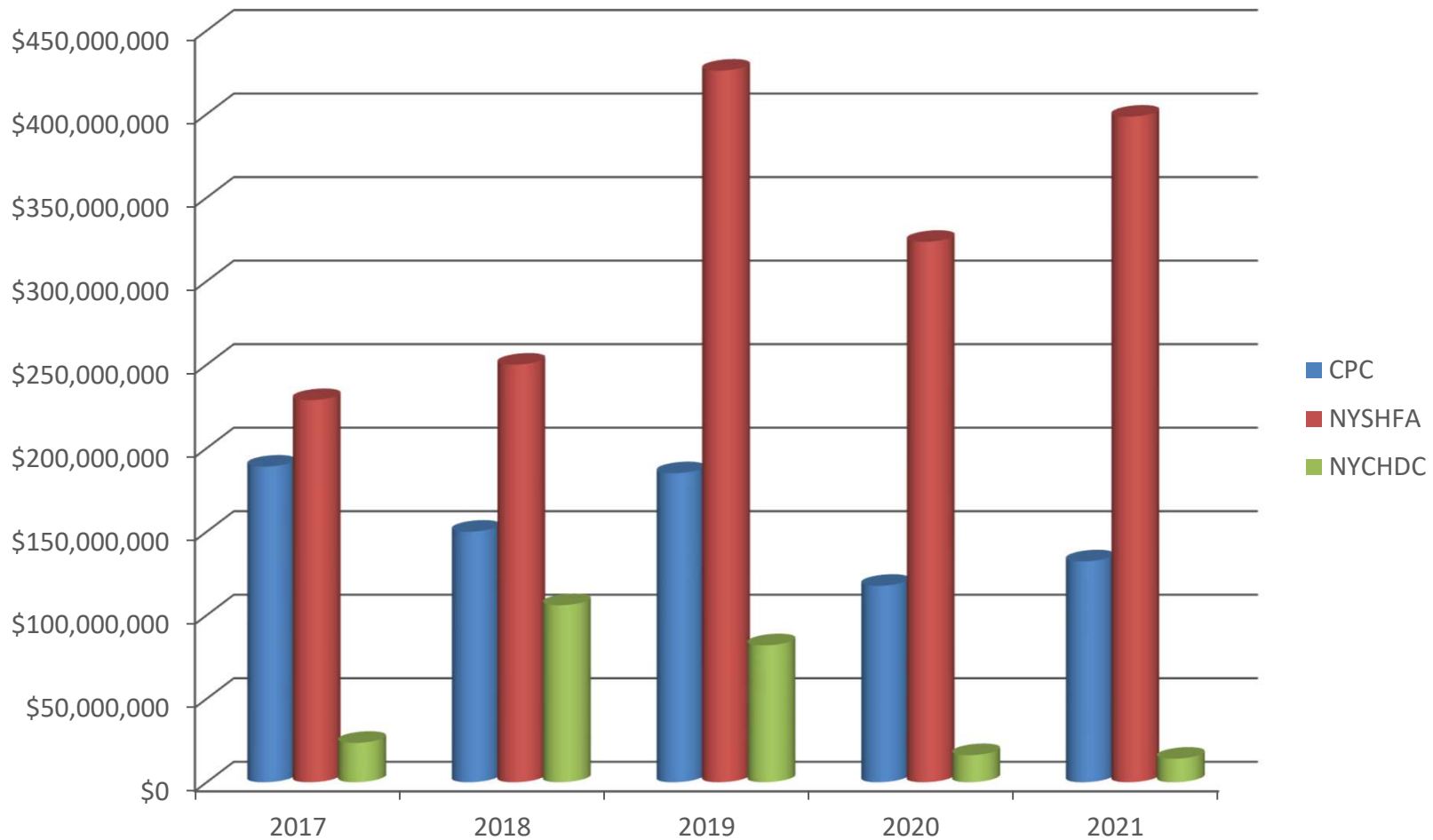
MIF Monthly Tax Surcharge Collections

The dollar amount of Mortgage Recording Tax received by the MIF has recovered to 2019 levels.

	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
November	13,724,429	12,655,270	15,245,991	14,989,430	15,328,590
December	12,790,858	14,856,067	14,025,534	11,698,157	10,041,202
January	17,266,262	12,109,417	19,453,950	16,570,024	12,821,119
February	12,849,160	14,500,598	17,866,899	16,306,852	8,272,916
March	11,541,353	10,096,336	8,779,860	11,043,936	12,899,780
April	12,001,748	10,958,241	10,486,711	11,920,788	9,289,366
May	11,386,952	12,946,879	14,748,529	6,805,927	10,406,054
June	14,776,248	15,263,668	11,118,053	7,804,976	12,155,100
July	15,369,418	10,732,726	16,141,038	9,564,518	19,343,585
August	11,916,775	15,694,913	12,227,462	11,683,215	13,346,142
September	14,875,845	12,323,278	12,808,580	7,525,345	13,625,394
October	12,010,982	9,901,062	14,861,366	11,777,854	14,710,859
Totals:	160,510,030	152,038,455	167,763,973	137,691,022	152,240,107

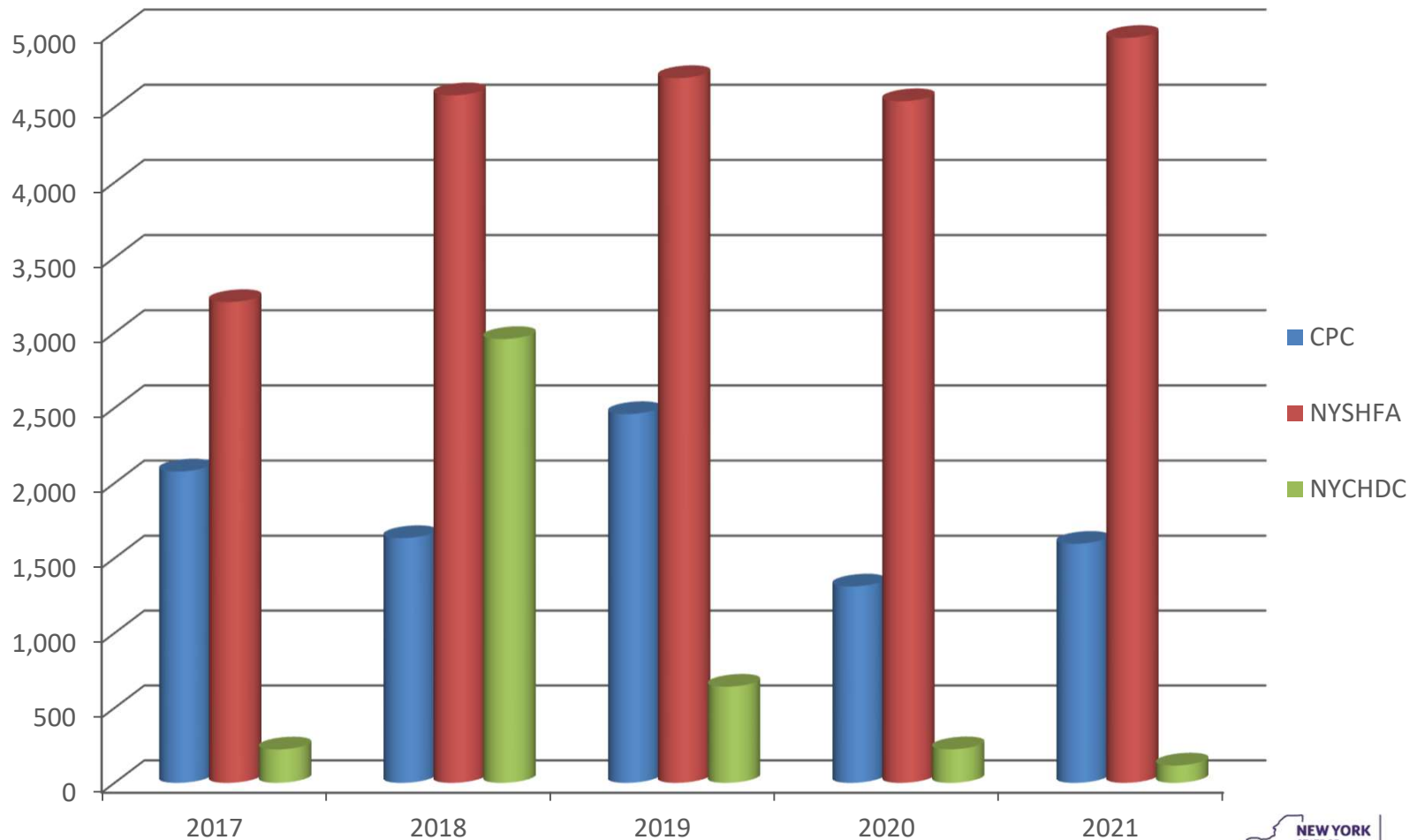
MIF Project Commitment by Loan Amount

HFA is by far the MIF's single largest insured lender by loan amount. The Community Preservation Corporation is the second largest by loan amount.



MIF Project Commitment by Units

The number of affordable units in HFA financed projects whose mortgages are insured by the MIF has increased 55% over the last five years.



NEW YORK STATE HOUSING FINANCE AGENCY ANNUAL OVERVIEW



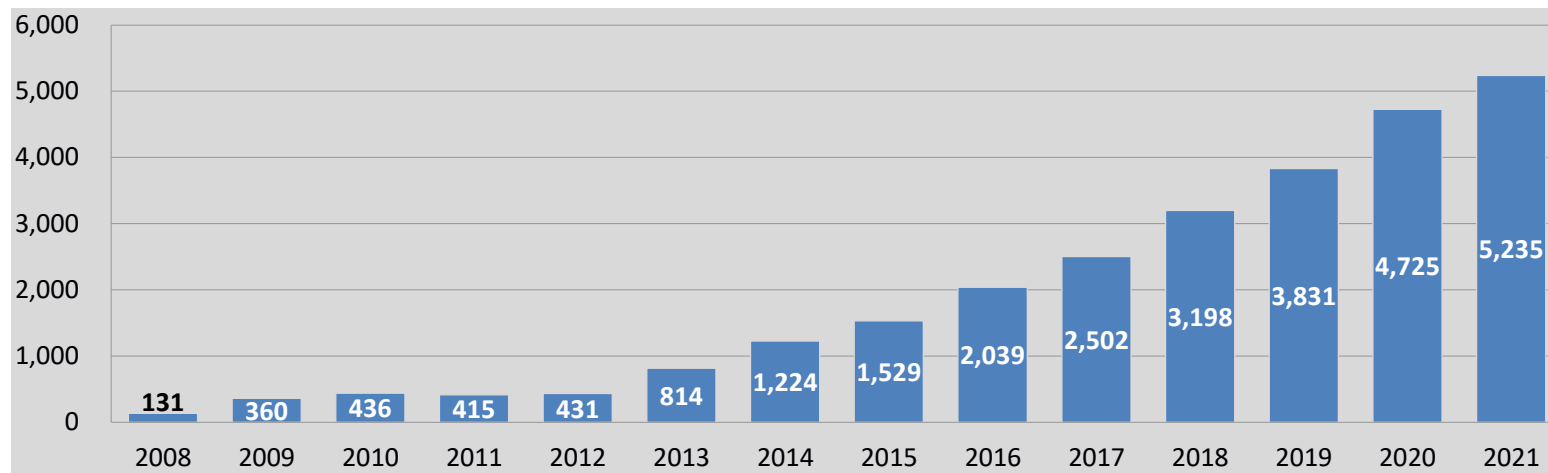
Housing Finance Agency Updates

- HFA issued **\$1.2 Billion** in bonds in FY 2021
 - Of these, **\$920 Million** was in Affordable Housing Revenue Bonds (AHRB) / the open resolution
 - \$268 Million in refunding bonds and 80/20 refinancings
- In FY2021, HFA financed 5,414 units in 31 projects
- HFA's overall portfolio includes
 - **\$6.91 Billion** in bonds, with **\$5.24 Billion** outstanding, and
 - **\$6.83 Billion** in mortgage loans, with **\$4.99 Billion** outstanding
- The portfolio has:
 - 242 converted projects
 - 96 projects in construction
 - Over 49,701 units

Affordable Housing Revenue Bonds (AHRB) Overview

- Also known as the open resolution, AHRBs are the primary financing vehicle for the Agency's affordable multi-family housing program
- Aa2 rated parity resolution established in 2007 and has achieved significant growth
 - Special revenue obligations payable from Program Assets, which include mortgage loans financed with bond proceeds and supplemental security insuring (securing against default losses on the mortgage loans)
- Currently **\$5,235,040,000** of outstanding AHRBs

AHRBs Outstanding by Fiscal Year (\$MM)



¹ Does not include NIBP Bonds

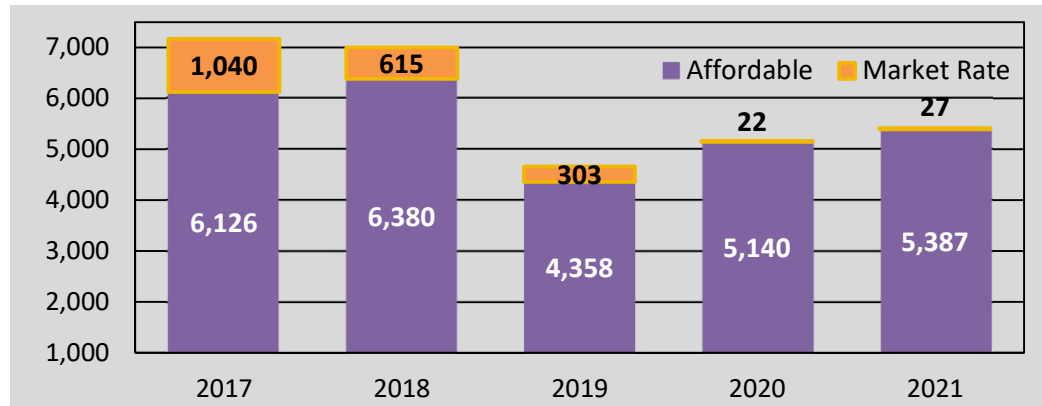
24 ² As of October 31, 2021

Sources: 2021 Series JK Official Statement; Audited Annual Financial Statements

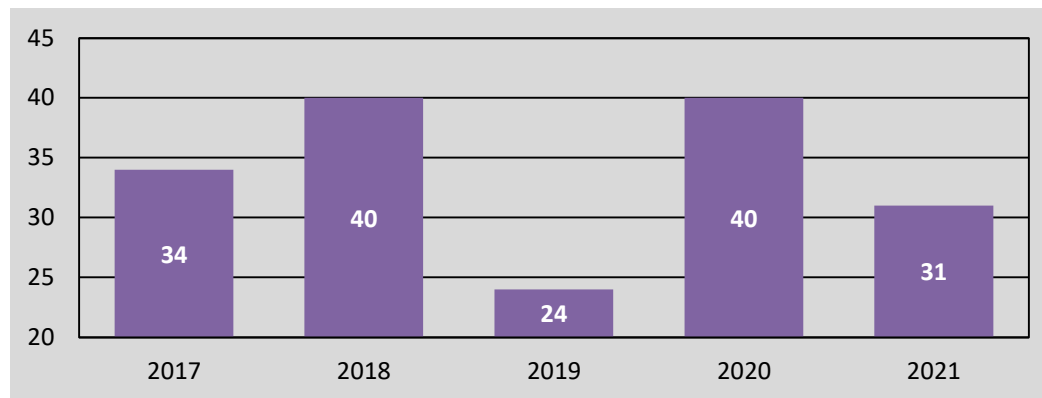


HFA Units and Projects Financed by Fiscal Year

Units Financed¹



Projects Financed¹



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

Sustainability / Green Bonds

In 2019, the AHRB disclosure documents began showing **Sustainability Bonds Designation**, reflecting that the proceeds are used for projects consistent with Green or Social Bond Principles and Sustainability Bond Guidelines from the International Capital Market Association. These principles and guidelines are mapped to the UN Sustainable Development Goals.

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

- Environmental, Social and Governance (ESG) professional retail and institutional orders are given their own priority for full takedown as opposed to group net payout
- Since this designation was put in place, 17 investment firms, as well as NYC HDC and individual retail investors have placed ESG orders with HCR totaling over \$170,000,000

SONYMA & HFA LIQUIDITY AND SWAPS



Housing
Finance Agency



Variable Rate Debt – Liquidity and Swaps

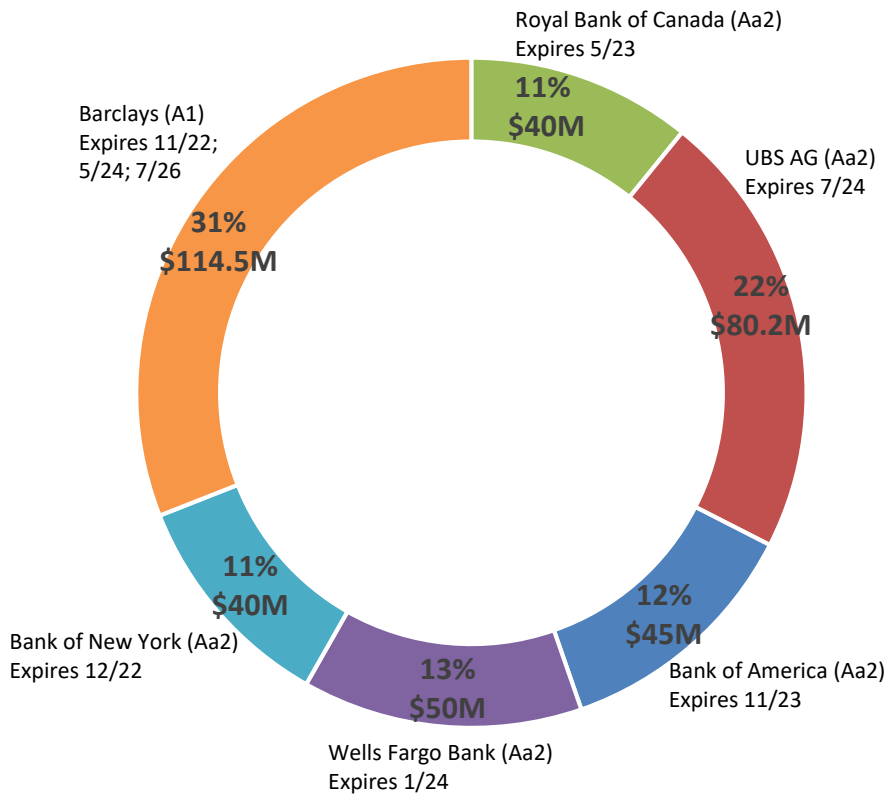
- To mitigate the Agencies' interest rate exposure on the variable rate bond portfolios, we use a combination of liquidity providers and interest rate swap counterparties.
- Our goal is to diversify counterparties to reduce concentration risk, minimizing reliance on any one provider.
- SONYMA's variable rate bond portfolio is larger and more mature, with a broader and more diverse list of counterparties.

SONYMA Variable Rate Debt

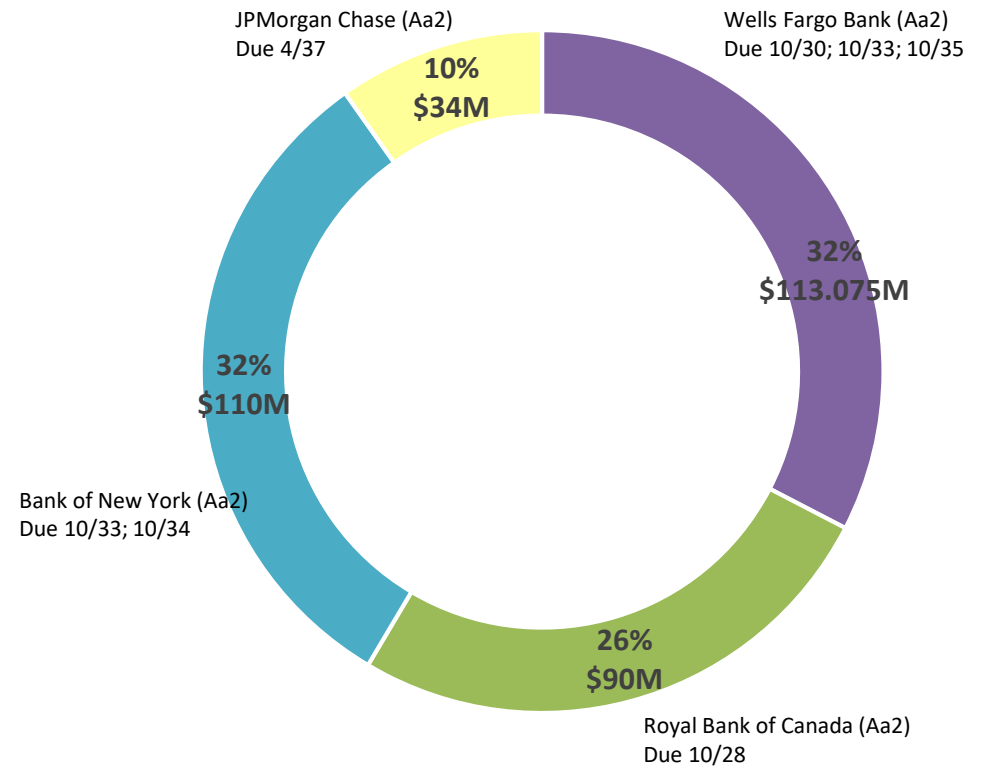
Total Liquidity Principal Outstanding: \$369,660,000

Total SWAP Notional Amount: \$347,075,000

Liquidity Providers



Swap Providers

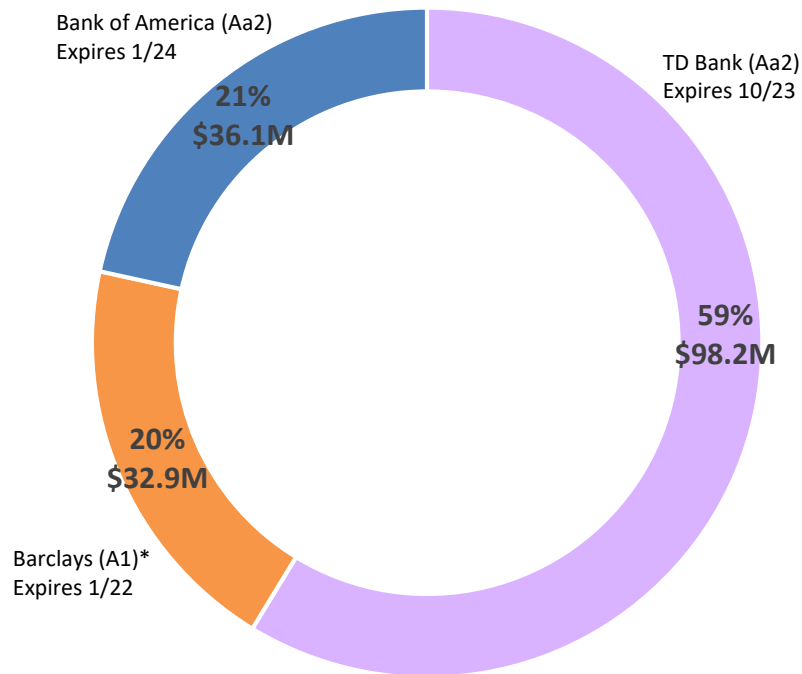


HFA Variable Rate Debt

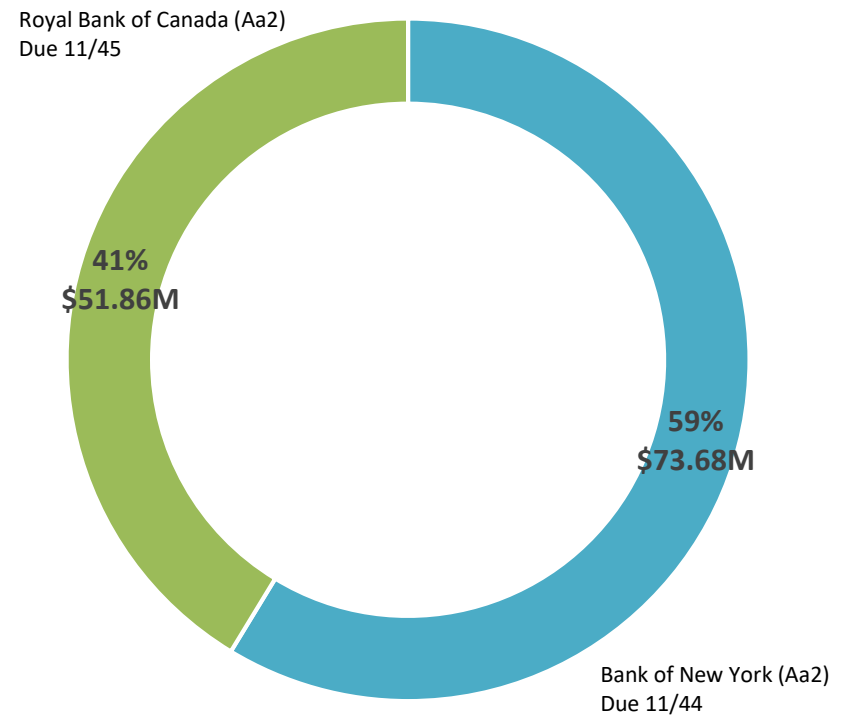
Total Liquidity Principal Outstanding: \$167,225,000

Total SWAP Notional Amount: \$125,540,000

Liquidity Providers



Swap Providers



30 * The expiring Barclays LOC is currently being extended.