

NYS HFA, SONYMA, MBBA, and TSFC

Fiscal Year 2023

Financial Statements/Program Summary

January 25, 2024



**Homes and
Community Renewal**

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General Takeaways



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HFA Financial Statement Takeaways

HFA continues to have a positive impact on New York State's affordable housing production and availability.

HFA's net position increased by approximately **\$123 Million**. HFA's net position increases or decreases based on changes in Net Revenues.

Total Outstanding Bonds: \$18 Billion

HFA

- \$18.1B Billion outstanding bonds
- \$1.0B Billion new bonds issued
- \$16.6 Billion mortgage loan receivables
- \$71.1 Million fees collected (\$16.6 Million decrease)

*Fiscal year ending October 31, 2023

SONYMA Financial Statement Takeaways

SONYMA continues to further its mission to provide opportunities for homeownership to eligible first-time homebuyers in New York State.

SONYMA's net position increased by approximately \$193.7 Million, generally attributable to change in investment valuation. SONYMA's net position increases or decreases based on changes in Net Revenues.

Total Outstanding Bonds: \$2.9 Billion

SONYMA

- \$2.9 Billion outstanding bonds
- \$275 Million new bonds issued
- \$3.1 Billion mortgage loan receivables (increase of \$200 Million)

*Fiscal year ending October 31, 2023

MBBA and TSFC Financial Statement Takeaways

Municipal Bank Bond Agency (MBBA)'s net position increased by approximately **\$1.5 Million**, generally attributable to an increase in fees and the decrease in interest expenses paid. MBBA's net position increases or decreases based on changes in Net Revenues.

Tobacco Settlement Financing Corporation (TSFC) received Tobacco Settlement Revenue (TSR) payments this year of \$379 Million, with general expenses of \$216,000, and a transfer to New York State of \$362 Million. The excess funds remained with the agency.

MBBA

- **\$37.7 Billion** outstanding bonds
- No new bonds issued
- **\$50,000** fees collected

TSFC

- All outstanding bonds redeemed in FY2017
- TSR payments continue to be due and payable to the State
- **\$379 Million** TSR payments received in FY2023

*Fiscal year ending October 31, 2023



Municipal Bond Market Overview



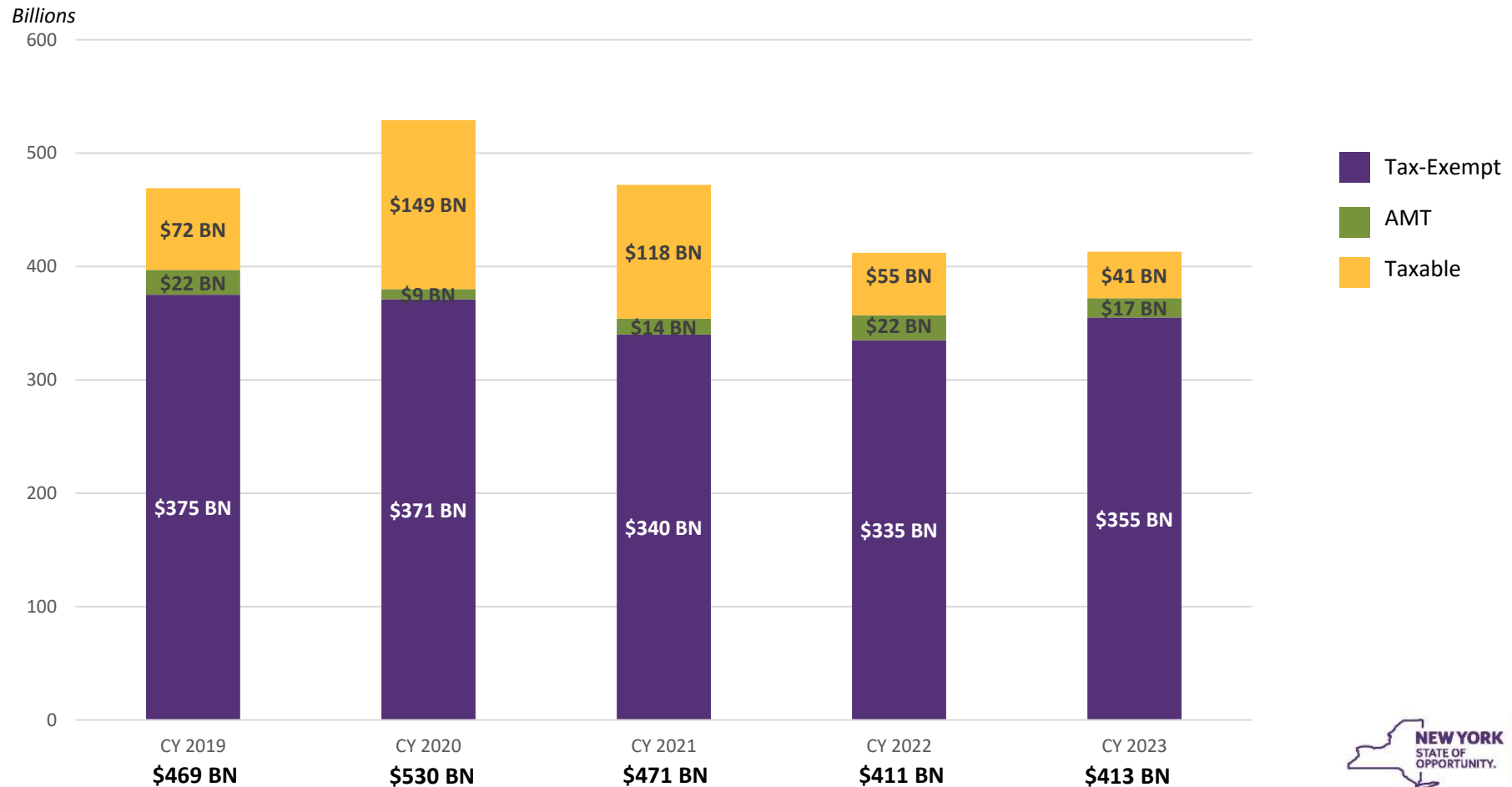
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US Municipal Bond Issuance in CY2023

In 2023, overall municipal bond issuance increased by 0.3% year-over-year

- Tax-exempt issuance increased by 5.9%
- Taxable issuance decreased by 24.3%



Source: Refinitiv SDC New Issuance Stats, January 23, 2024

US Municipal Housing Issuance in CY2023

In 2023, housing municipal bond issuance increased 31% year-over-year

- Single family issuance increased by 50.5% year over year
- Multifamily issuance decreased by 10.8% year over year



Source: Refinitiv SDC New Issuance Stats, January 22, 2024



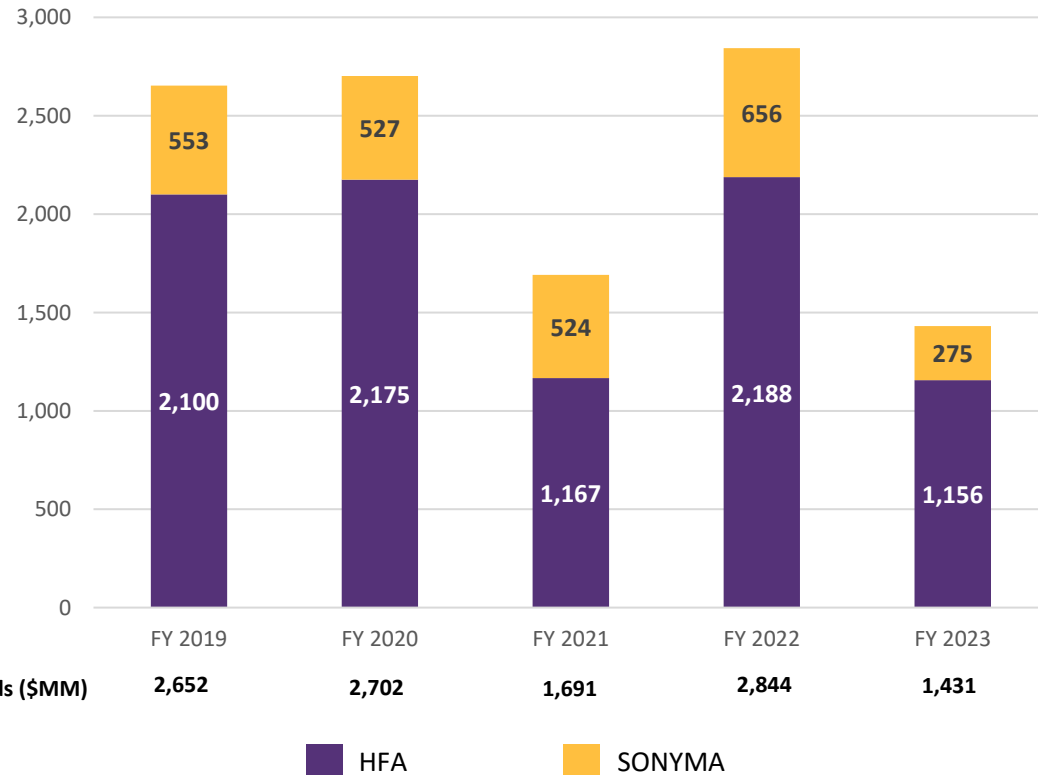
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HCR Fiscal Year Bond Issuance and Calendar Year Issuer Rankings

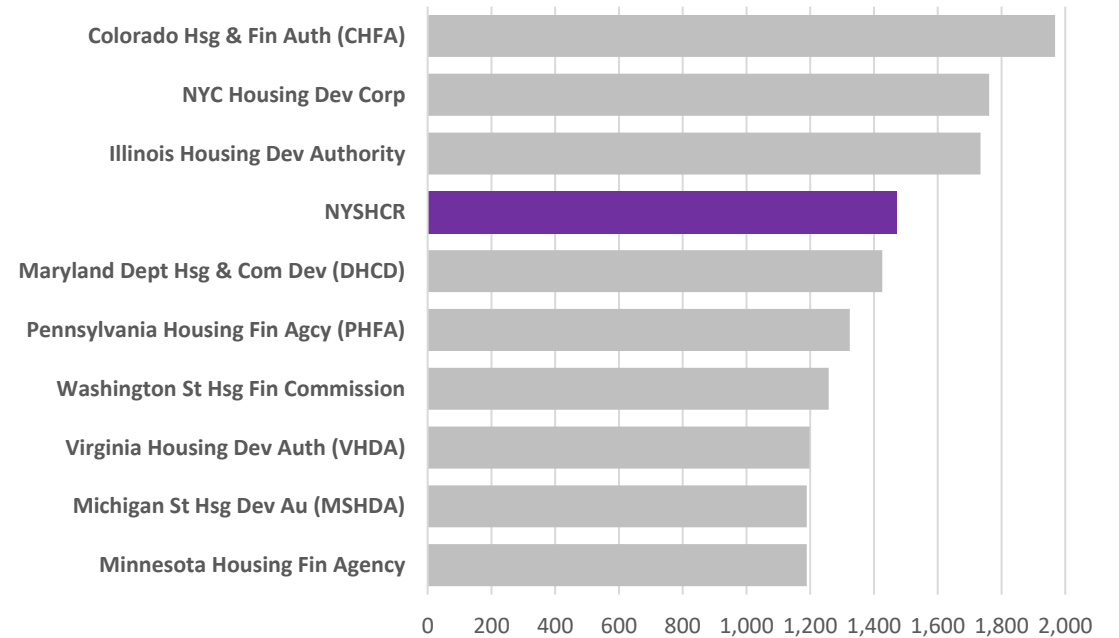
Despite NYSHCR bond issuance declining by 50% from fiscal year 2022, on a combined basis, NYSHCR was the #4 housing bond issuer in calendar year 2023

- HFA and SONYMA combined bond issuance comprised 3.6% of overall housing bond issuance in calendar year 2023
- NYSHCR has been a top three housing bond issuer over the last three calendar years

NYSHCR Fiscal Year Bond Issuances (\$MM)



CY2023 Housing Bond Issuance Par (\$MM)



Bond Program Accomplishments in CY2023

HFA

- The Affordable Housing Revenue Bond indenture **maintained a stable Aa2 rating** from Moody's based on strong credit support providers, significant pledged funds, and strong asset management track record
- NYSHFA was ranked the **#2 multifamily housing issuer** across the country
- Remained active in the municipal market with over **\$1.0 billion bonds issued**
- Continued to issue Affordable Housing Revenue Bonds as **Sustainability Bonds** consistent with the International Capital Market Association's Sustainability Bond Guidelines given the green and social aspects of the funded projects
- Continued to optimize volume cap availability by **recycling nearly \$350 million of bonds** inclusive of the NYSHFA-NYCHDC recycling program which helped support New York City multifamily projects

SONYMA

- The Homeowner Mortgage Revenue Bond indenture **maintained a stable rating of Aa1** from Moody's, reflecting a healthy balance sheet, cash flow projections, and good loan portfolio performance supported by mortgage insurance and pool insurance coverage
- Maintained portfolio performance with delinquency rates of 2.55%, below the statewide average of 3.48% and close to the pre-pandemic level of 2.35% in 2019
- Continued to issue **Social Bonds**, consistent with social impact goals and with the "Social Bond Principles" defined in the International Capital Market Association's guidelines
- **Preserved over \$110.7 million of volume cap** with replacement refundings
- Targeted greater counterparty diversity

HCR was the 4th largest overall Housing Issuer across the country



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Liquidity and Swaps



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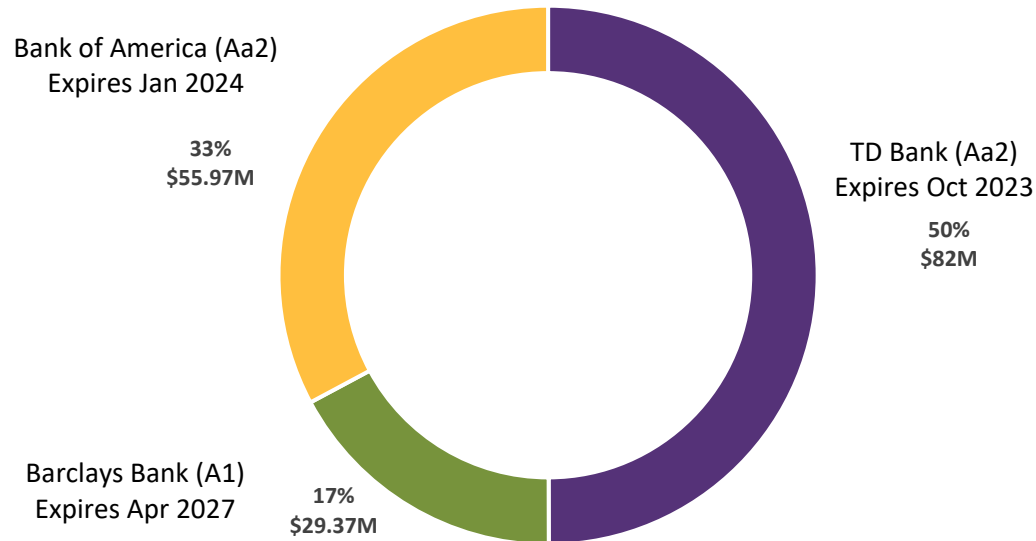
HFA Variable Rate Debt – Liquidity and Swaps

- To mitigate the Agency’s 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

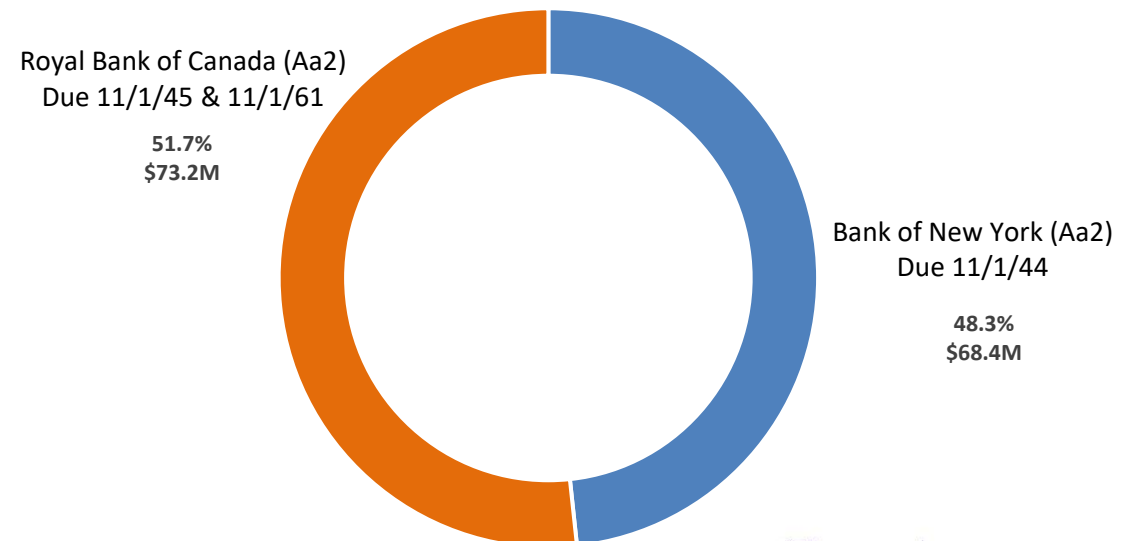
Total Liquidity Principal Outstanding: \$167,500,000

Total SWAP Notional Amount: \$141,580,000

Liquidity Providers



Swap Providers

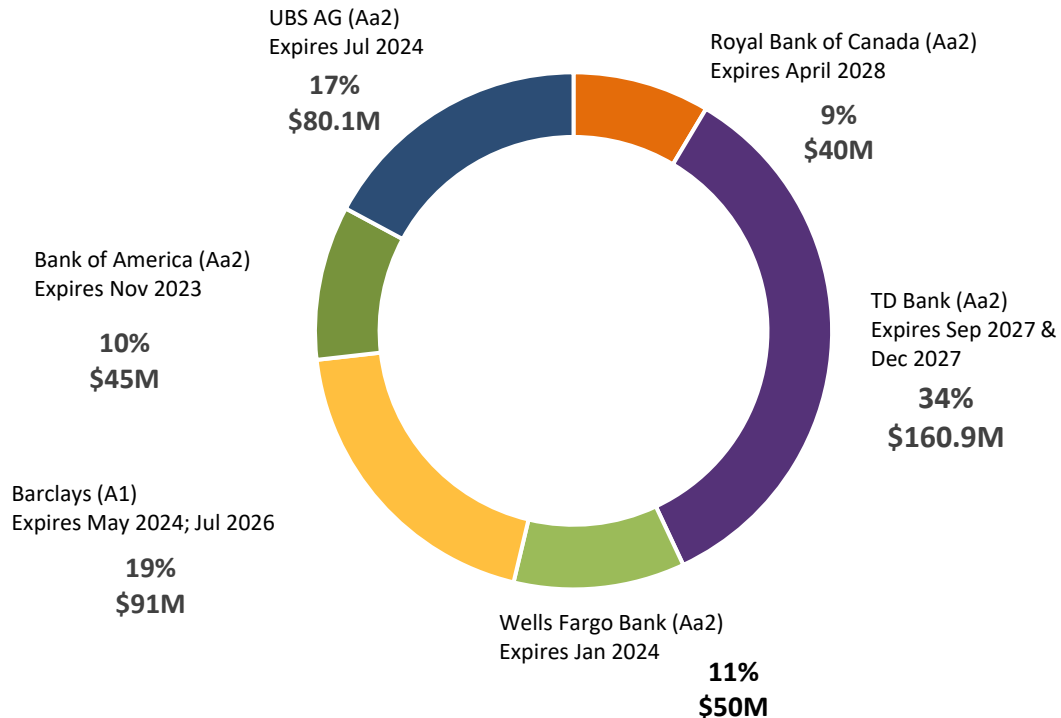


SONYMA Variable Rate Debt – Liquidity and Swaps

- To mitigate the Agency’s 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

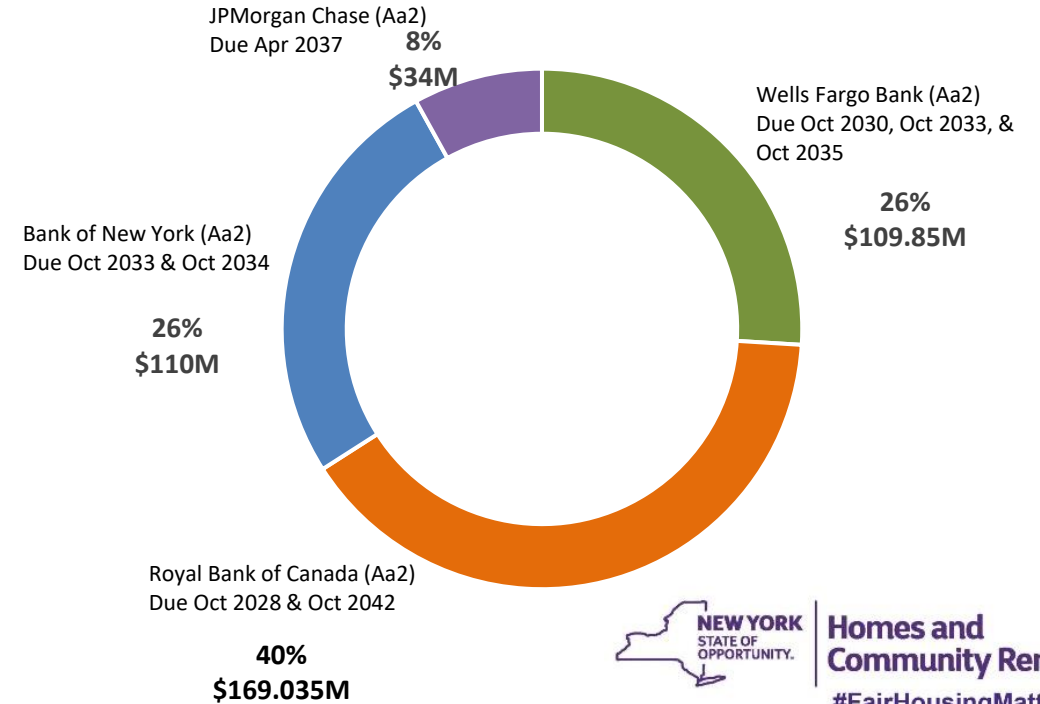
Total Liquidity Principal Outstanding: \$467,005,000

Liquidity Providers



Total SWAP Notional Amount: \$422,885,000

Swap Providers



Housing Finance Agency Annual Overview



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Housing Finance Agency Updates

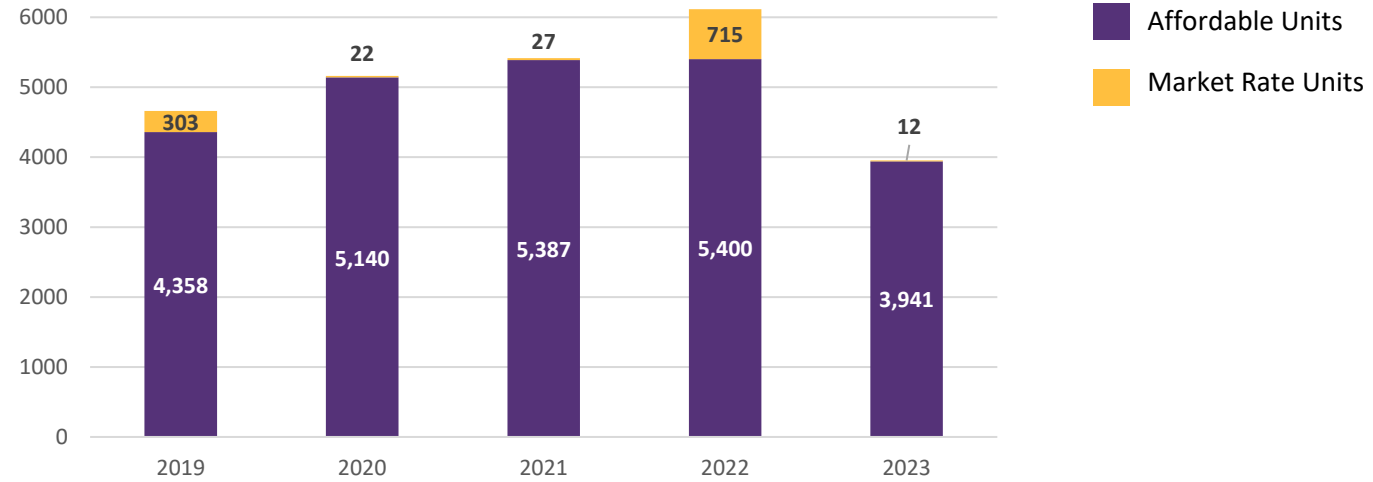
- HFA issued **\$1.156 Billion** in bonds in FY2023
 - Of these, \$1.0 Billion was in Affordable Housing Revenue Bonds (AHRB) / the open resolution
 - \$120.6 Million in refunding bonds and 80/20 refinancing

- In FY2023, HFA financed 3,953 units in 21 projects:
 - 1 - Carman Place
 - 2 – Clarkson Estates
 - 3 – Crotona Belmont Senior Housing
 - 4 – Estella Housing
 - 5 – Pan American Square
 - 6 – Sutphin Senior Housing
 - 7 – ETC Towers
 - 8 – Impact Utica
 - 9 – Pines of Perinton
 - 10 – 2435 Pacific Street
 - 11 – Matinecock Court
 - 12 – St. Anselm Apartments
 - 13 – The St. Clair
 - 14 – Wyandanch Building L Apartments
 - 15 – Center City Courtyard
 - 16 – Mary the Queen Senior Apartments
 - 17 – Parliament Fairfield
 - 18 – Troy Portfolio Preservation Bundle 1: Griswold Heights
 - 19 – Magnolia Housing
 - 20 – Marketplace Senior Apartments
 - 21 – Stuyvesant Apartments

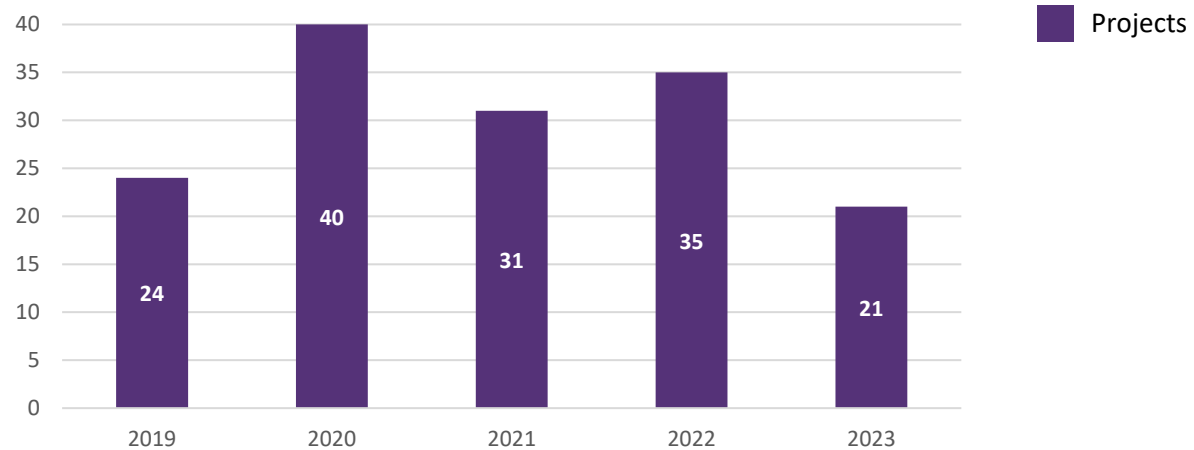
- HFA’s overall portfolio includes
 - **\$18.1 Billion** in bonds
 - **\$16.6B Billion** in mortgage loans

HFA Units and Projects Financed by Fiscal Year

Units Financed by Fiscal Year¹



Projects Financed by Fiscal Year¹

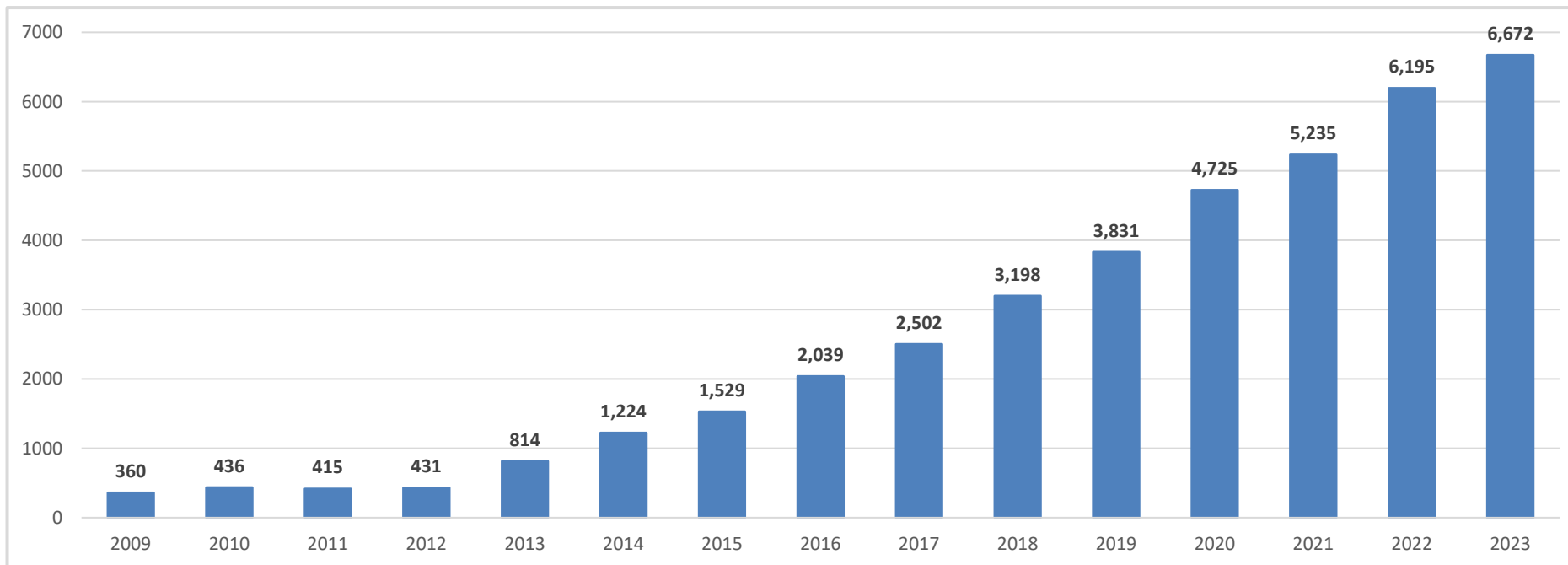


¹ Includes new AHRB, 80/20, and back-to-back transactions

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 **\$6,671,623,000** of outstanding AHRBs⁽¹⁾⁽²⁾

AHRBs Outstanding by Fiscal Year (\$MM)



¹ Does not include NIBP Bonds

² As of October 31, 2022



State of New York Mortgage Agency Annual Overview



SONYMA Bond Programs

- Purchased **1,701** loans, down from 1,960 in 2022.
 - ATD program: **1,274** loans, totaling \$288.6 Million
 - ATD-Habitat program: **34** loans, totaling \$5.3 Million
 - LIR program: **393** loans, totaling \$120.4 Million
- Provided Down Payment Assistance for **65%** of our borrowers, worth **\$11.1 Million**
- **97.45%** of SONYMA loans are current, performing better than the NY State average of 96.52%

Agency Affordability Trends

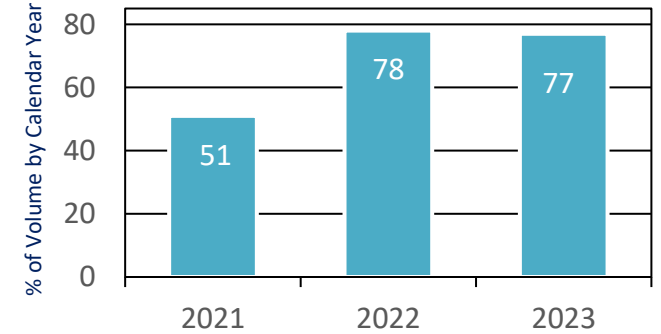
Year	Average Loan Amount	Average Interest Rate	Average Monthly Payment
2021	\$231,024	2.98%	\$972
2022	\$230,301	3.75%	\$1,067
2023	\$243,540	5.92%	\$1,448



SONYMA Priorities

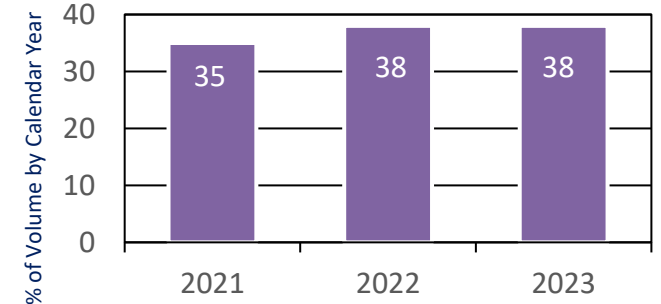
Putting Low Income Families into Homeownership:

SONYMA is committed to helping low- and moderate-income families build for the future by realizing homeownership. Despite rising home prices and interest rates, the agency maintained 77% low income lending volume, compared to 78% in 2022.



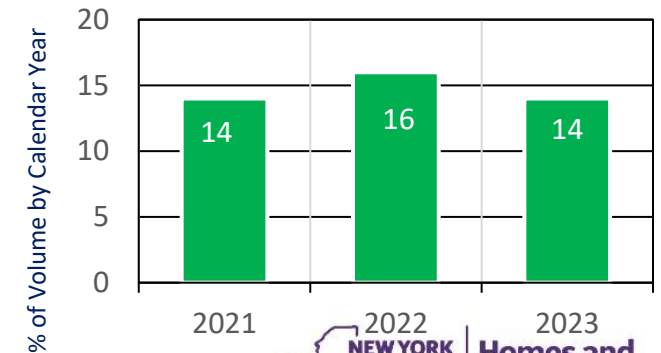
Serving Minority Homebuyers:

In 2023, we continued our outreach and support for partners who serve minority majority communities, including a program to support Special Purchase Credit Programs.



Assisting Federally Designated High Poverty Areas:

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



SONYMA Initiatives

Credit is Due

A program to *address racial disparities in mortgage lending* by supporting Participating Lenders who have developed Special Purpose Credit Programs (SPCPs) launched in September 2023. The program, building on prior initiatives, provides enhanced Down Payment Assistance up to \$30,000; an interest rate reduction up to 2% off prevailing rates, as needed to qualify; and Give Us Credit alternative underwriting standards for applicants who need it to qualify. As of December 2023, six lenders were actively participating in the program.

Down Payment Assistance Loans Plus Achieving The Dream

A program to increase homeownership rates for *homebuyers earning below 80%* of the Area Median Income by providing larger down payment or closing cost assistance, up to \$30,000. The program, launched in October 2023, offers a total of \$10M in two rounds of funding.

Greater Program Reach

To expand program impact, the agency increased efforts to onboard additional lending partners, including CDFI's, credit unions and others. In 2023, 18 new participating lenders were onboarded with additional lenders currently in process. As of December 2023, the agency had 76 Participating Lenders.



State of New York Mortgage Agency Mortgage Insurance Fund



MIF Monthly Tax Surcharge Collections

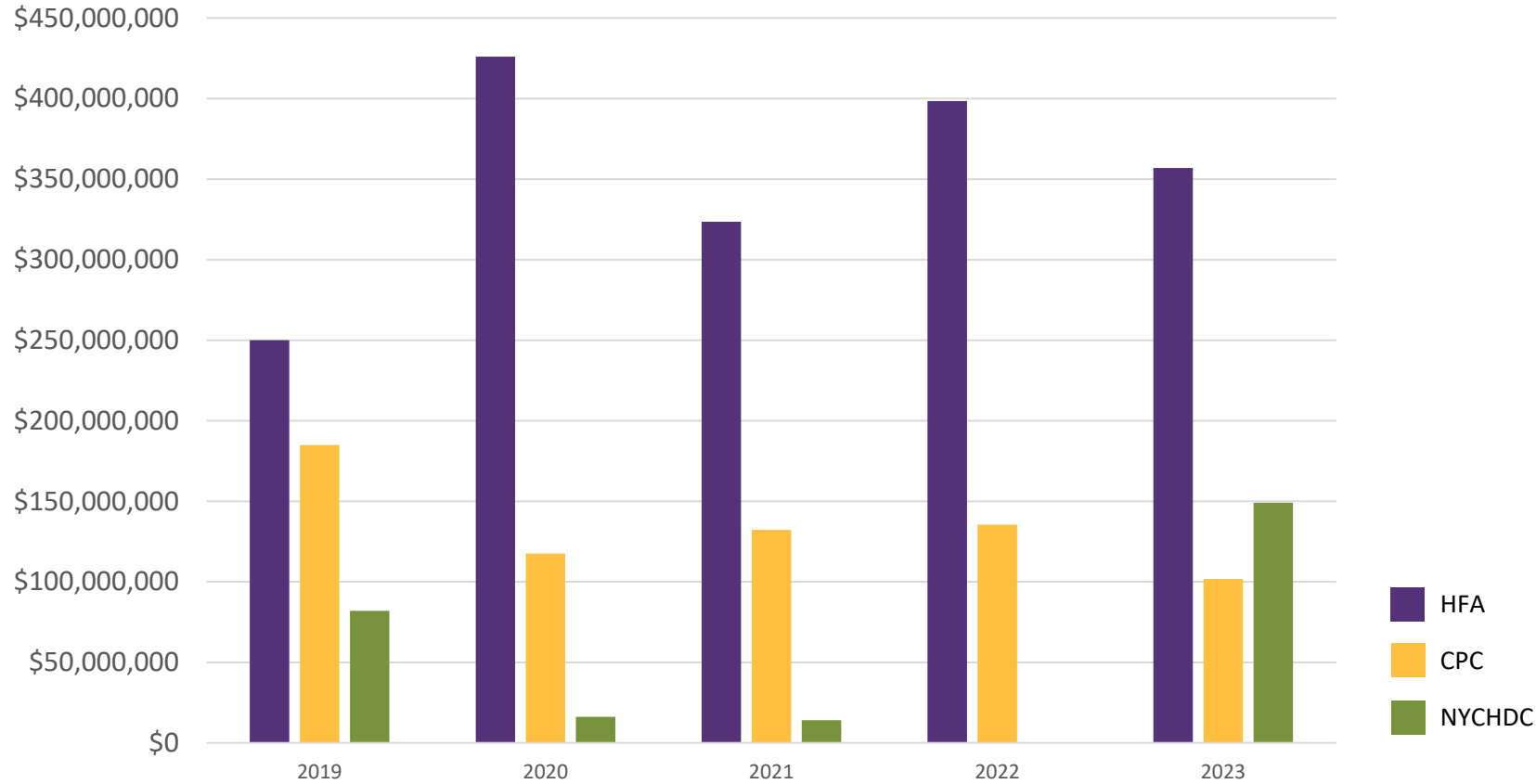
The MIF received \$124M from the Mortgage Recording Surtax to fund its operations. Decline from 2022 due to higher interest rates.

	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
November	15,245,991	14,989,430	15,328,590	15,385,042	11,442,219
December	14,025,534	11,698,157	10,041,202	13,053,807	12,388,830
January	19,453,950	16,570,024	12,821,119	19,242,517	14,280,235
February	17,866,899	16,306,852	8,272,916	25,787,028	11,564,654
March	8,779,860	11,043,936	12,899,780	14,211,912	9,674,218
April	10,486,711	11,920,788	9,289,366	20,958,966	8,889,233
May	14,748,529	6,805,927	10,406,054	13,941,547	8,964,585
June	11,118,053	7,804,976	12,155,100	17,771,998	9,144,723
July	16,141,038	9,564,518	19,343,585	19,323,439	10,986,950
August	12,227,462	11,683,215	13,346,142	16,383,191	8,405,983
September	12,808,580	7,525,345	13,625,394	17,935,255	9,015,342
October	14,861,366	11,777,854	14,710,859	16,497,590	9,370,079
Totals:	167,763,973	137,691,022	152,240,107	210,492,292	124,127,051



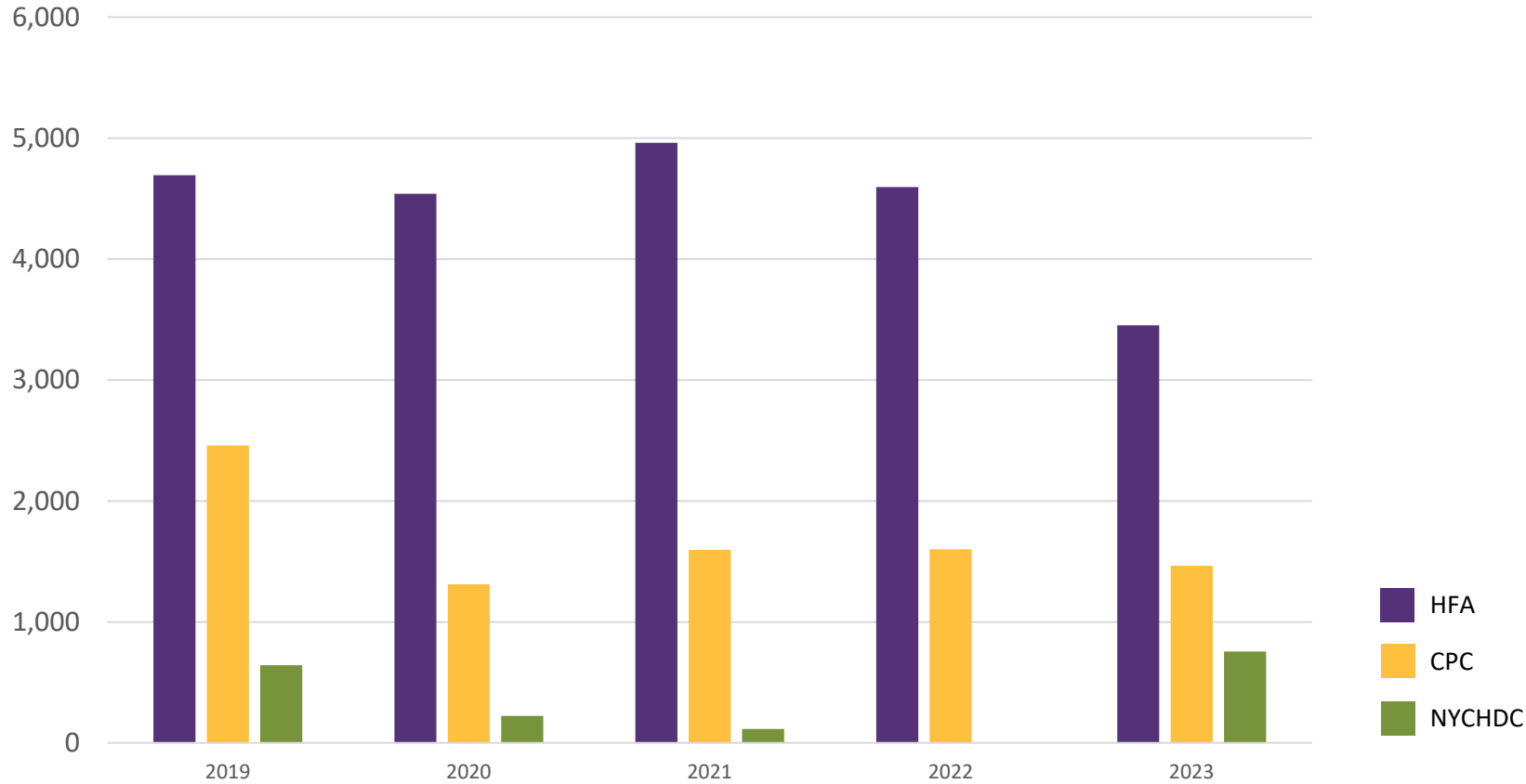
MIF Project Commitment by Loan Amount

HFA is by far the MIF's single largest insured lender by loan amount. The New York City Housing Development Corporation is the second largest by loan amount.



MIF Project Commitment by Units

Over the five year period from 11/1/2019 to 10/31/2023, the MIF insured 138 HFA mortgage loans on affordable multifamily projects with 22,244 homes.



Questions?
